SIERRA LEONE
GROWTH POLE DIAGNOSTIC:
The Growth Poles Program
[First Phase]

August, 2013

Africa Region Vice Presidency
Competitive Industries Practice
Finance and Private Sector Development

The World Bank Group
The European Union
## Currency equivalents

(Exchange Rate as of April 1st 2013)

Currency Unit: Sierra Leone Leone (SLL)

US$1.00=Le 4,330

## Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>ABC</th>
<th>Agri Business Center</th>
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<tr>
<td>ADB</td>
<td>African Development Bank</td>
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<tr>
<td>ADR</td>
<td>Alternative Dispute Resolution</td>
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<td>AfDB</td>
<td>African Development Bank</td>
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<td>AFFORD</td>
<td>African Foundation For Development</td>
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<td>ATM</td>
<td>Automated Teller Machine</td>
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<tr>
<td>CAGR</td>
<td>Compound Annual Growth Rate</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>DACO</td>
<td>Development Assistance Coordination Office</td>
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<td>DEPAC</td>
<td>Development Partners Committee</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<tr>
<td>DRC</td>
<td>Democratic Republic of the Congo</td>
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<td>EC</td>
<td>European Commission</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GIS</td>
<td>Geographic Information System</td>
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<td>GIZ</td>
<td>Gesellschaft für Internationale Zusammenarbeit</td>
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<tr>
<td>GNI</td>
<td>Gross National Income</td>
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<td>GoSL</td>
<td>Government of Sierra Leone</td>
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<td>GST</td>
<td>Goods and Services Tax</td>
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<td>HQ</td>
<td>Headquarter</td>
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### Human Resource Management Office (HRMO)

- IFC | International Finance Corporation |
- IMF | International Monetary Fund |
- KM | Kilometer |
- KW | Kilowatt |
- LPI | Logistics Performance Index |
- LS&CD | Local Suppliers and Contractors Development |
- M&E | Monitoring and Evaluation |
- MCC | Millennium Challenge Corporation |
- MDAs | Ministries, Departments and Agencies |
- MIC | Middle Income Country |
- MoU | Memorandum of Understanding |
- MW | Megawatt |
- NRA | National Revenue Authority |
- NSC | National Stakeholder Group |
- OARG | Office of the Administrator & Registrar General |
- PM | Prime Minister |
- PMU | Project Management Unit |
- PPD | Public Private Dialogue |
- PPP | Public Private Partnership |
- PSD | Private Sector Development |
- RABI | Removing Administrative Barriers to Investment |
- SCP | Smallholder Commercialization Programme |
- SEZ | Special Economic Zone |
- SL | Sierra Leone |
- SLA | Sierra Leone Agriculture company |
- SLCCIA | Sierra Leone Chamber of Commerce, Industry and Agriculture |
- SLIEPA | Sierra Leone Investment and Export Promotion Agency |
- SME | Small and Medium Enterprise |
- SMS | Short Message Service |
- SOE | State-Owned Enterprise |
- SRI | System of Rice Intensification |
- SLRA | Sierra Leone Roads Authority |
- SSA | Sub Saharan Africa |
- TVET | Technical Vocational Education and Training |
- UN | United Nations |
- UNDP | United Nations Development Program |
- UNESCO | United Nations Educational, Scientific and Cultural Organization |
- VFR | Visiting Friends and Relatives |
- WAPP | West African Power Pool |
- WARC | West African Rice Company |
- WB | World Bank |

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Why this report format?

This First Phase Report on Sierra Leone growth poles is the result of a 9 months consultative process led by the Office of the President which specifically requested that the output of this diagnostic be in an engaging format.

The format of this report, which is also referred to as a slideument, is an innovative output of the Finance and Private Sector Development Department of the World Bank based on the needs and aspiration of the Government of Sierra Leone.

This document is not a presentation, nor is it intended to be used as such. This document is a report which formatting has been specifically designed to be easily disseminated and discussed within Government and with stakeholders. It will be used as a foundation for the design of a growth poles program.

How to read this report?

There is more than one way to read this report. Here are some rules of the game: (i) you can read the title of each page and be done with the reading in 5 minutes (for your ease please find pages 84 and 85 the consolidation of pages’ titles), (ii) in addition you can also take the time to read the leads (sub-titles) and charts and be done with the reading in 30-40 minutes, and (iii) finally you can read it all including the text and be done in less than 60 to 90 minutes. Appendixes in the back up box are there for your reference. Each of the chapters in the report can be read independently.

You will notice that most pages can be read two by two (2 pages at a time) as the information on the right hand page usually complements the information on the left hand page. This is normal. When it is not the case, a framework page introduces the content of the chapter and will inform you of the flow.
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The sectors that drive growth

The growth poles approach

The proposed growth poles program

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GROWTH POLES THEORY AND APPLICATIONS

The concept

The fundamental concept of growth poles is that they exploit agglomeration economies and spillover effects to spread resulting prosperity from the core of the pole to the periphery. At the basis of this theory is the assumption that economic development is not uniform over a region. Rather, it concentrates around a geographic feature or economic hub. In particular, it frequently concentrates around a key industry, around which linked industries develop. A growth pole can be used to nurture direct and indirect linkages from the flagship industry to supporting sectors, which vastly expands the employment generation potential of new investments in said flagship industry. The expansion of this key industry implies the expansion of output, employment, related investments, as well as new technologies and new industrial sectors.

Its origins

In recent years, growth poles have emerged as an innovative approach to seize opportunities and overcome barriers to investment, and to develop agglomeration economies. Growth poles as a strategy were introduced in 1949 by Francois Perroux, a French economist who taught at the University of Lyon and founded the Institut de Sciences Economiques Appliquées. The first growth pole was established in 1966 in France, when the French government identified eight métropoles d’équilibre throughout France to promote regional growth and equality among provinces. After several years of dormancy, the growth poles approach has recently resurfaced as the World Bank adopted it in several countries in the early 2000’s.

Its applications

Growth poles have been used in Sub-Saharan Africa (Madagascar, Burkina Faso, Mozambique, DRC), Asia (Afghanistan, China, Malaysia, Indonesia), Latin America and the Caribbean (Chile, Haiti) to promote balanced growth and shared prosperity. Thus far, the returns appear to be favorable, causing growth poles to be identified as a “development fad” for the coming era.

Lessons learnt

Lessons learnt from these experiences are that it is not possible to build or create a growth pole from scratch, there is a need to support the development of a growth poles around existing or emerging inherent revenue producer. Then it is accepted that the value proposition a growth pole establishes allows Government to leverage private investment with little public financing (e.g. through Public Private Partnership). Also, the characteristics of growth poles make them a time-bound approach which can signal commitments while sequencing phases of delivery (quick wins, medium-term investment and long term development). Given its complexity and uncertainty, it is acknowledged that growth poles design is flexible to changes, adaptable to seize opportunities and can adjust targets if required. The big story being growth poles is an institutional challenge of operating in a multi-sectorial context for which political economy is a crucial factor of success or failure. Finally, based on World Bank’s quite significant experience in supporting the development of growth poles in Sub-Saharan Africa, there are three key policy challenges Government can help to address: growth poles coordination, accountability questions, and risk management and risk sharing.

THE GROWTH POLES FRAMEWORK FOR A DISTINCTIVE DIAGNOSTIC

The growth poles diagnostic is a process with four interrelated focus areas which taken together form a distinctive growth pole development strategy. First, there must be constant dialogue between key stakeholders involved, both in Government level and at public-private level. Secondly, institutions must be dynamically integrated to establish clear objectives and deliver effectively on those objectives. Thirdly, two steps of analysis should be taken to structure the growth pole – a first to go through a prioritization process that narrows an exhaustive scope to a short list of recommendations, and a second to sequence interventions, measure costs and impacts and select targets to be delivered. Finally, a growth poles program should be funded via a combination of financing sources to provide fiscal stability and mitigate risk. Following these four steps, it is possible to develop a growth pole program unique to the needs of Sierra Leone and that supports Agenda for Prosperity (2013-17).
GROWTH POLES APPROACH IS RELEVANT TO SIERRA LEONE

Growth poles are simultaneous, coordinated investments in various sectors to support self-sustaining industrialization in a country. They usually combine public and private investments and are specifically built around an already-existing resource at a specific location in an economy. In particular, it focuses on how infrastructure can be developed within an existing private investment in a manner that will encourage spillovers into other sectors. A growth pole traditionally will have an existing resource that serves as an inherent revenue producer.

For Sierra Leone, this revenue producer manifested itself in the recent boom in iron ore mining. The country is currently experiencing rapid GDP growth as a result of unprecedented FDI inflows in iron ore mining. This growth has the potential to dramatically improve Sierra Leone’s development outlook. However, without parallel growth in other sectors this boom will not be enough to generate stable employment gains in the medium and long term. Specifically, two job-creating industries have been identified as having the capacity to augment the mining boom to achieve shared prosperity: agriculture (including agro-processing) and tourism.

Agriculture employs the largest number of Sierra Leoneans by sector, and increasing investment in the supporting infrastructure for agriculture and extending the agriculture value chain can significantly increase overall employment and wages, particularly the link between small holder farmers and established commercial agribusiness.

The potential tourism market is also largely untapped, despite having world class resources that offer the foundation of a strong and lucrative tourism sector which would promote sustainable growth.

Developing these three industries simultaneously will amplify the potential benefits from the mining boom and ensure that all Sierra Leoneans have the opportunity to benefit from the newfound prosperity.

However, developing effective growth poles that can coordinate these three industries is no simple task. While a growth pole strategy has been used to good effect in several countries in recent history from which we can learn lessons, it is difficult to duplicate the results a growth pole project from one country to another. By following a rigorous framework, it is possible to address this complexity and create a strategy specific to the country in question.

FOSTERING COMPETITIVENESS ENABLERS FOR ECONOMIC DIVERSIFICATION

Developing this program offers the opportunity to more widely distribute the benefits from the mining boom and to make investments more region- and industry- specific. While the extractives industry will be a vital source of growth for Sierra Leone’s economy, it has a differential impact in various regions. Some mining poles do not offer notable linkages to the surrounding regions and therefore should not be a focus of intervention. A growth poles program would strengthen linkages between the mines and the surrounding economy by identifying regionally relevant industries that can augment the impacts of the extractives boom via parallel interventions. Within the agriculture industry, rice, palm oil, and fisheries offer potential for growth. Furthermore value chain could be uplifted through agro processing. Within the tourism industry, a planned logistics hub, new hotels, and the development of new tourist attractions have the best employment generation potential. These interventions in mining, agriculture, and tourism overlap in key geographic regions, which have been identified as the most promising growth poles.

These growth poles can only be successful in generating employment and growth if deficiencies are overcome in five key areas: (i) infrastructure, (ii) labor, (iii) market efficiency, (iv) governance, and (v) finance. In terms of infrastructure, the pressing concerns are those of electricity, connectivity and access to ports. On the labor front, gaps in literacy and youth employment pose threats to the viability of the growth pole. Within market efficiency, the greatest challenges will be the lack of
Executive Summary (3/4)

regulation of the informal economy and poor logistical support for farmers, traders and entrepreneurs. Concerns regarding governance include corruption and poor delivery of services. Finally, with regards to finance, the overarching concern is insufficient supply of credit and financial services to both households and industry, as well as the prohibitive cost of capital.

THREE GROWTH POLES IDENTIFIED

Addressing these shortcomings will allow the growth poles to achieve their maximum impact. An analysis of factor endowments and linkage opportunities in the three key industries led to the identification of three viable growth poles in Sierra Leone where the individual sectors overlap: (1) The Northern growth pole; (2) The Coastal growth pole; and (3) The South-Eastern growth pole.

The Northern growth pole, where the capital city Freetown is located, would focus on developing power and market access, particularly within the mining and agricultural industries; develops support institutions; and augments mining linkages such as steel manufacturing. Competitive industries are iron ore, biofuel, light manufacturing, logistics, rice, palm oil, fisheries and tourism. The Northern growth pole goes from Freetown to Tonkilili, including cities such as Lungi, Port Loko, Lunsar and Makeni.

The Coastal growth pole, which stretches from Bonthe to Sulima, would focus more on infrastructure development, tourism and agribusiness, in addition to strengthening business linkages in mining and agriculture. Competitive industries are bauxite, illemite, zircon, rutile, palm oil, rice, ecotourism, beaches and oil exploration. The game changing factor that will drive the future of this growth pole is the location of Sierra Leone next deep-water port.

The South-Eastern growth pole would develop institutions and strategies for cross-border trade, some tourism, small business linkages, and extends the value chain for agribusiness. Competitive industries are cocoa, wood, palm oil, eco-tourism, coffee, rubber and diamonds.

Consensus for a Growth Poles Program

The proposed growth poles program has been uniquely designed to support the Government of Sierra Leone’s Agenda for Prosperity: an appropriate delivery system; deal-transaction orientation to tap in opportunities for shared infrastructure development; the support of catalytic interventions to remove value chain constraints, and the development of social capital. Moving forward, the Government should take full ownership of the delivery system that will allow it to capitalize on unique and timely partnership opportunities. The method of delivery of growth poles will be critical not only in avoiding missed opportunities, but also in making optimal use of catalytic interventions and in building social capital. Proper delivery mechanisms will ensure that implementation processes allow for local participation in policy processes and build off of pre-existing structures and knowledge at the local and regional level.

A set of projects have been pre-identified within the three sectors (mining, tourism, and agriculture) but also some that cut across more than one sector and that target deficiencies in the five key issue areas (infrastructure, labor, market efficiency, governance, and finance). They have been divided into quick wins, medium term interventions, and long term interventions. These distinctions are based on their relative ease of implementation as compared to their expected impact in terms of public, private and social returns. This allows to properly prioritize these projects and prepare a financing plan for them based on the constraints of the given financing landscape.

Finally, proper development of delivery systems, deals, catalytic interventions, and social capital will allow the growth pole to achieve its maximum impact and shape the trajectory of Sierra Leone’s growth to the benefit of all stakeholders.
**Moving Forward**

The next phase of the Sierra Leone growth pole diagnostic will consist of a large, rapid assessment of multi-sectorial studies across the four components identified for a future growth poles program (delivery systems, deals orientation, catalytic interventions and social capital development) that will lead to an integrated action plan of maximum two prioritized growth poles in Sierra Leone, with options for extension to a second and/or third one in the medium term.

While the future growth poles program is expected to receive various sources of financing (public and private), the immediate rapid assessment of multi-sectorial studies will be co-financed by the European Union and the World Bank Group.
WASHINGTON, August 13, 2013 — AFR Finance and Private Sector Development (FPD) team of the Competitive Industries Global Practice in the World Bank has been working round the clock over the past one year to position the Government of Sierra Leone to take advantage of the country’s recent impressive growth gains to end extreme poverty and boost shared prosperity.

This was made possible through an analytic work called the ‘Sierra Leone Growth Pole Diagnostic’ which the Government is now expanding into a wider ‘Growth Poles Program’ and using it to attract assistance for delivery systems that create growth poles and jobs in impoverished communities across the country.

Country Manager for Sierra Leone Francis Ato Brown says “this initiative is coming at the right time as it offers to fulfill the goal of shared prosperity which the Government of Sierra Leone has in common with the World Bank Group. Just about the same time, World Bank Group President Jim Yong Kim (JYK) has announced important steps towards creating incentives for high-reward operations that have potentially transformational results. So the Sierra Leone Growth Poles Program is coming in handy in this regard”.

According to Country Director, Yusupha Crookes “In a fragile country or situation, fast growing economies that are driven by a mining boom come with both prospects and risks to ending extreme poverty and sharing prosperity. The Sierra Leone Growth Poles Program is one that is challenged in two ways: (i) mitigate the risk of putting all eggs in one basket for growth and, (ii) expand the benefits of putting all eggs in several baskets for shared prosperity”.

Sierra Leone achieved GDP growth of 15.2 percent in 2012, faster than any other economy in Sub-Saharan Africa for that year. Exports from mining, especially from iron ore, contributed to this weighty increase.

Coming with this good news, however, is the challenge to make the right choices in sharing the prosperity in a way that ends extreme poverty.

The Growth Pole Diagnostic is an analytic and advisory product that informs the choices and provides a framework for a one World Bank Group intervention. Beyond the Diagnostic is a planned downstream work to help Sierra Leone implement the selected choices. The innovative format of the Diagnostic output allows for a participatory multi stakeholders process to take place.

The choices in the Diagnostic include using the increased revenue from growth to: (i) provide a combination of hard and soft infrastructure that benefit the poor and address their opportunities and challenges, and (ii) build strong and resilient public delivery systems, be deals-oriented for shared facilities, encourage catalytic interventions and develop social capital.

The Diagnostic is also proving useful to the country in presenting options for addressing the challenges and opportunities for job creation and stimulation of local markets.

The Sierra Leone Growth Poles Program (SLGPP) has been featured in the World Bank Group’s recent regional showcase of spectacular operations with high transformational potentials and possibilities to harness cross sectors efforts. World Bank’s Africa Region Vice President Makhtar Diop had a section in his presentation on SLGPP during his recent IDA replenishment dialogue trip to Managua.

Recently also, the Africa Competitiveness Report of 2013 devoted a section on how the World Bank Group support for the stimulation of growth poles in mining boom led economies of low income countries and fragile states can help to raise competitiveness and deepen regional integration.
Sierra Leone economy has experienced a 15.2% GDP growth in 2012, mainly due to the discovery and exploitation of significant iron ore deposits, and is projected to grow by 13% in 2013 (IMF). However, reaching Middle Income Country status, achieving shared prosperity and meeting job-creation targets will require not only to harness this mining boom but also leverage other opportunities in sectors such as agriculture and tourism, for diversifying the economy and preventing the infamous resource curse. The Growth-pole approach has been implemented in numerous countries across the region and is suggested here as an adequate development tool. The complexity of such an approach lies in the prioritization of both geographical areas and industries, as well as the coordination of investments and stakeholders from public and private sectors. This report thus identifies specific industries and geographical opportunities for the Government to adopt a growth-poles approach for economic development and diversification, and recommends a possible coordination structure and tangible program components, to move towards implementation.

The growth poles approach can contribute in managing the mining boom and foster economic diversification

Note 2: Countries included above either have a 2010 GDP of approximately US$10 billion or greater, or whose real GDP rate exceeds 7 percent in 2000-08. 22 countries which account for 4 percent of African GDP in 2010 have been excluded.

SOURCE: OECD; World Bank; McKinsey Global Institute; Authors’ analysis
Growth poles will support Government’s strategy and provide a trajectory to become a MIC by 2035

“Sierra Leone will need to build a stable economy, founded on private sector-led growth, and diversified across several competitive sectors” – Agenda for prosperity

By 2035, Sierra Leone aspires to be an inclusive green middle income country

Note: Middle Income Country status = $1,006 per capita GNI

The growth poles approach is relevant to the Government’s strategy and vision…
A strategic focus within Agenda for Prosperity…

Principles for industries selection and mapping

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<th>Rationale</th>
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<td>To have transformational impact</td>
<td>Can significantly contribute to GDP</td>
</tr>
<tr>
<td>Sierra Leone needs a 6.7% GNI growth to reach MIC status by 2035</td>
<td>Has the potential to grow</td>
</tr>
<tr>
<td>High youth unemployment and demographic pressure</td>
<td>Is labor intensive</td>
</tr>
<tr>
<td>Local procurement from anchor investors strengthen domestic private sector and will improve competitiveness and tax collection</td>
<td>Creates stable jobs</td>
</tr>
<tr>
<td>Industries’ ability to produce new goods is key for diversification</td>
<td>Builds business linkages</td>
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SOURCE: GoSL; Authors’ analysis

… on competitive industries development

Economic diversification

1. Agriculture
2. Manufacturing
3. Fisheries
4. Tourism

Managing natural resources

1. Mineral resources
2. Environment
3. Marine resources
4. Water
5. Land mgmt.
6. Oil and gas
7. Forestry

International competitiveness

1. Business environment
2. SMEs
3. Road network
4. Energy
5. Port and airport
6. Waterways
7. Telecom

Growth poles identification

Geo spatial overlays

• FDI in industrial mining, commercial farming and hotels
• Business linkages and shared infra development potential
Findings

3 multi-sectorial growth poles have been identified:

1. Northern growth pole: Freetown to Tonkilili
2. Coastal growth pole: Bonthe to Sulima
3. South-Eastern growth pole: Tiwai to Kailahun

SOURCE: Authors’ analysis
Proposed growth poles program to signal commitment, pursue quick wins and support Agenda for Prosperity

Addressing coordination, accountability and risks

1. Growth pole coordination challenges concern the setting up and sustaining of both the spatial and the political economy linkages that are required to make these poles happen.

2. A delivery system will address the current lack of effective inter-ministerial collaboration and capacity to support and facilitate this approach.

3. The deals-orientation of the growth poles program will aim at developing shared infrastructure to encourage spillovers.

4. While infrastructure projects are important, associated investments and capacity-building efforts directed at the private sector are required to catalyze economic diversification.

5. Services delivery by local authorities and shared prosperity with communities are important measures of the success for Agenda for Prosperity (human development, social protection, gender, environment and local private goods).

After this diagnostic, the next step will consist of a large, rapid assessment of multi-sectorial studies across the four components of the proposed program. This is much needed to signal commitment; pursue quick wins; and prepare for the next phases of development.

Focus on labor intensive industries

Stable employment includes wage and salary employees and business owners; vulnerable employment includes subsistence farming, informal self-employment, work for a family member.

Note: Estimated using data for Algeria, Angola, Egypt, Ethiopia, Kenya, Morocco, Mali, Nigeria, Senegal, South Africa and Uganda

SOURCE: GoSL; International Labour Organization; McKinsey Global Institute; World Bank; Authors’ analysis
Chapter 1 – The Growth Poles Approach for Sierra Leone

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<td>The proposed growth poles program</td>
<td>Next steps</td>
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- Dialogue
- Institutions
- Analysis
- Financing

Back-up appendix
Growth poles are simultaneous, coordinated investments in many sectors to support self-sustaining industrialization in a country. They usually combine public and private investments and are specifically built around an already-existing resource at a specific location in an economy. In particular, they would focus on how infrastructure can be developed within an existing private investment in a manner that will encourage spillovers into other sectors. A growth pole traditionally will have an existing resource that serves as an inherent revenue producer.

The fundamental concept of growth poles is that they exploit agglomeration economies and spillover effects to spread resulting prosperity from the core of the pole to the periphery. At the basis of this theory is the assumption that economic development is not uniform over a region. Rather, it concentrates around a geographic feature or economic hub. In particular, it frequently concentrates around a key industry, around which linked industries develop. A growth pole can be used to nurture direct and indirect linkages from the flagship industry to supporting sectors, which vastly expands the employment generation potential of new investments in said flagship industry. The expansion of this key industry implies the expansion of output, employment, related investments, as well as new technologies and new industrial sectors.

Growth poles are of particular interest when the key industry tends to be very isolated from the rest of the economy. For example, extractive industries are often accused of creating growth without generating income or job increases beyond the bounds of its sector. In these cases, a growth pole serves to spread the income generated in the core of pole in the extractive industry to the periphery via employment generation in supporting sectors. In this manner they marry the joint economic goals of government: to reduce inequality and to promote economic growth.

Growth poles focus investment on high-labor-intensity industries and attempt to exploit agglomeration and linkage economies. Frequently they direct investment to a single center of economic activity or a particular geographic feature. The design of a growth poles project is also time sensitive; it allows the sequencing of projects in terms of quick wins and medium and long term interventions. Each of these phases is interlocked with the previous one to phase up the linkages formed in the previous phase, with the goal of eventually integrating and linking the entire zone to the growth pole.

The growth poles approach has been used several times before, so far to good effect. It has already been used to leverage mining, agriculture, and tourism in countries all across Sub-Saharan Africa, including Burkina Faso, Madagascar, the Democratic Republic of the Congo, and Ghana. However, every geo-spatial development project has distinctive features, and it is difficult to duplicate the results of a growth pole project from one country to another.

By following a rigorous framework, it is possible to address this complexity and create a strategy specific to the country in question. The growth poles diagnostic is a process with four interrelated focus areas (dialogue, institutions, analysis, and financing model) which, taken together, form a distinctive growth pole development strategy.

First, there must be constant dialogue between Government agencies involved and private sector and communities likely to be impacted.

Secondly, institutions must be dynamically integrated to establish clear objectives and deliver effectively on those objectives. Institutions should be integrated both vertically, with one governmental agency acting as the sponsor, and horizontally, so that all stakeholders are incorporated.

Thirdly, two steps of analysis should be undertaken to structure the growth pole. The first goes through a screening model that narrows an exhaustive scope of possible projects to a short list of projects that are feasible and have the highest expected value, and uses this to create a prioritization of those projects. The second sequences interventions, measures costs and impacts and selects targets to be delivered. This stage factors is both the timing of the projects and the varying levels of risk that accompany that timing.

Finally, the project should be funded via a combination of financing sources to provide fiscal stability and mitigate risk. Potential sources of financing include private funds, public funds, donors, and public-private partnerships. Following these four steps, it is possible to develop a growth pole program unique to the needs of Sierra Leone.
Growth poles are simultaneous, coordinated investments at the industry level in many sectors to support self-sustaining industrialization in a country.

**A growth pole is a set of expanding industries located in an area and inducing further development of economic activity throughout its zone of influence.**

Boudeville, French economist, in *Problems of Regional Economic Planning*, 1966

<table>
<thead>
<tr>
<th>Economic activities within growth poles</th>
<th>Sierra Leone</th>
<th>Madagascar</th>
<th>Burkina Faso</th>
<th>Afghanistan</th>
<th>DRC</th>
<th>Ghana</th>
<th>Mozambique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Agriculture</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tourism</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Forestry</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Growth poles outcomes consist in accelerating economic growth through spatially targeted investments and industry-level policies.

Combining elements of physical investment, regulatory reform and capacity building, they draw on the following concepts:

1) economies of scale;  
2) the nurturing of backward and forward economic supply linkages and also fiscal and final demand linkages; and  
3) economies of agglomeration, which are associated with spatial clusters and the geographic concentration of economic activities.

Growth pole projects are built around existing economic opportunities such as natural endowments and/or an anchor investor, and may address market failures along value chains.

Central to the growth pole is a group of dynamic industries connected around a particular resource. The growth of these anchor industries is anticipated to generate further investment, employment, and distribution of factor payments.

In turn, external effects of this growth are expected to develop an ecosystem of suppliers through linkages.

**Investments are simultaneous across many sectors and therefore call for coordination and adequate financing.**

Development programs coordination remains an important challenge to deal with, and a convening structure is a must-have to ensure the delivery of projects and minimum overlapping of financing between public money, investors and donors.

**Haiti (2013-)**

Integrated Economic Zones

**Burkina Faso–Bagré Pole (2011-)**

$115m budget  
Contribute to increase economic activity in the project area, resulting in an increase in private investment, employment generation and **agricultural production**, through 3 components:

(i) Reinforce **institutional capacity** to foster investment by reducing costs of doing business in the zone and enhance pole management  
(ii) Develop **critical missing public infrastructure** (canals for irrigation, equipment for livestock and fisheries, roads) to promote agricultural development  
(iii) Develop critical services and direct support to increase **competitiveness** of smallholders and SMEs

Sierra Leone has a unique combination of diverse economic activities within a growth pole where mining, agriculture, tourism and manufacturing can be found simultaneously.
Sierra Leone can learn from international experience and lead practices from the World Bank

**Ghana Gateway Project (1999-2009)**
- To remove identified constraints to bring about development of trade and exports, and attract direct investments for industrial and infrastructure development.
- **Outcomes:**
  - Reduction in the cost of manufacturing, transportation, and administration through facilities, infrastructure, and ICT improvements, service enhancements for exporters.
  - $50 million budget
  - $68 million new investment
  - 8,000 direct jobs created
  - 30,000 indirect jobs created

**Other mining related resource corridors**
- Industrial Cluster to Resource Corridor in Northern Chile (2009-): 50% local sourcing
- Maputo Development Corridor (1990'): 50% local sourcing

**Madagascar Integrated Growth Poles Project (2004-12)**
- $100 million budget
- 3 growth poles (tourism, mining, and ICT)
- 5,000 new businesses
- 10,000 formal jobs created
- Increased of hotel room capacity in the growth poles
- Increase in FDI
- To address key constraints to investment, including infrastructure, business environment, institutional capacity, skills and access to finance
- Lessons learned:
  - (i) Rather than using scarce public investment, the project should be leveraged by private sector investments and by the creation of a context for Public Private Partnerships.
  - (ii) Each sector investment schedule should be timed to coincide with other sectors investments in order to allow the delivery of the integrated services.
  - (iii) A more regionally focused approach allows optimal allocation of scarce public resources and strategic deployment of limited institutional capacity.
- Outcomes:
  1. Tourism pole
  2. Light manufacturing pole
  3. Multi-purpose port

**Dem. Rep. of Congo (2013-)**
- Western Growth Poles Project
- Resource Corridors Program

**Afghanistan (2011-)**
- $100 million budget
- 3 growth poles (tourism, mining, and ICT)
- 5,000 new businesses
- 10,000 formal jobs created
- Increased of hotel room capacity in the growth poles
- Increase in FDI

**Ghana Gateway Project (1999-2009)**
- To remove identified constraints to bring about development of trade and exports, and attract direct investments for industrial and infrastructure development.
- **Outcomes:**
  - Reduction in the cost of manufacturing, transportation, and administration through facilities, infrastructure, and ICT improvements, service enhancements for exporters.
- The establishment of transport and supply chain linkages with suppliers and exporters beyond the territory of the zone itself.
- **Lessons learnt:**
  - (i) Upgrade to the Integrated Economic Zone concept with an enabling ecosystem around
  - (ii) To attract a critical mass of firms all the facilities provided have to be functional: firms only considered locating at the Economic Zone once the entire infrastructure and services were available
The complexity of growth poles development requires commitment and clear milestones, it is a time-bound exercise.

Characteristics of growth pole projects: Quick wins and medium-term investment for long-term development

**Current**
- One main industry in defined location
- Value-chain sourcing from overseas
- Poor investment climate and infrastructure

**Quick Wins**
- Quick wins are innovative interventions that use existing resources for immediate impact
- Emergence of a secondary industry sector and investors aware of new opportunities and spillovers

**Medium-Term**
- Scaling up of secondary industry
- Development of local sourcing in value chain of both main and secondary industry
- Emergence of vibrant economic activity and scaled up FDI

**Long-Term**
- Spillovers leading to the development of robust integrated economic zone
- Vast improvements in infrastructure
- Reinvestment of revenue generated into local communities
- Increase in quality of life/migration

**Situation**
- Scoping to determine key locations on site
- Stakeholder consultations
- Issue identification and diagnostic
- Intervention design

**Type of activities**
- Shared-use infrastructure scoping
- Access to finance and skills for local entrepreneurs
- Short-term CSR initiatives for community development
- Investment promotion activities and tax holidays for secondary sector
- Start pipeline for infrastructure projects

**Note:** Levels of investment are nonexistent for current, low for quick wins, medium for medium term, and significant for long term.

SOURCE: World Bank, Authors’ analysis
### Dialogue

**Consultation with key stakeholders**
Developing a growth pole successfully necessitates developing a dialogue with stakeholders in order to:
- Understand the current context for development and growth, as well as ongoing and future investment potential
- Share best practices and success stories
- Generate new ideas for specific growth pole interventions
- Test existing ideas
- Identify key “champions” for change and develop partnerships
- Define the role of international finance in encouraging localized and inclusive growth
- Take key ideas and develop interventions in concert with local partners or champions
- Identify projects for funding
- Coordinate among all strategically important initiatives

### Institutions

**Horizontal coordination**
- Streamlining institutional arrangements to coordinate competitiveness, investment, and other issues between central and local government, and between public and private sectors
- A council or team in a ministry could play an important strategic role in horizontal coordination and temporal coherence

**Vertical coordination**
- Because of the dynamic nature of a growth pole project, implementation arrangements in particular should be attended to in detail
- An effective results-based monitoring and evaluation framework, based on multi-stakeholder participation, iterative learning, and peer group studies of other growth poles should be constructed

### Analysis

**Diagnostics focused on competitive industries**
Several different types of diagnostics should be utilized:
- Spatial analytics analyze, from a locational perspective, some of the key economic drivers in play, such as agribusiness, natural resources, logistics, infrastructure, and existing manufacturing capabilities
- Sector and subsector analytics, complemented by product space analysis, identify emergent competitive Advantages
- Trade competitiveness and services sector diagnostics identify spillovers between sectors
- Business school–style case studies of the top five “gazelles” (dynamic, fast-growing companies) are co-produced with local research institutions to illustrate the methods used by local dynamic enterprises

### Financial model

**Any growth pole would have financing from some combination of financial instruments:**
Each growth pole is a sum of its parts, and any growth pole would have financing from some combination of the following:
- Public financing
- Donor grants and financing lie outside the budget
- Public private partnerships
- Corporate social responsibility-like intervention
- Asset sales/leases
- Privatization of existing SOEs
- Private financing with some risk mitigation
- Private financing (by no means last) where all risk is with the private sector.
Developing a growth pole successfully requires a constant dialogue among stakeholders

**Public-Private Dialogue**

- An effective PPD Dialogue will bring several benefits:
  - Sharing of expertise & skills
  - Exchanging information
  - Trouble-shooting problems
  - Coordination public & private investments

- PPD has to be structured, inclusive and transparent:
  - Inclusive dialogue with expanded participation of stakeholders
  - Effective representation from private sector
  - Dialogue must have clear objectives
  - Monitoring of results or dialogue

**Sierra Leone has existing channels for dialogue amongst stakeholders for a growth poles program but new specialized channels may need to be created**

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Existing channels that could be used</th>
<th>Possible dialogue format</th>
</tr>
</thead>
</table>
| Government        | Annual Investment Conference led by SLIEPA  
Investor round-tables | Cabinet Papers on growth poles & Monitoring |
| Private Sector    | Business Associations: e.g. SLCCIA, British Chamber of Commerce in SL, Chamber of Mines | Government can engage Business Associations on investment opportunities in growth poles & demand driven skills development |
| Development Partners | Private Sector Development Donor Group (ADB, DFID, EU, IFC, UNDP, WB, etc.) | Growth Poles focused meetings to prioritize interventions, attract additional funds & agree on joint operations |
| Local Gov’t & Traditional authorities | District Implementation Committees  
Grievance Redress Mechanisms in growth poles area  
Traditional consultative mechanism  
National Steering Committee on growth poles | With private sector participation e.g. addressing land issues |
| National Stakeholder Group | **NEW** | With broad representation of stakeholders chaired by key Gov’t authority. NSC provide oversight on growth poles |

SOURCE: IEG PPD Global Review Presentation, World Bank, Consultations, Team Analysis
It also takes dynamic interaction among institutions to best coordinate efforts towards producing the desired outcomes.

**Institutions and delivery system**

**Institutional & delivery system should deliver clear objectives to:**

- Allow Government's leadership and oversight while facilitating wide stakeholder ownership of program
- Facilitate horizontal coordination within MDAs & vertical coordination between various levels of Government, and the private sector, civil society
- Enable efficient execution of project activities
- Facilitate informed community level participation

**Key characteristics of effective institutions to deliver a growth poles program**

- Identifies one Government institution with strong convening power as sponsor to lead dialogue & coordinate
- Assigns clear roles and responsibilities to stakeholders at early stage of program design
- Creates a lean and efficient delivery unit as a center of excellence with focal points in MDAs
- Allows flexibility and adaptability to changes along cycle of project e.g. reassigns roles and reprograms activities
- Creates inclusive system that can attract private sector investments and development partner funds

**Lessons from institutional structures in other Growth Poles Projects**

- Ghana Gateway Project
- Burkina Faso Bagré Growth Poles Project
- Madagascar Integrated Growth Poles Project
- Mozambique Integrated Growth Poles Project (planned)

**Lead Government** institution on growth poles and host of delivery unit should have convening power with Government: Office of the Prime Minister in Madagascar, Bagré Growth Poles Authority and Ministry of Planning and Development in Mozambique

**Private Sector** needs to be engaged at the early stage of program design if they are to invest within poles e.g. Rio Tinto port investment in Madagascar

**Community** within growth poles areas should be involved e.g. grievance redress mechanism in Bagré; presence of National Secretariat in growth pole area

SOURCE: IEG PPD Global Review Presentation; Deliverology 101; Consultations; Authors’ analysis
The first step of the analytical work is to go through a prioritization process from an exhaustive scope to a short list of recommendations.

Prioritization process:

1. **Exhaustive**
   - Competitiveness reports/index
   - Logistics performance index
   - Doing business report
   - Worldwide governance indicators
   - World development indicators database
   - World Bank/IMF publications/reports
   - Government documents
   - Other publications

2. **Long list**
   - Feasibility check
   - Export performance
   - Porter's five forces
   - Natural clusters
   - Enterprises survey
   - FDI analysis
   - Porter's cluster bands
   - 7 forms of capital
   - Value chains mapping/analysis
   - Porter's diamond
   - Cost analysis

3. **Short list**
   - Hypothesis/issue trees
   - Define growth poles program components and detailed activities

Covered in the diagnostic phase: ✔️

To be covered in the next phases: ❌

SOURCE: McKinsey; World Bank; Authors' analysis
The second step of the work is about change process in order to sequence interventions, measure costs and impacts and select targets to be delivered.

**Growth poles**

**Sequencing**

**Implementation**

**Change process**

**Flexible design**

**Deliver**

- **Project preparation**
  - 5 dimensions (infrastructure, governance, labor, market efficiency and finance)
  - Prioritization matrix
    - Rapid assessment of multi-sectorial studies

- **Prioritization matrix and decision model**

- **Private returns**
  - Direct GDP impact
  - IRR
  - Profitability variance
  - Net present value

- **Public returns**
  - Shareholding
  - Tax revenues
  - Economic returns
  - Net present value

- **Social returns**
  - Direct jobs
  - Indirect jobs
  - Access to services

- **Change architecture**
  - Is the architecture capable of delivering the program while sustaining energy?
  - Does it incorporate the learning process?
  - Is the delivery system adaptable?

- **Engineering adaptable decision making**
  - Business dynamics modeling
  - Flexibility in engineering design
  - Plan of action for sequencing
  - Feedback systems approach

- **Flexible Procurement**
  - Identify needs, but recognize that they may change; the forecast is always wrong.
  - Phased approach: execute some today, defer some important decisions until later!
  - Emphasizes improving life-time performance and value by making decisions contingent on new information about uncertain factors.
  - Requires stakeholder commitment to re-evaluating decision options, and monitoring how uncertainties are resolved.
  - Offers opportunities to re-direct the course of the system.

- **Sierra Leone Growth Poles**
  - Political economy analysis at Chiefdoms level

- **SOURCE:** MIT; World Bank; Authors’ analysis
A combination of various sources of financing is required to support growth poles development

<table>
<thead>
<tr>
<th>Source</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Public | • Public financing (including donor resources applied through the budget)  
e.g. Government budget (capital expenditure)  
• Privatization of existing state-owned enterprises with redundant but useful assets  
e.g. Privatization of power authority, housing corporation, insurance corporation and others is underway |
| Private | • Corporate social responsibility–like intervention (companies engage in financing activities with positive impact on welfare)  
e.g. A mining company contributing towards community development through donation  
• Private financing with some risk mitigation  
e.g. Government subsidy, guarantee to minimize risk  
• Private financing where all risk is with the private sector |
| Donor | • Donor grants and financing at the sovereign and sub-sovereign level that lie outside the budget  
e.g. Fragile state facility (FSF) grants by World Bank; Rehabilitation of priority infrastructure (roads, education and health facilities) by European Development Fund (EDF) |

**Public-Private Partnership (PPP)**

PPP is an agreement between the government and private organizations to develop, operate, maintain and market a network by sharing risks and rewards

Public-private partnerships to build and operate/renovate service delivery in the infrastructure and social and economic development spaces (industrial estates)  
e.g: Private sector involvement in infrastructure building; (West Africa Gas Pipeline (WAGP)) under NEPAD initiative in west Africa

- Asset sales/leases (typically using the value of the land created by the initiative)  
e.g provision of land to the private sector with low cost  
- Special Purpose vehicle (SPV) share ownership: public and private own SPV as equity shareholders  
e.g. ACE international connectivity in Sao Tome Principe (the SPV channels contribution of different parties in to the project)  
- **Other forms:** Cooperative model, Equity model, Concession, Bulk capacity purchase, Management contract
Chapter 2 – The Context in Sierra Leone

1. The growth poles approach
2. The context in Sierra Leone
3. The sectors that drive growth
4. Five enablers of competitiveness
5. About the three growth poles
6. The proposed growth poles program
7. Next steps

Back-up appendix
Overview

Sierra Leone has followed a gradual post-conflict recovery with three successive peaceful elections (2002, 2007 and 2012) and clocked an average GDP growth of 6 percent since the end of the war. This recovery from conflict continues to gather pace as economic recovery gains momentum post financial crisis, with new investments in mining, agriculture, and services driving growth.

Managing the mining boom

The economic boom in the extractive sector has far-reaching implications for the country’s development trajectory. This growth has the potential to boost Sierra Leone’s by generating employment.

Sierra Leone is currently experiencing rapid GDP growth as a result of unprecedented FDI inflows in iron ore mining. In fact, it has increased the real GDP growth rate from around 6 percent per annum from 2002-11 to 15.2 percent in 2012. However, without proper policies supporting parallel growth in other sectors, these FDI inflows may prove to be a mixed blessing: it poses a threat in which the inflows of foreign currency weaken the national currency, making Sierra Leonean exports in other industries less competitive.

Despite this performance, inflation rose to 18.5% in 2011 in response to high fuel prices, a depreciating Leone (-4.8 percent against the US dollar) and heavy GoSL borrowing from the Central Bank (for capital expenditure in infrastructure). Fiscal results have been uneven in 2010 and 2011, both years ending with higher than anticipated deficits, borrowing and arrears. Fiscal consolidation in 2012 is likely to remain a challenge as Sierra Leone enters another election cycle and the GoSL needs to continue its focus on prioritizing infrastructure spending.

account deficit to 48 percent of GDP in 2011 versus 19 percent in 2010) is the result of capital inflows from mining and construction companies for the procurement of machinery and equipment. Mineral exports are likely to transform the economic landscape in the short to medium-term.

Fostering diversification

Economic diversification takes on added significance in the light of the sheer rapidity of these developments, but they come with significant downside risks which needs to be addressed to mitigate their corrosive effects.

Agriculture, including fisheries and forestry, continues to be the mainstay of the Sierra Leonean economy. Together they contribute about 46 percent of the Gross Domestic Product (GDP) and provide 75 percent of the employment. Rice is the main staple, accounting for about three-quarters of the sector output while cash crops like cocoa, coffee and piassava and others contribute up to 14 percent. Although the country has huge potential in the extractives sector, agriculture will continue to play a key role in the country’s socio-economic development by providing employment opportunities for the majority of the population.

It is possible for tourism to continue developing as is—mostly based on individual hotel investments, some donor support and the limited resources of the Tourism Board, but it will be difficult, if not impossible, for the country’s rich tourism potential to be fully realized without public sector leadership and coordination supported by the necessary financial and human resources.
Sierra Leone is experiencing high GDP growth as a result of unprecedented FDI inflows in iron ore mining . . .

**Real GDP and Real GDP Growth**

- GDP (real)
- Sierra Leone
- World
- Sub-Saharan Africa

**Significant FDI provides tremendous opportunities...**

**Foreign direct investment**

- Net FDI
- FDI Inflows (% of GDP)

**Post-war recovery has seen GDP double since 2000**

**Contribution of key sectors to GDP (real) (Value addition)**

- Agriculture
- Industry
- Services

**Current Account Balance**

- % of GDP

Note: In 2011, the spike in the overall level of imports is the result of capital inflows from mining and construction companies for the procurement of machinery and equipment.

SOURCE: Global Economic Prospects ; World Bank WDI; Statistics Sierra Leone
... but to sustain and share this economic boost, growth has to come from other sectors to have a transformational impact.

### Contribution of sectors to GDP

<table>
<thead>
<tr>
<th>Sector</th>
<th>Current Situation</th>
<th>Trends</th>
<th>Achievements</th>
</tr>
</thead>
</table>
| Agriculture (including fishery & livestock) | • Contributes 46% of GDP, 75% employment  
• Rice accounts for ¾ of sector output but SL is net importer of rice  
• Cash crops-coffee, cocoa & piassava contribute 14% of output  
• Mainly small holder farmers on subsistence  
• Low productivity & limited value addition | • SCP for commercialization efforts of smallholder farming  
• Active investment promotion from SLIEPA  
• Value chain uplifting in cocoa  
• Increase in fish production  
• Rehabilitation of feeder roads  
• Support towards research through West Africa Regional Fisheries Program (WARFP) | • 217% increase in cocoa production from 2002-11  
• 193 ABC settled  
• 905 Km of feeder roads to production centers  
• New large commercial farming investments in palm oil and bio fuel |
| Manufacturing               | • Few light agro-processing plants                                                | • Import of agro processing equipment and more transformation, especially in cocoa            | • First Step SEZ (special economic zone)  
• Africa Felix fruits processing  
• Steel manufacturing deal signed (downstream linkages Samshi – London Mining)  
• Tonkilili mine (phase 1)  
• Marampa mine (phase 1)  
• Infrastructure development |
| Extractive industries       | • Iron production started, more exploration ongoing  
• Bauxite and rutile production and ramp up plans to come  
• Diamonds and gold mining: mainly artisanal | • Iron ore production ramp up  
• Diamonds in decline  
• Oil exploration ongoing: high discovery rate, $158m spent in 2012  
• Further discovery in bauxite and rutile | • New expatriate tourists  
• UNESCO accreditation application  
• Three 4 star hotels deals underway (Radisson Blu, Hilton, Onomo)  
• Marriott scoping mission  
• New airport (+airport city concept) in negotiation with China |
| Tourism                     | • Airport capacity is limited  
• $15 million in revenues loss for tourism institutions as bed tax was merged into GST in 2008 | • Increase in international arrivals  
• New expatriate base for tourism  
• Better international communication  
• High end beach resort construction | • No large retail shops or malls  
• Low financial inclusion  
• Expensive logistics  
• More commercial banks and ATM openings up country |
| Other services              |                                                                                   |                                                                                           | $15 million in revenues loss for tourism institutions as bed tax was merged into GST in 2008 |

*source: Ministry of Agriculture; World Bank; Interviews*
Before 2011, Sierra Leone had seen steady mineral production...

Production of Selected Mineral Commodities
Million Metric Tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Bauxite</th>
<th>Ilmanite</th>
<th>Rutile</th>
<th>Iron Ore</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>15.8</td>
<td>1.2</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td>2008</td>
<td>17.5</td>
<td>78.9</td>
<td>65.9</td>
<td>68.2</td>
</tr>
<tr>
<td>2009</td>
<td>15.2</td>
<td>63.9</td>
<td>12.4</td>
<td>67.9</td>
</tr>
<tr>
<td>2011</td>
<td>1.3</td>
<td>46.0</td>
<td>52.0</td>
<td>59.0</td>
</tr>
</tbody>
</table>

... but 3 iron ore sites are being developed since 2010 (Tonkilili and Marampa x2)

Massive FDI inflows in these 3 sites are leading to an unprecedented boom in mineral production...

Iron Ore Production
Million Metric Tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Cape Lambert</th>
<th>African Minerals</th>
<th>London Mining</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>0.0</td>
<td>5.5</td>
<td>17.4</td>
</tr>
<tr>
<td>2008</td>
<td>25.0</td>
<td>17.4</td>
<td>25.0</td>
</tr>
<tr>
<td>2009</td>
<td>1.0</td>
<td>17.4</td>
<td>25.0</td>
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<tr>
<td>2010</td>
<td>32.0</td>
<td>17.4</td>
<td>25.0</td>
</tr>
<tr>
<td>2011</td>
<td>46.0</td>
<td>17.4</td>
<td>52.0</td>
</tr>
<tr>
<td>2012</td>
<td>56.0</td>
<td>17.4</td>
<td>59.0</td>
</tr>
<tr>
<td>2013</td>
<td>20% CAGR (2011-20)</td>
<td></td>
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</tbody>
</table>

... which will soon outweigh current GDP

Investments
Past and future

<table>
<thead>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>African Minerals</td>
<td>$2,100 million</td>
<td>$2,000 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
<td>$1,840 million</td>
</tr>
<tr>
<td>Cape Lambert</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

but will it be enough to achieve shared prosperity in the medium to long term?

Employment generation cannot only rely on the extractives industry

Resources sector is not labor-intensive

- GDP growth, 2002-10
- Number of stable jobs, 2010
- Stable jobs added, 2002-10

Uncertainty around fluctuating commodity prices

- Iron ore prices (3y)
- Note: China import Iron Ore Fines 62% FE spot (CFR Tianjin port), www.indexmundi.com

Mining investments create unrealistic expectations

- The delay between a mining investment and its social returns is long, the mining cycle is different from the political cycle
- Communities over estimate the number of jobs available
- Most jobs created are in the mining linkages, it is estimated that for every job in a mine, 2 to 4 jobs can be created by subcontractors
- Given the limited capacity and lack of financial resources, it takes time to strengthen domestic SMEs and increase local content utilization
- Downstream processing activities, such as steel production, depend critically on cost-effective access to complementary inputs like energy.

SOURCE: McKinsey Global Institute, International Labor Organization
Agriculture is the main contributor to GDP and employment, and attracts investments in non-cultivated land areas which may lead to agro-processing.

**Key sector for GDP and labor and an untapped 89% of uncultivated arable land**

- **75%** of labor force
- **46%** of GDP

**Mix of food crops and recent large investments in cash crops**

- **Plantation and rice**
- **Livestock raising**
- **Cocoa, coffee**
- **Fisheries**

**Investment promotion**

- **Sugar cane (40,000+ hectares)**
- **Palm oil (40,000+ hectares)**
- **Rice (120,000+ hectares)**

**Agriculture production**

- Main exports: cocoa, coffee, fish
- Other major agricultural commodities: rice, cassava, vegetables, oil palm, groundnuts, fruits, sugar cane
- Main meat production: poultry, cattle, sheep, pigs

**Agriculture GDP has increase over the years, owing to increased production from crop, livestock and fishery**

**Agriculture remains constrained by challenges**

- Low usage of arable land due to lack of connectivity, access to lands and property rights
- Low productivity due to poor inputs, harvest and post-harvest losses and lack of mechanization
- Low value addition in value chain due to lack of FDI, quality standards and weak agro supply chain
- Poor access to finance for smallholders
- Lack of electricity to foster agro-processing

**SOURCE:** GoSL; World Bank WDI; SLIEPA; FAO
Sierra Leone’s world class assets in tourism are not utilized at their fullest potential.

**Pristine and high quality beaches, hills and biodiversity**

Sierra Leone is ranked 137th of 140 countries (World Economic Forum Tourism Competitiveness Index 2013).

**The number of holiday-goers below historical pick of 1990**

Sierra Leone is ranked 137th of 140 countries (World Economic Forum Tourism Competitiveness Index 2013).

<table>
<thead>
<tr>
<th>Year</th>
<th>Civil war period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>0</td>
<td>14,626</td>
</tr>
</tbody>
</table>

**Highlights:**
- $41.7 million in tourism revenues (+13% vs. 2011)
- 5,622 to 10,000 employees (mainly hospitality)
- 59,730 visitors in 2012
  - 40% on business
  - 24% visiting friends and relatives
  - 16% tourists

**Top 5 citizenship visiting:**
1. United Kingdom (9,455)
2. USA (7,819)
3. Nigeria (4,348)
4. Australia (4,162)
5. Ghana (3,171)

**Despite improvements, critical challenges need to be addressed**
- Weak and outdated legal framework for tourism Development
- Low skills of workers engaged in the tourism sector.
- Weak infrastructure
- High costs of air travel to Sierra Leone
- Persistent negative image associated with Sierra Leone’s past
- Weak sector coordination, planning, and information

**SOURCE:** GoSL; National Tourist Board; Lonely Planet; UNESCO; World Economic Forum
Chapter 3 – The Sectors that Drive Growth and Create Stable Jobs

1. The growth poles approach
2. The context in Sierra Leone
3. The sectors that drive growth
4. Five enablers of competitiveness
5. About the three growth poles
6. The proposed growth poles program
7. Next steps

Back-up appendix
Mining and linkages

While the extractives boom alone will not be enough to meet job generation targets in the medium and long term, by harnessing its momentum and creating policies that focus growth in labor-intensive industries, it has the potential to lead to long term increases in employment and wealth. Current estimates state that each new mining job can lead to the creation of 2 to 4 new jobs in supporting industries, if proper investments are made to support simultaneous growth in those industries. Specifically, two job-creating industries have been identified as having the capacity to augment the mining boom to achieve shared prosperity: agriculture and tourism.

Agriculture and fishery

Agriculture employs the largest number of Sierra Leoneans by sector, and is currently the largest contributor to GDP. While agricultural productivity is currently low, because it is very labor-intensive, investments in this sector have high returns for employment. Increasing investment in the supporting infrastructure for agriculture and agro-processing can significantly increase overall employment and wages.

Tourism

The tourism industry is also currently developed, but has huge potential to grow rapidly. Sierra Leone’s world class coastal assets offer the foundation of a strong and lucrative tourism sector, which would not only provide labor-intensive growth but also would promote sustainable growth.

Developing these two industries (agriculture and tourism) simultaneously with the mining industry through local content utilization support would allow all Sierra Leoneans to reap the benefits of the current growth and transform that growth into employment opportunities. This is precisely what the growth poles program is designed to do.

Developing this program offers the opportunity to more widely distribute the benefits from the mining boom and to make investments more region- and industry-specific. While the extractives industry will be a vital source of growth for Sierra Leone’s economy, it has a differential impact in various regions. Some mining poles do not offer notable linkages to the surrounding regions and therefore should not be a focus of intervention. A growth poles program would strengthen linkages between the mines and the surrounding economy by identifying regionally relevant industries that can augment the impacts of the extractives boom via parallel interventions. Within the agriculture industry, rice, palm oil, and fisheries offer potential for growth. Furthermore, value chain could be uplifted through agro processing. Within the tourism industry, a planned logistics hub, new hotels, and the development of new tourist attractions have the best employment generation potential. These interventions in mining, agriculture, and tourism overlap in key geographic regions, which have been identified as the most promising growth poles.
While the extractives industry influences the development trajectory of Sierra Leone and provides a robust case for growth poles support . . .

Iron ore production is booming and more exploration is underway, and it is time to...

---

**Example of business linkages to be developed in the mining value chain (focus of 2012 Local Content Policy)**

- Furniture, Fixtures & Office Equipment
- Bulk Construction Materials
- Stationary / Office Supplies
- Fresh Foods
- Building (incl. Camp) Construction
- Janitorial Supplies & Waste Management
- Laundry Services
- Computer Maintenance
- Computer System Servicing and Maintenance
- Light Vehicle Maintenance
- Electrical Equipment (Installation, Repair and Maintenance)
- Transport / Logistics
- Equipment Maintenance (Generators, etc.)
- Basic Tools
- Hardware
- Steel Construction Materials
- Dry Goods
- Uniforms
- Equipment & Supplies
- Hospitality Services incl. Camp Catering
- Infrastructure / Facilities Development Civil Works Construction & Maintenance
- Computer System Servicing and Maintenance
- Personnel Training/ Technical Assistance
- Facilities Light Maintenance
- Office Services + Security
- Fleet Management

---

**Sierra Leone**

- $218m procurement from mining companies (2012) but only 5.8% local content utilization
- Africa Minerals employs 4,800 employees (2013, largest employer)
- 82% are Sierra Leonans

**Success story:**

Newmont Ghana Ahafo Gold mine

- From 121 contracts (2006, $1.7m) to 282 contracts (2007, $4.2m) after establishing a Local Suppliers and Contractors Development (LS&CD) Unit
- Newmont had 1,700 employees and 5,100 jobs in supply chain (2.8 job multiplier)

---

**SOURCE:** Mining companies’ annual reports; Ministry of Trade and Industry; World Bank; Local Content Policy 2012
Only 2 out of the 3 mining poles have enough linkages potential to be turned into growth poles.

Iron ore driven growth pole
- 3 mining operators, potentially 2 more
- Need for heavy infrastructure
- High linkages potential

Heavy sands driven growth pole
- 2 mining operators
- Need for infrastructure
- Linkages potential

Diamonds driven growth pole
- 1 main operator and artisanal miners
- Limited infrastructure need
- Limited linkages potential

Potential spillover effects
- High
- Medium
- Limited

Overall
Iron ore pole
Heavy sands pole
Diamonds pole

Infrastructure
- Road
- Port
- Rail
- Power

Linkages
- Backward
- Forward
- Fiscal
- Knowledge
- Spatial

Type of resource pole
- Iron ore poles
- Iron exploration
- Heavy sands corridor
- Bauxite exploration
- Diamonds region

Type of resource corridor
- Marampa-Freetown corridor
- Tonkilili-Pepel corridor

SOURCE: Authors’ analysis

...not all minerals have the same impact on the economy in terms of shared prosperity potential.
Agriculture is the base of rural development and attracts FDI that uplift agro value chains . . .

Major Agribusiness Investors

<table>
<thead>
<tr>
<th>Sugar cane</th>
<th>Palm oil</th>
<th>Rice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addax</td>
<td>Goldtree</td>
<td>Golden Mills</td>
</tr>
<tr>
<td>Magbass</td>
<td>Socfin</td>
<td>Genesis Farm</td>
</tr>
<tr>
<td></td>
<td>Gambia</td>
<td>WARC</td>
</tr>
<tr>
<td></td>
<td>SIVA Group</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quifel</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SLA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Herbert Farms Venture</td>
<td></td>
</tr>
</tbody>
</table>

Potential poles

- Agriculture poles
- Exploration
- Expansion
- Other
- Proposed site for sugar cane
- Proposed site for rice
- Plantation and rice
- Livestock raising
- Cocoa, coffee
- Fisheries

Note: these crops (rice, palm oil and sugar cane) are both Government priorities and currently receiving lots of FDI.

SOURCE: Authors' analysis
... but not all crops provide the same yields in terms of revenues and jobs creation, and fisheries may become a source of growth.

### Jobs creation in selected crops

<table>
<thead>
<tr>
<th>Crop</th>
<th>Employees per 1,000 hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grains (excluding rice)</td>
<td>10-20</td>
</tr>
<tr>
<td>Sorghum</td>
<td>≈50</td>
</tr>
<tr>
<td>Rice</td>
<td>≈ 500</td>
</tr>
<tr>
<td>Sugarcane ethanol</td>
<td>150-700</td>
</tr>
<tr>
<td>Oil palm</td>
<td>150-350</td>
</tr>
<tr>
<td>Rubber</td>
<td>250-400</td>
</tr>
<tr>
<td>Tomatoes (greenhouse)</td>
<td>2,000+</td>
</tr>
</tbody>
</table>

### Grain value chain and focus on the growth poles

**Rice** – Only 69% of SL is rice self-sufficient, and rice imports remain high compared to total production or even possible exports. Starting from a baseline of 638,000 tons of output, the target is 3Mt of rice in 2018.

- **% = price build up**
  - Increase usage of inland valley swamps
  - Train smallholder farmers with productive techniques
  - Facilitate access to finance

### Palm oil value chain and focus on the growth poles

**Palm oil** - Palm oil has a great potential use as biodiesel. Since 2007 there have been investments in palm oil production, which are expected to become operational in 2013 and provide out-grower schemes for local farmers.

- **% = price build up**
  - Increase cultivated area
  - Include smallholder farmers in out grower schemes
  - Facilitate access to finance

### In addition of promoting out-grower schemes and agro-processing, fisheries sector can have a great impact

**Fisheries** - Sierra Leone is abundant in fish, which constitutes 10% of GDP, the only protein source for 80% of the population, and employs over 500,000 people. Potential is great in terms of food security, poverty reduction, and spill-over effect.

- The fish market is undersupplied (32%)
- Abundance of low and high value fish
- Fishing assets are underutilized (cold storage, fishing harbor)
- 8,000 fishermen, plus distribution network led by women
- Sierra Fishing Company has a 20 metric tons processing plant, and a new one underway meeting EU standards for exports
- Fisheries ban to EU expected to be lifted in 2013

SOURCE: McKinsey Global Institute; FAO; ManoCap; Agenda for Prosperity, 2012; National Rice Development Strategy, 2009; World Bank
Tourism has been identified as a key growth sector in the Sierra Leone’s Agenda for Prosperity.

Natural endowments are there especially for ecotourism

Increasing visitors

Visitors arrivals by Air by Purpose (Thousands)

Baseline:
- Tourist arrival doubled between 2007 and 2012
- 5600 jobs created in the sector (2012)
- $41.7 million in government revenue (2012)

Target: Double the number of jobs created (in the near future)

Game changing factor
- 3 new 4 star hotels underway
- New international airport at Mamana to start construction
- Overlapping with other sectorial poles

UNESCO World Heritage sites application in 2012

Critical road infrastructure

National parks

Beaches

Top things to do (Lonely Planet)
- Beaches
- National parks
- Critical road infrastructure
- International airport
- Highest peak (Mount Bintumani–1945m)
- Hospital

Marketing and tour guide training programs

| 42 | SOURCE: GoSL; Lonely Planet; National Tourist Board of Sierra Leone |
Selected industries are concentrated around geographical areas.

2 mining poles: iron ore, rutile, bauxite
- Catalytic of infrastructure projects
- Provide significant tax revenues
- Potential for indirect jobs creation
- Possibility for steel manufacturing

3 tourism poles: Western Peninsula, Bonthe, Tiwai, Gola
- Arrival and logistics hub
- Relatively accessible touristic attractions
- Hundreds of new hotel rooms to open in the coming years
- New airport location
- Existing Government engagements through tourism board

4 agriculture and fishery poles
- Base of rural development
- Catalytic for out-growers schemes, stallholders commercialization and value addition
- Fisheries: main source of protein

Non selected poles
- Non selection based on lack of linkages or non-viable infrastructure efforts needed
- These non selected sectorial poles may benefit indirectly from the development of other growth poles
Emerging growth poles in Sierra Leone

1. Northern growth pole: Freetown to Tonkilili
2. Coastal growth pole: Bonthe to Sulima
3. South-Eastern growth pole: Tiwai to Kailahun
The growth pole areas encompass many chiefdoms, a level where political economy and decentralization issues may be addressed.
Chapter 4 – Five Enablers of Competitiveness for Economic Diversification

Gaps analysis

Fiver enablers

1. Infrastructure
2. Labor
3. Market efficiency
4. Governance
5. Access to finance

1. The growth poles approach
2. The context in Sierra Leone
3. The sectors that drive growth
4. Five enablers of competitiveness
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7. Next steps

Back-up appendix
**Sierra Leone competitiveness is based on its factor endowments**

Sierra Leone is the second least competitive economy in the world (143 out 144 countries assessed) according to the World Economic Forum’s *Global Competitiveness Index* (GCI). GCI defines “competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country”. Sierra Leone’s economy is mainly factor-driven; competitiveness is based on its factor endowments—primarily; low-skilled labor and natural resources. Companies compete on the basis of price and sell basic products or commodities, with their low productivity reflected in low wages. Maintaining competitiveness at this stage of development hinges primarily on:

- well-functioning public and private institutions
- a well-developed infrastructure
- a stable macroeconomic environment
- and a healthy workforce that has received at least a basic education

**The diagnostic identified five enablers of competitiveness in the context of Sierra Leone emerging growth poles**

The identified growth poles can only be successful in generating employment and growth if deficiencies are overcome in five key areas: infrastructure, labor, market efficiency, governance, and finance.

**Infrastructure**

In terms of infrastructure, the most pressing concerns are those of electricity, connectivity and access to ports. Currently only 10 percent of Sierra Leoneans have access to electricity, and lack of electricity frequently appears as one of the top three concerns for doing business in Sierra Leone. This significantly limits industrialization and constricts the ability to extend the value chains within industries, as factories and processing plants all require large amount of electricity. Less than 5 percent of arable land is irrigated, and only 7.6 percent of the population has access to piped water.

**Labor**

On the labor front, gaps in literacy and youth employment pose threats to the viability of the growth pole. The Government of Sierra Leone has implemented two programs, the Youth Literacy Action Plan and the National Youth Commission, to address these issues. Lack of training has also been identified as a major business concern within the country, and part of the program for industry growth should include employee training that is industry specific.

**Market efficiency**

Within market efficiency, the greatest challenges will be the lack of regulation of the informal economy and poor logistical support for farmers, traders and entrepreneurs.

**Governance**

Concerns regarding governance include corruption and poor delivery of services. While improvements have been made with regard to corruption and government accountability, it still remains as a key concern of business investors. The Government of Sierra Leone should also enhance its deliberate focus on delivery in order to obtain maximum returns from the growth pole program – implementation of this policy and delivery of the services provided by the program will be as important as the actual content of the program itself.

**Finance**

Finally, with regards to finance, the overarching concern is insufficient supply of credit and financial services to both households and industry, as well as the prohibitive cost of capital. This has been particularly limited within key growth industries such as agriculture (where many of the potential beneficiaries of financing are smallholders that offer large returns in terms of poverty alleviation) and manufacturing.

Shortcomings in these five areas must be addressed for the growth pole to be effective.
In order for a growth poles approach to deliver successful results in Sierra Leone, it must address gaps in 5 key areas.

<table>
<thead>
<tr>
<th>Key Areas</th>
<th>Key Stakeholders</th>
<th>Key Metrics</th>
<th>Status</th>
</tr>
</thead>
</table>
| Infrastructure | 1. Ministry of Transport & Aviation  
2. Min. of Works & Infrastructure  
3. Min. of Energy & Power  
4. Min. of Lands  
5. SLRA  
6. PPP Unit  
7. Ministry of Finance | Roads  
Ports  
Air  
Utilities–Power and Water Supply | ![priority](https://via.placeholder.com/15) |
| Labor       | 1. Private Sector  
2. Universities & TVET schools  
3. Min. of Education  
4. Min of Labor and Employment | Skills Training  
Education | ![priority](https://via.placeholder.com/15) |
| Market Efficiency | 1. Min. of Trade & Industry  
2. Judiciary(Commercial Court)  
3. Min. of Lands  
4. NRA  
5. OARG  
6. Industry associations | Laws – Property Rights and Taxation  
Suppliers and Local Content  
Trade and Investment  
Ease of Doing Business | ![priority](https://via.placeholder.com/15) |
| Governance | 1. Office of the President  
2. Judiciary  
3. Parliament  
4. Anti—Corruption Commission  
5. Police  
6. HRMO | Government Effectiveness  
Political Stability and Security  
Rule of Law and Regulatory Quality  
Control of Corruption | ![priority](https://via.placeholder.com/15) |
| Finance     | 1. Bank of Sierra Leone  
2. Commercial Banks  
3. Micro-Finance Institutions  
4. IFC and other development partners | Availability and Quality of Financial Services  
Loans and Venture Capital  
Soundness of Financial Institutions | ![priority](https://via.placeholder.com/15) |

SOURCE: Global Competitiveness Index; Stakeholders consultation; Authors’ analysis

| | Fair competitiveness | Low competitiveness |
Infrastructure bottlenecks and missed opportunities for shared usage impede Sierra Leone competitiveness

Sierra Leone is underperforming globally

<table>
<thead>
<tr>
<th>Category</th>
<th>Sierra Leone</th>
<th>Low income fragile</th>
<th>Low income non fragile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Power (national) (%)</td>
<td>10</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td>Capacity (MW/million)</td>
<td>46</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Power outages (days/year)</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>System losses (% generation)</td>
<td>42</td>
<td>40</td>
<td>24</td>
</tr>
</tbody>
</table>

Note: 2009 data, except for Sierra Leone access to power and capacity (2010 data)

Infrastructure capacity can’t keep up private demand

Power is a game changer which could enable further development

- The commission of Bumbuna hydropower plant (50 MW capacity with potential future investment and increase to 250 MW) has doubled installed capacity in 2009 and diversified power generation mix
- However, only 10% of the population has access to electricity, with end-users paying an expensive $0.28/kWh
- Bumbuna’s capacity for generation is seasonal (50 MW in wet season, but only 20 MW during dry season)
- Also, the power grid is in state of disrepair: only 20MW of distribution capacity located mainly on the western Freetown grid
- 66% of power generated in the country is privately produced by 33,000 generators (175 MW)
- Mining power demand is expected to be over 600 MW in 2020

Water and sanitation are major constraints for better livings

- Less than 5% of cultivated land in Sierra Leone is equipped for irrigation, with only two major dams (Guma and Bumbuna)
- In 2008, only 7.6% of the population had access to piped water

Transport connectivity

- Only functioning railway is privately used by a mining company
- Freetown port access needs to be streamlined

SOURCE: AICD Country Report, Pushpak et. al (2011); Economist Intelligence Unit; Authors’ analysis
Weak attendance to educational system results in poor skills

- Inadequately educated workforce is the 4th most problematic factor for doing business
- Literacy rate is indeed very low (35% total, 47% for male, 24% for female as of 2006)
- Low enrollment in secondary school (13%) prevents Sierra Leonean youth from acquiring marketable skills
- Huge mismatch between needs of companies and skills taught in schools.
- Citizens don’t recognize the value of vocational skills training.
- This weak capacity leaves 800 000 (or 40%) of 15-24 year olds unemployed, unpaid or underemployed
- Current government actions include:
  - National Literacy Action Plan (increase of literacy rate to 50% by 2015)
  - National Youth Commission (develop youth potential, creativity and skills)

Potential solutions

- Increasing communication between educators and employers
- Formalizing technical career path placement procedures.
- Educating citizens on importance and value of vocational training.
- Working with companies to define their needs, and encouraging them to offer adapted training to working population as a form of corporate social responsibility
- Incentivize companies to hire local people, including in middle and top management
- Increase secondary enrollment and highlight apprenticeship formation.
- Fund Adult Literacy Centers to increase the literacy rate and to provide older citizens with new marketable skills
Around the mining sector, businesses strive to develop

- With informal trade estimated at 45% of GDP and corruption ranked 3rd among the most problematic factors for doing business, regulation and law enforcement are problematic issues

- Starting a business is relatively easy (76 out of 155 economies), but its development lacks access to finance (most problematic factor for doing business)

- While FDI has increased due to discoveries of natural resources and good protection of investors, trading across borders remains slow and costly, due in particular to poor logistics (150 out of 155 economies in Logistics Performance Index 2012)

- Few initiatives of local content utilization have been undertaken so far. Linkages have been poor because of lack of infrastructure and quality requirements from the suppliers

Potential solutions

- Increase access to capital for small and medium enterprises
- Develop SMEs capacity through matching grants fund
- Implement policies that ensure governmental and regulatory transparency
- Increase investment in local content utilization through Supplier Development Program, Catalytic Fund and Vicinity Development program
- Develop linkages with anchor investors by lifting up the quality of SMEs outputs

Doing Business Indicators

- Between 2012 and 2013, cost to export a container decreased by 12% and days to register property decreased by 22%.
- Since 2005, Sierra Leone’s Doing Business performance indicators have made significant improvements in 6 of 10 areas, while the other 4 areas have seen small improvements or have held steady.

![2012 LPI Country Score and Comparison](image)

Sierra Leone Doing Business Rankings (out of 185 Countries)

![Sierra Leone Doing Business Rankings](image)

Despite the boom of the extractive sector, improvements in governance will not occur automatically as the development process unfolds; no virtuous circle will suddenly begin to operate.

A key lesson from other countries in a similar situation is that, for example, economic diversification strategies needs to be a priority from the start and not only once resource riches start becoming depleted.

Sierra Leone ranks low in SSA regarding global governance indicators at national level

- Despite the boom of the extractive sector, improvements in governance will not occur automatically as the development process unfolds; no virtuous circle will suddenly begin to operate.
- A key lesson from other countries in a similar situation is that, for example, economic diversification strategies needs to be a priority from the start and not only once resource riches start becoming depleted.

Conclusion from a survey showed that trust in local in officials at local level is low

**Perceived trustworthiness of councilors (2008), %**

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Sierra Leone</th>
<th>The Gambia</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 80</td>
<td>65.9</td>
<td>43.1</td>
<td></td>
</tr>
<tr>
<td>60 - 80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 - 60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 - 40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 20</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: this map shows the mean percentage of respondents for each of Sierra Leone's chiefdoms who view local government councilors as trustworthy.

**Spend revenue effectively (2008), %**

Note: this map shows the mean percentage of respondents for each of Sierra Leone's chiefdoms who believe that their councilor is likely to spend revenue effectively and for the good of the community rather than use this revenue for private gain.
Better access to financial services is needed to seize opportunities

Scarcity of financial institutions offers Sierra Leoneans poor access to banking and high cost of borrowing

<table>
<thead>
<tr>
<th>13</th>
<th>Commercial Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>Commercial Banks Branches</td>
</tr>
<tr>
<td>89</td>
<td>50% in Freetown</td>
</tr>
<tr>
<td>13</td>
<td>Community Banks (mainly rural)</td>
</tr>
<tr>
<td>+</td>
<td>Serving 1.65% of population</td>
</tr>
<tr>
<td>8</td>
<td>Micro-credit institutions</td>
</tr>
</tbody>
</table>

Access to credit to critical sectors of the economy, e.g. agriculture is limited

Sectorial Distribution of Loans and Advances, Dec 2012

% | Agriculture, Forestry & Fishing | Mining & Quarrying | Manufacturing | Construction | Electricity and Gas | Commerce and Finance | Transport, storage and... | Service | Miscellaneous |
---|--------------------------------|--------------------|---------------|--------------|---------------------|----------------------|----------------------------|---------|---------------|
| 0  | 5                              | 5                  | 10            | 15           | 20                  | 30                   | 35                          | 25      | 10            |

12 out of 1,000 adults borrow from commercial banks
<10% population own a bank account

Opportunities:

- Financial Sector Development Plan (FSDP) envisages an increased access to capital, reduced risk of lending and diversified financial products
- Continuously narrowing interest rate spread, implying increased access and affordability of loans
- Increasing credit to the private sector

SOURCE: Bank of Sierra Leone (as at December 2012) and Agenda for Prosperity; Authors’ analysis
Chapter 5 – About the Three Growth Poles of Sierra Leone

1. The growth poles approach
2. The context in Sierra Leone
3. The sectors that drive growth
4. Five enablers of competitiveness
5. About the three growth poles
6. The proposed growth poles program
7. Next steps

Back-up appendix
Growth poles focus investment on high-labor-intensity industries via hard and soft interventions within defined geographic areas. Analysis of factor endowments and linkage opportunities led to the identification of three viable growth poles in Sierra Leone:

1. The Northern growth pole
2. The Coastal growth pole
3. The South-Eastern growth pole

While several other potential growth poles were also identified, these three were selected as offering the greatest potential for growth. Their locations were also strategically selected as distributing growth across the entire country. The growth poles approach is about sequencing, therefore these growth poles will be supported one at a time.

The Northern growth pole: Freetown to Tonkilili

The Northern growth pole focuses on developing power infrastructure and market access, particularly within the mining and agricultural industries, as well support institutions and mining linkages. Raw outputs to be developed in this growth pole include iron ore, rice, bioethanol, cassava, and palm oil. At the industrial level, agro-processing, fisheries, services, and tourism are all key focuses of this growth pole. This region has numerous advantages that make it ideal for this investment, including a large relatively educated population that provides a robust labor supply, a preexisting SEZ, an international airport, and easy access to shipping via port. In order to achieve optimal impact, it still requires more investment in roads, skills trainings for employees, and enforcement of government regulations. Competitive industries are iron ore, biofuel, light manufacturing, logistics, rice, palm oil, fisheries and tourism. The Northern growth pole goes from Freetown to Tonkilili, including cities such as Lungi, Port Loko, Lunsar and Makeni.

The Coastal growth pole: Bonthe to Sulima

The Coastal growth pole, which stretches from Bonthe to Sulima, focuses more on infrastructure development, tourism and agribusiness, in addition to strengthening business linkages in mining and agriculture. In particular, it will refine agricultural production by investing in agro-processing and strengthening linkages between small and larger holder farmers. It also seeks to strengthen linkages from the mining industry to the rest of the economy and to ramp up mineral production within the heavy sand minerals (bauxite, rutile, zirconium, and illemite). This region is attractive as it is the likely to be the headquarters of the emerging oil industry, and is an ideal location for a deep water port and a highway to Liberia. However, in order to reach maximum potential, it needs further development of roads and access to finance. It is also somewhat limited in that it is not very populous and has limited skilled labor. Competitive industries are bauxite, illemite, zircon, rutile, palm oil, rice, ecotourism, beaches and oil exploration. The game-changing factor that will drive the future of this growth pole is the location of Sierra Leone’s next deep-water port.

The South-Eastern growth pole: Tiwai to Kailahun

The South-Eastern growth pole, which stretches from Tiwai to Kailahun, provides a platform to develop institutions and strategies for cross-border trade, some tourism, small business linkages, and extends the value chain for agribusiness. This area has some of the greatest tourism potential with Tiwai Island as an attraction and several other potential ecotourism sites. Agro-processing in cocoa and coffee can add significant value, particularly as an export. The region is the site of many schools and universities, which will be invaluable in developing the labor force, though more technical training is still necessary. Other competitive industries are wood, palm oil, rubber and diamonds.
Rapid assessment of growth pole #1: Freetown to Tonkilili

**Overview**

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

### Endowments/Opportunities

- International airport
- Container port
- Proposed location of the new international airport
- Bumbuna II and III
- Planned industrial park in Port Loko
- Large population in the Peninsula
- Availability of schools and universities
- Accessibility to courts, market proximity
- Companies HQ based in Freetown, the capital city
- Government administration
- Fishing jetty, >20 ABC
- FDI in tourism, mining, rice, bio ethanol, steel manufacturing
- Proximity of Government, more capacities available
- All banks have a branch in Freetown
- Makeni is a booming city for businesses
- Port Loko and Lunsar growing

### Constraints/Challenges

- Urban planning
- Congested roads network
- Difficult airport transfer
- Utilities distribution uneven
- Limited population the Northern province
- Limited offers for technical skills (e.g. urban planner, mining engineer)
- Enforcement issues
- Corruption
- Few bank branches
- Few ATM
- Cost of capital

**# of chiefdoms:**

19-28

**Main urban centers:**

Freetown, Lungi, Port Loko, Lunsar, Makeni, etc.

**SOURCE:** Government of Sierra Leone; World Bank; Authors’ analysis
Competitive industries
- Iron ore
- Biofuel
- Light manufacturing
- Logistics
- Rice
- Palm oil
- Fisheries
- Tourism

Policy
- Manufacturing-specific policy making
- Finalize SME and SEZ policies
- Support decentralization

Cross-cutting
- Support Government capacities in planning and delivery
- Connect with ICT and utilities
- Investment promotion

Freetown integrated services delivery
- Complete master planning
- Improve solid waste management system
- Improve public transport
- Increase water distribution
- Build new port/airport(city)

Zone development
- Power SEZ
- Build storage facilities
- Create one-stop shops
- Streamline exports procedures from the zone
- Create industrial park
- Create logistics base in Lungi

Power
- Extend Bumbuna capacity
- Complete distribution network
- Complete WAPP
- Facilitate the production of bio energy to the grid

Agriculture
- Build feeder roads
- Build storage facilities
- Promote the horticulture and vegetables farming
- Support linkages with smallholders and agro-processing

Institutions
- Set local content program
- Operationalize minerals agency
- Operationalize local content committee
- Implement cadastral system
- Train commercial courts and support ADR at the Chamber of Commerce

Tourism in Western Peninsula
- Support hotels development
- Support hospitality school
- Improve airport transfer

Ports
- Finalize privatization of Freetown harbor
- Reduce days for imports and exports

Illustrations of private sector development activities for the proposed growth pole area
Rapid assessment of growth pole #2: Bonthe to Sulima

Overview

Industrial mining (bauxite, illmenite, zircon, rutile), agriculture (palm oil, rice), tourism, and oil

Endowments/Opportunities

1. Highway to Liberia to be built
2. Ideal location for deep sea water port
3. Expected to become the oil region HQ
4. Plan of hydro, coal or gas power plant (350-600MW)

Constraints/Challenges

1. Off the grid
2. Limited feeder roads access
3. No major public port
4. No international airport

Main urban centers:
Bonthe, Sulima, Matru, Pujehun, etc.

# of chiefdoms:
16-24

Infrastructure

i

- Artisanal craft skills from piassava
- In-firm trainings (Sierra Rutile)

Labor

ii

- Land pre-identified by Government
- FDI in rice, palm oil and mining
- > 20 ABC

Market Efficiency

iii

- Administrative and traditional local authorities
- Low level of insecurity

Governance

iv

- From substance to commercial farming will allow smallholders involved in out growers scheme to borrow money to increase the yields productivity

Finance

v

- Limited skilled labor (rural area)
- Not very populated: biggest city xxx habitants

- Limited skilled labor (rural area)
- Not very populated: biggest city xxx habitants

- Limited skilled labor (rural area)
- Not very populated: biggest city xxx habitants

- Traditional law important
- Limited business development facilities (ICT, schools)

- Lack of Government capacities in region

- Few bank branches
- Few ATM
- No access to mobile money (check Splash)
- Limited access to financial institutions

SOURCE: Government of Sierra Leone; World Bank; Authors’ analysis
Zoom on Costal Growth Pole (#2)

Competitive industries
- Bauxite
- Illemite
- Zircon
- Rutile
- Palm oil
- Rice
- Ecotourism
- Beaches
- Oil exploration

Support ecotourism
- Support development in Turtle Islands
- Improve access (water)

Revive colonial merchant city
- Commercialize piassava products
- Build new fish jetty

Ramp up minerals production
- Support local content utilization
- Develop technical skills
- Continue CSR

Support linkages with small holders and agro-processing
- Increase cultivated area
- Increase productivity
- Provide loans
- Build feeder roads

Policy
- Manufacturing-specific policy making
- Finalize SME and SEZ policies
- Support decentralization

Cross-cutting
- Support local authorities with planning capacities
- Connect with ICT and power
- Increase trade flows
- Investment promotion

Illustrations of private sector development activities for the proposed growth pole area

Support ecotourism
- Support development in Turtle Islands
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- Develop technical skills
- Continue CSR

Support linkages with small holders and agro-processing
- Increase cultivated area
- Increase productivity
- Provide loans
- Build feeder roads
Rapid assessment of growth pole #3: Tiwai to Kailahun

Overview

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

### Infrastructure
- Highway to Liberia to be built
- ICT backbone planned
- WAPP distribution line planned
- Proposed special economic zone

### Labor
- Accessibility to schools and universities
- Proximity to urban centers

### Market Efficiency
- Exports tradition with coco and coffee
- Operational cooperatives
- > 20 ABC

### Governance
- Administrative and traditional local authorities
- No insecurity

### Finance
- From substance to commercial farming will allow smallholders involved in out growers scheme to borrow money to increase the yields productivity

Constraints/Challenges

- Land lock
- No international airport
- Limited technical skills
- No gateways
- Lack of Government capacities in region
- Few bank branches
- Few ATM
- No access to mobile money (check Splash)
- Limited access to financial institutions

# of chiefdoms: 16-25

Main urban centers: Kenema, Kailahun, etc.

<table>
<thead>
<tr>
<th>Power generation balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>175 MW private</td>
</tr>
<tr>
<td>165 MW public</td>
</tr>
<tr>
<td>90 MW</td>
</tr>
</tbody>
</table>

SOURCE: Government of Sierra Leone; World Bank; Authors’ analysis
Define strategy to increase cross-border trade with Guinea and Liberia
• Assess viability of special economic zone
• Develop infrastructure platform

Zoom on South-Eastern Growth Pole (#3)

Competitive industries
• Cocoa
• Wood
• Palm oil
• Ecotourism
• Coffee
• Rubber
• Diamonds

Policy
• Manufacturing-specific policy making
• Finalize SME and SEZ policies
• Support decentralization

Cross-cutting
• Support local authorities with planning capacities
• Connect with ICT
• Increase trade flows

Develop tourism potential
• Communities initiative for Tiwa Island
• Promote eco-tourism
• Train tourism workers and park rangers
• Protect the environment

Support linkages with small holders and agro-processing
• Increase quality of crops for exports (coco, coffee)
• Support value addition
• Support cooperatives
• Build feeder roads

Illustrations of private sector development activities for the proposed growth pole area

Illustrative
Chapter 6 – The Proposed Growth Poles Program to Support Agenda for Prosperity

1. The growth poles approach
2. The context in Sierra Leone
3. The sectors that drive growth
4. Five enablers of competitiveness
5. About the three growth poles
6. The proposed growth poles program
7. Next steps

Back-up appendix
Chapter 6 summary

The growth poles program has been uniquely designed to support the Government of Sierra Leone’s Agenda for Prosperity (2013-17). The Government will take ownership of the delivery system in a manner that allows it to capitalize on unique and timely partnership opportunities.

**Delivery systems**

The delivery system will facilitate effective coordination between key Government Ministries, Departments and Agencies (MDAs) that are central to the implementation of the program. This will require an emphasis on transparency and robust public-private dialogues, surrounding a central hub that provides leadership and technical guidance and acts as a center of expertise that supports and is interconnected with the MDAs. A complete delivery system includes capacity building to ensure proper implementation, information systems to prevent against communication failures and share knowledge, and master planning to make best use of land. In each of these components, it is vital that there be a clear link between the strategy of implementation and the end goal.

This method of delivery of growth pole will be critical not only in avoiding missed opportunities, but also in making optimal use of catalytic interventions and building social capital.

**Deals orientation**

To allow the development of shared infrastructure in Sierra Leone, the program will support feasibility studies to identify transformational projects, provide advisory work and financing plans to support and develop public-private partnerships.

**Catalytic interventions**

The catalytic interventions support initiatives that encourage the development of enterprises. These types of interventions can be supported through matching grants and catalytic & innovation fund that will address key weaknesses (skills, innovation, business development capabilities etc.) in value chains and enterprises as well as encouraging the development of opportunities and investment. The catalytic interventions are particularly relevant to the labor and finance dimensions of the growth poles program, as blockages along the value-chain including lack of vital infrastructure, inadequate business skills training, and lack of financing for entrepreneurs are addressed.

**Social capital development**

The social capital development component addresses the needs of key stakeholders that would otherwise not benefit from the growth pole, including communities in mining areas that are not seeing the benefits of the mining, small farm holders which will be encouraged to link with large holders, and groups that could be disadvantaged. In addition to key dialogues with these stakeholders, the social capital component builds the delivery system for the growth poles program in a manner that is sensitive to its gender impacts and environmental impacts, which will be critical in ensuring that the growth poles program maximizes its positive spillovers. The delivery system must be built in such a way that takes these considerations into account.
Delivery systems

How to deliver program targets?

How to create business opportunities?

Deals orientation

How to establish value and develop shared infrastructure?

How to share prosperity with local communities?

Catalytic interventions

Social capital development

Expected outcomes

1. Create quality institutions and systems with MDAs & maintains accountability system of MDAs in delivery Growth Pole operations
2. Strengthen capacities of regulators and those delivering services in the growth pole
3. Increased number of beds
4. Increased rice production
5. Highway, roads, feeders roads
6. Public transport system
7. Promote investments in value addition
8. Troubleshoot implementation
9. Increased number of holiday
10. Solid waste management
11. Build storage and cold storage facilities
12. Support out growers schemes (rice, palm oil)
13. Increased exports of processed/agro products
14. Female Employment by Industry (%)
15. Investment in critical public goods infrastructure
16.水路 distribution
17. Scraped prioritization and setting of objectives
18. Increased in tax revenues collection
19. Investment in education infrastructure
20. Market development
21. Investment in credit infrastructure
22. Investment in infrastructure
23. Investment in agriculture infrastructure
24. Investment in health infrastructure
25. Investment in technology infrastructure
26. Investment in environment infrastructure
27. Cross-cutting (e.g. services delivery and livelihoods should be considered in light of social capital)

Catalytic Fund sets foundations for conducive ecosystem to economic diversification with focus on building linkages for better jobs

Expected outcomes

1. Structural jobs
2. Improved learning and skills development
3. Increased number of holiday
4. Investment in infrastructure
5. Investment in education infrastructure
6. Investment in health infrastructure
7. Investment in technology infrastructure
8. Investment in environment infrastructure

Delivery focus drives impact and builds capacity within the system through a consistent set of tools

How to establish programs and build shared goals?

How to create shared ownership and shared responsibility?

How to deliver program targets?

How to create business opportunities?
Support is needed for the Government to set up the building blocks to coordinate numerous ongoing and planned activities within the growth pole areas.

**First building blocks that can coordinate and add value to**

<table>
<thead>
<tr>
<th>Component</th>
<th>Objective</th>
<th>Illustrative content</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A Delivery systems</strong></td>
<td>Address coordination challenge</td>
<td>☐ Capacity building&lt;br&gt;☐ Information systems&lt;br&gt;☐ Growth poles master planning&lt;br&gt;☐ Governance</td>
</tr>
<tr>
<td><strong>B Deals orientation</strong></td>
<td>Support development of shared infrastructure</td>
<td>☐ Project identification and feasibility studies&lt;br&gt;☐ Project development financing&lt;br&gt;☐ Advisory work for PPPs&lt;br&gt;☐ Investment climate</td>
</tr>
<tr>
<td><strong>C Catalytic interventions</strong></td>
<td>Finance initiatives that encourage the development of enterprises</td>
<td>☐ Matching grants for skills development&lt;br&gt;☐ Public goods investment in equipment and infrastructure&lt;br&gt;☐ Value chains support (e.g. manufacturing) and supplier development program</td>
</tr>
<tr>
<td><strong>D Social capital development</strong></td>
<td>Address the needs of key stakeholders that would otherwise not benefit</td>
<td>☐ Local economic development (livelihoods and community linkages)&lt;br&gt;☐ Environmental safeguards&lt;br&gt;☐ Disadvantaged groups (women, unemployed youth)</td>
</tr>
</tbody>
</table>

**ongoing and prospective activities**

- EU Urban Planning Project at Ministry of Lands and Planning and Freetown City Council
- GIS Core Team at Ministry of Lands and Planning
- Donors support to the PPP Unit in the Office of the President
- DFID Market Development Program
- GIZ skills development project
- AFFORD Bomba competition to domestic private sector
- Manocap private equity investments in fishery, logistics, and storage
- Special economic zones development strategy in support to forthcoming SEZ Policy
- Supplier development program design with Ministry of Trade and Industry
- CSR from mining companies
- Feeder roads program
- Small holder commercialization plan
- Agri Business Center (ABC) in every chiefdoms
- Out grower schemes (stallholders linked to nucleus farms)

**Projected aid resources (2013-17)**

US$ 2bn
Delivery focus drives impact and builds capacity within the system through a consistent set of tools

Hub and Spokes of Delivery System

Roles

- Plans, prioritizes, and set targets
- Monitors implementation by continued tracking e.g. through Presidential Stock-takes Processes
- Creates strong information systems with MDAs & maintains regular communication
- Creates systems for regular reporting and communication that facilitates quick decision-making
- Creates a center of excellence that attracts skilled staff and channels expertise to MDAs

- Ensure alignment between Growth Poles program and MDAs policies
- Troubleshoot implementation
- Build capacity of MDAs to deliver Growth Pole Initiative

Expected outcomes

1. Clear prioritization and setting of targets
2. Accountability system of MDAs in place with reporting to the center
3. Effective implementation of program activities
4. Improved coordination between MDAs in policy design and program operations

Central Hub

- Centre hosted at (Presidency or Central Ministry)

Growth Poles Delivery Hub*

Growth Poles Focal Points

MDA’s

* Through Technical assistance provided in low capacity ministry

SOURCE: Authors’ analysis
A delivery unit is being considered for the growth poles program, and it will require capacity building at every level of the delivery chain.

### Objectives of proposed institutional option

1. Facilitate stakeholder coordination
2. Allow governments ownership and oversight
3. Provide efficient execution of project
4. Permit local government and community level participation
5. Decentralization of activities

### Possible institutional structure for growth poles in Sierra Leone

**National Steering Committee**
- Chaired Central Government authority
- Private Sector (10): 5 representatives of lead mining companies, Agribusiness and tourism sector actors, 5 representatives from Local private sector
- Local communities

**Technical Committees**: Comprised of technical focal points in the MDAs.

**Implementation body**: Can be special unit (delivery unit) created & reporting to central government body or a specialized semi-autonomous body (Growth Poles Authority).
- Lean and efficient, with technical capacity
- Project execution, oversight
- Coordination with MDAs through MOUs and focal persons

**Local Government**:
- E.g. District implementing Committees, Grievance reporting mechanisms
- Should facilitate local ownership, linkages programs

### Capacity building is key to the success of the delivery system

**For the delivery unit**
- Individual coaching and support for team members
- Delivery unit internal training programs
- Training program offerings

**To key ministries**
- Individual coaching and support for working team
- Training program offerings
- Staffing of high level experts

**Monitoring**
- Needs assessments of existing capabilities within ministries
- Updated raining program offerings

Capacity building can be done through trainings, high-level staffing and study tours.
Government should structure its role in deals to seize opportunities for shared infrastructure development and regional integration.

Large deposit in Sierra Leone and in the Mano River Union are tremendous opportunities to develop shared infrastructure and increase regional integration and connectivity.

Public financing is not enough:
- Transparent delivery system with key public private champions involved
- Strong public private dialogue on infrastructure gap
- Deal with reputable private companies to get things done
- Simple transaction to minimize risks and delays in financial closure
- Technical assistance (legal and financial) to PPP unit and funding for pre and feasibilities studies
- Maximize private, public and social returns in the long term

<table>
<thead>
<tr>
<th></th>
<th>Est. cost of infra (US$ bn)</th>
<th>% GDP</th>
<th>% Ntl. Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sierra Leone</td>
<td>1.5-2.1</td>
<td>42-54%</td>
<td>250-330%</td>
</tr>
<tr>
<td>Guinea</td>
<td>10.4-13.6</td>
<td>181-236%</td>
<td>850-1100%</td>
</tr>
</tbody>
</table>

Key infrastructure to be looked at within growth poles (examples):

- **Mining related infrastructure**
  - Railway network
  - Deep sea water port

- **Public goods infrastructure**
  - Highways, roads, feeders roads
  - Storage and market facilities
  - ICT backbone and facilities

- **Urban infrastructure**
  - Public transport system
  - Solid waste management
  - Water distribution

- **Power infrastructure**
  - Hydro, coal and gas power plants
  - Transmission and distribution

Principles for Government to promote shared usage:
- Transparent delivery system with key public private champions involved
- Strong public private dialogue on infrastructure gap
- Deal with reputable private companies to get things done
- Simple transaction to minimize risks and delays in financial closure
- Technical assistance (legal and financial) to PPP unit and funding for pre and feasibilities studies
- Maximize private, public and social returns in the long term
# How to establish value and develop shared infrastructure?

<table>
<thead>
<tr>
<th>Intervention Type</th>
<th>Activity</th>
<th>Key Government Point Agency</th>
<th>Decision Maker</th>
<th>Lessons/project/country</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Partnership</strong></td>
<td>Initiate dialogue and consultations with extractive companies and other private sector actors on the necessity of shared infrastructure, the existing capacity and improving partnership</td>
<td>Government, World Bank, IFC State government, National mineral development corporation</td>
<td>Government</td>
<td>IFC advisory project, Timor-Leste - Dili Airport PPP India: greenfield development-the Krishnapatnam Railway Company</td>
</tr>
<tr>
<td></td>
<td>Establish joint venture special purpose Vehicle</td>
<td>Government, African iron Ore Group, Extractive companies, IFC</td>
<td>Government</td>
<td>Simfer SPV, Guinea (51% government of Guinea and Rio Tinto, Chalco and the IFC the remaining 49%)</td>
</tr>
<tr>
<td></td>
<td>Introduce Golden share type of control: Government ownership of majority control despite very little investment in the infrastructure</td>
<td>Government, Extractive companies, Planning commission, State pension Funds</td>
<td>Government</td>
<td>Vale, Brazil Indian government taking share in SPV L&amp;T Metro Rail Hyderabad</td>
</tr>
<tr>
<td><strong>Capacity building and advisory services</strong></td>
<td>Improve the capacity of the legal and regulatory institutions through trainings, individual coaching, sharing experience with other countries</td>
<td>Government</td>
<td>Government</td>
<td>South-South experience sharing tour</td>
</tr>
<tr>
<td></td>
<td>High level advisory to the government in strategic review of the infrastructure sector (port, airport), including due diligence review, transaction structuring, marketing and investment promotion</td>
<td>IFC</td>
<td>Government</td>
<td>Nigeria, Strategic review of the airport sector to implement private sector participation Mauritius, cargo handling operations, Port Louis harbor</td>
</tr>
<tr>
<td><strong>Law and Regulations</strong></td>
<td>Draft legal provisions mandating shared use which are clear, precise, with a clear legal remedy for their breach</td>
<td>Government</td>
<td>Government</td>
<td>Ivory Coast, article 72 of the Mining Code Cameroon, article 80 of the Mining Code Burkina Faso, article 69 of the Mining Code</td>
</tr>
<tr>
<td></td>
<td>Develop infrastructure access regimes, case by case public declaration (sector specific)</td>
<td>Surface Transport Board, Economic regulation Authority</td>
<td>Government</td>
<td>Australia, USA</td>
</tr>
<tr>
<td><strong>Institutions</strong></td>
<td>Establish an efficient coordinating mechanism through an industry coordinator</td>
<td>Government, Rail truck corporation, port corporation (authority), extractive companies</td>
<td>Government</td>
<td>The Hunter Valley Coal Chain Coordinator, Australia</td>
</tr>
<tr>
<td></td>
<td>Establish independent government coordinator and regulator responsible for monitoring compliance of the actors</td>
<td>Economic Regulation Authority</td>
<td>Government</td>
<td>Australia</td>
</tr>
<tr>
<td></td>
<td>Establish a third party commercial operator with core competence in infrastructure</td>
<td>Zambia Environmental Management Agency (ZEMA), Private sector and foreign investors</td>
<td>Government</td>
<td>Zambian Northwest rail company</td>
</tr>
<tr>
<td><strong>Project Development</strong></td>
<td>Map the value chain of the potential infrastructure assets</td>
<td>Government, World Bank, IFC</td>
<td>Government</td>
<td>Liberia, RSPO National Interpretation for Liberia (IFC project)</td>
</tr>
<tr>
<td></td>
<td>Assess the capacity of the extractive industry, the private sector and undertake feasibility studies of potential infrastructure projects</td>
<td>Government, World Bank, IFC</td>
<td>Government</td>
<td>India, inclusive growth partnership (IFC project)</td>
</tr>
</tbody>
</table>
Catalytic interventions will set the foundations for conducive ecosystem to economic diversification with focus on building linkages for better jobs

**Agro supply chain**

Increase revenues and exports in commercial farming and fisheries

**Targets**
(for Government and development partners)

- Support operational ABC
- Link ABC to growth centers
- Promote investments in value addition
- Disseminate SRI in rice out growers schemes
- Increase cultivated areas for rice
- Support out growers schemes (rice, palm oil)
- Provide financial assistance to small holders
- Build storage and cold storage facilities
- Link artisanal fisheries to processing plant
- Build new fish jetties
- Invest in critical public goods infrastructure and equipment
- Streamline manufacturing, SMEs and SEZ regulation
- Provide catalytic support in business linkages to first movers
- Invest in critical public goods infrastructure and equipment
- Provide matching grants for skills development
- Promote private investment
- Strengthen capacities of regulators and investors
- Invest in critical public goods infrastructure and equipment

**Expected outcomes**

- Increased rice production
- Rice imports stopped
- Rice exports started, increased rice exports
- Increased palm oil exports
- Productivity gain for small holders (rice, palm oil)
- Reduced post harvest losses (agro-supply chain for fruits)
- Increased exports of processed/transformed agricultural products
- Increased distribution network for fish
- Fish exports to EU started, increase fish exports
- Production of steel started (integrated production)
- Exports of steel in ECOWAS started
- Increased local content utilization of SMEs
- Increased in tax revenues collection
- PPP established for technical skills development
- Increased number of beds
- Increased number of holiday-goers arrivals
- PPP established for skills development

**Cross cutting (e.g. business linkages, tourism, hospitality, manufacturing)**

Create quality jobs

- Increase revenues and exports in commercial farming and fisheries
- Support operational ABC
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<table>
<thead>
<tr>
<th>Intervention Type</th>
<th>Activity</th>
<th>Implementing Agency</th>
<th>Program Components</th>
<th>Project Funds</th>
<th>Decision Maker</th>
<th>Issue Area</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Plan Competitions</td>
<td>Strengthening Rural Youth Development through Enterprise</td>
<td>Technoserve and Mastercard</td>
<td>Skills training, business development and mentoring to young people ages 18 to 30 in</td>
<td>$11.5M</td>
<td>Mastercard Corporation</td>
<td>Skills; Youth jobs</td>
<td>Kenya, Rwanda, Uganda</td>
</tr>
<tr>
<td>Supplier Development Programs</td>
<td>Ahafo Linkages Program</td>
<td>Newmont Ghana Gold Limited</td>
<td>Local suppliers development; local economic development; institutional capacity development</td>
<td>$4.6M</td>
<td>IFC</td>
<td>Skills; SME development</td>
<td>Ghana</td>
</tr>
<tr>
<td>Regulation / Policy Streamlining</td>
<td>Business Registry, One Stop Shop (Results: In Rwanda, time to start a business was reduced from 18 days to 2 days, and the number of steps required was reduced from 9 to 7)</td>
<td>Competitiveness Committee</td>
<td>Reduce number of steps for administrative registration, reduce time and cost to start business.</td>
<td>$2.5M</td>
<td>Ministry of Commerce</td>
<td>Regulation, Taxation</td>
<td>Burkina Faso, Rwanda</td>
</tr>
<tr>
<td>Innovation and Demonstration Catalytic Fund</td>
<td>Linking smallholders to agribusiness value chains and linking MSMEs to the natural resources-related value chains</td>
<td>Competitively selected private Fund Manager</td>
<td>Investment in infrastructure, equipment, and services; providing linkages between smallholders and agribusinesses, Establishment of Training Centers, Skills Programs</td>
<td>$17M</td>
<td>Government through Investment Committee, Public Private Stakeholder, World Bank (financier)</td>
<td>MSME development, access to markets, technology</td>
<td>Republic of Mozambique</td>
</tr>
<tr>
<td>Matching Grant</td>
<td>Provide sub-loans and matching grants, based on transparent selection criteria (i) to private enterprises for promoting inclusive technologies and (ii) to SMEs for upgrading their technological capabilities.</td>
<td>Gov't of Vietnam, Ministry of Planning and Investment (MPI)</td>
<td>Provide sub-loans of up to $500,000, with borrowers expected to cover 20% of total project cost. Provide matching grants for 30% of cost of approved subprojects, with maximum grant size of $125,000 to $250,000 dependent on project type</td>
<td>$33M</td>
<td>EDA PMU, NAFOSTED and PFiS</td>
<td>Business Development, Commercialization, Scaling</td>
<td>Vietnam</td>
</tr>
<tr>
<td>Incubator</td>
<td>InfoDev incubator for agribusinesses, aims to help entrepreneurs accelerate the growth of their enterprises</td>
<td>Private Organizations</td>
<td>Provide financial and non-financial services, demonstrate product, process, and business model innovation across focal sectors.</td>
<td>$23.7M</td>
<td>InfoDEV Board of Incubator</td>
<td>Business Development, Competitiveness, Jobs</td>
<td>Senegal, Tanzania, Ethiopia</td>
</tr>
<tr>
<td>Business Development Programs</td>
<td>Business Uganda Development Scheme</td>
<td>Uganda Government, Uganda Investment Authority</td>
<td>cost sharing grant scheme in which Ugandan firms could receive 50% of costs of using consultants and other service suppliers (ie marketing, production, planning)</td>
<td>$7.5M</td>
<td>Private Sector Foundation Uganda (PSFU)??</td>
<td>Competitiveness, access to services</td>
<td>Uganda</td>
</tr>
<tr>
<td>Innovation Support Fund</td>
<td>Technology Transfer and Information Markets. Demonstrate new technology and make agricultural products available to smallholders</td>
<td>State Office for Comprehensive Agricultural Development</td>
<td>Applied research, building exhibit facilities, leading to new innovations in areas such as energy and farming</td>
<td>$16M</td>
<td>Central Project Management Office (CPMO)</td>
<td>Access to markets and services, competitivenesss</td>
<td>China</td>
</tr>
</tbody>
</table>
Services delivery and livelihoods should be considered in light of social capital

**Social Capital**

- Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions.

- Social capital provides opportunities for success for individuals and communities.

- Identifying, cultivating, and leveraging social capital is important when deciding where to locate a business and how to execute business activity.

**Steps to creating and preserving social capital**

- Identify ways to measure existing social capital in Sierra Leone
- Focus on creating and strengthening networks that result in increased social capital and opportunities for Sierra Leoneans.

**1) Protecting the environment**

- Extractive industries, by nature, can pose significant threats to the environment.
- Sand mining has destroyed many natural habitats and beaches in Sierra Leone, which decreases quality of life and makes citizen’s homes more susceptible to natural disasters.
- It is important to control these threats through policies that ensure enforcement, responsibility, accountability, and transparency.
- Preserving and improving the environment is key to creating and preserving social capital.

**2) Promoting gender equality**

- Studies show gender ranked as the highest factor on a list of differences that created divisions among people.
- Men have greater access to higher skilled and higher paying jobs than women, who mostly work in the household.
- Interventions to help women grow the value chain should focus on increasing the quantity of women in the work force.
- Increasing literacy rates among girls will help achieve this goal.
- Since 2004, the Gross Enrollment Ratio of girls has increased greatly, indicating increased female participation in formal education.

---

**Male vs Female Employment by Industry (%)**
Community Driven Development Initiatives can be used to enhance linkages and build trust in communities surrounding the Growth Poles.

Community driven initiatives have been established as best practice in many regions of the world, and have been developed in numerous forms to support shared prosperity.

<table>
<thead>
<tr>
<th>CDD Type</th>
<th>Activity</th>
<th>Implementing Agency</th>
<th>Program Components</th>
<th>Project Funds</th>
<th>Decision Maker</th>
<th>Issue Area</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Participatio n Initiatives</td>
<td>Laguna de Bay Institutional Strengthening and Community Participation</td>
<td>Laguna Lake Development Authority</td>
<td>Environmental Policies ($3.6M) Pollution Management ($3.6M) Civic Engagement ($3.6M) Resource Management ($1.7M)</td>
<td>$12.45M</td>
<td>Municipal Development Fund Office</td>
<td>Water and Sanitation; Environment</td>
<td>Philippines</td>
</tr>
<tr>
<td>Training Programs</td>
<td>Youth Labor Training Program PROJoven (% grads having paid job up by 4 to 8 percentage points)</td>
<td>Coordinating Unit within Labor Ministry</td>
<td>Youth Labor Training Program – training courses provided by training centers</td>
<td>$10M</td>
<td>Ministry of Labor</td>
<td>Skills; Youth Jobs</td>
<td>Peru</td>
</tr>
<tr>
<td>Mentorship/ Coaching Programs</td>
<td>Mozlink Mentorship Program (average 34% sales increase for participating SMEs)</td>
<td>Mozambican Investment Promotion Center</td>
<td>Offering work packages for small businesses Capacity building for SMEs</td>
<td>$20M</td>
<td>Mozal Aluminum (IFC; co-financer program coordinator)</td>
<td>Skills</td>
<td>Mozambique</td>
</tr>
<tr>
<td>Challenge Funds</td>
<td>Financial Education Fund</td>
<td>Civil society organizations (DfID)</td>
<td>Two competitive application rounds resulting in fifteen grants Baseline studies and monitoring</td>
<td>$5.4M</td>
<td>Genesis Analytics; Cardno Emerging Markets</td>
<td>Education; Gender</td>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>Risk Guarantee Facilities</td>
<td>Lesotho Hospital Public Private Partnership-Partial Risk Guarantee</td>
<td>Maseru referral hospital</td>
<td>Ensures implementation of a public-private hospital</td>
<td>$5M</td>
<td>Government of Lesotho</td>
<td>Health</td>
<td>Lesotho</td>
</tr>
<tr>
<td>Benefits Sharing Agreement s</td>
<td>Fundación Educacional Escondida (Escondida Educational Foundation)</td>
<td>Minera Escondida Foundation (Escondida Mine Foundation)</td>
<td>Provides funding to support literacy and k-8 school enrollment programs for children in Escondida</td>
<td>$9M</td>
<td>Regional government of Antofagasta</td>
<td>Education</td>
<td>Chile</td>
</tr>
<tr>
<td>Incentive Grants</td>
<td>Afghanistan Reconstruction Trust Fund</td>
<td>Control and Audit Office</td>
<td>Education quality improvement Rural access programs Irrigation rehabilitation</td>
<td>$5M</td>
<td>Afghanistan Ministry of Finance (World Bank, financier)</td>
<td>Education, Infrastructure, Gender</td>
<td>Afghanistan</td>
</tr>
<tr>
<td>Block Grant</td>
<td>National Community Driven Development Project</td>
<td>Department Of Social Welfare And Development</td>
<td>Rural infrastructure ($66M) Civic engagement ($66M) Social Development ($66M)</td>
<td>$ 2B</td>
<td>Philippines Ministry of Finance</td>
<td>Infrastructure, Gender</td>
<td>Philippines</td>
</tr>
</tbody>
</table>

**Illustrative List of Other Possible CDDs**

- Voluntary Agreements
- Indigenous Land Use Agreements
- Partnering or Partnership Agreements
- Community Contracts
- Shared Responsibilities Agreements
- Empowerment Agreements
- Impact Benefit Agreements
- Social Trust Funds
- Community Joint Venture Agreements
- Investment Agreements
- Institution Initiatives
- Access to Capital
- Business Plan Competitions
- Supplier Development Programs
- Matching Grant
Chapter 7 – Next Steps

Plan of activities

1. The growth poles approach
2. The context in Sierra Leone
3. The sectors that drive growth
4. Five enablers of competitiveness
5. About the three growth poles
6. The proposed growth poles program

Prioritize interventions

7. Next steps

Structure program

Back-up appendix
This report has detailed the growth poles approach to development and its potential to dramatically enhance Sierra Leone’s growth trajectory. In the next steps, we will continue to focus on building the foundations that will lead to transformational impacts and shared prosperity for Sierra Leone. These next steps involve building the program (including the delivery systems, deals orientations, catalytic interventions, and social capital development projects), communicating the goals and strategy of the program to all relevant stakeholders, and preparing for immediate and critical Government investment based on the techniques outlined here.

**Related to Further Structuring of the Growth Poles Approach and Strategy to Support Agenda for Prosperity**

Throughout this report, we have outlined the step by step process through which a country can achieve shared prosperity with a growth poles program. The first of our next steps will be to build such a program specific to the needs of Sierra Leone. This will require tailoring the delivery system, deals, catalytic interventions, and social capital investments to the unique social and political climate found in the country.

**Delivery systems**

The delivery system is three fold: it requires a delivery mechanism, a governance model to form the “hub” of the pole, and just-in-time support to policy reforms. The delivery mechanism is precisely what was described in the last chapter: capacity building, information systems, master planning, and financing plans via public-private partnerships. Each of these four components should be subject to rigorous monitoring and evaluation to ensure that the project is progressing as planned and being implemented in the most effective manner possible.

Monitoring and evaluation (M&E) will be particularly important given the uncertainty that surrounds large infrastructure projects of this nature, where much of the information is impossible to obtain ex ante. In order to incorporate flexibility into the design of the growth pole and its accompanying projects, it will be critical to have reliable, current information that can be used to alter project designs even in the middle of their implementation.

This requires a flexible approach to assessment and M&E that incorporates an iterative learning technique. To do this, the delivery system must first establish measurable intermediate goals. It should then use those metrics to identify bottlenecks and market failures: places where the project is not progressing as planned. From there it should experiment, learn, and adapt to the ever-changing surrounding environment. The R&D involved in this process should be a joint venture between involved private entities and the government agency responsible for acting as the “hub” of the program, particularly as each will have access to different information regarding the project. As always in M&E, collaboration and communication will be key to having accurate metrics.

The structure of this relationship between the government in the public sphere and the firms in the private sphere will be crucial to the success of the project. A delivery system requires that a government agency act as a central hub that provides leadership and technical guidance and acts as a center of expertise that is interconnected with all of the relevant agencies, departments, and independent stakeholders. The first step in developing this structure is to identify an optimal governance model for a “growth pole coordination unit.” Accomplishing this will require an advisory team to work with the Government for three months to identify a governance structure that will draw on the existing capacity of different agencies and will design a unit that will serve as the coordination and delivery unit of the growth poles approach.
The second step in designing the program is to design the delivery systems of the unit and prepare an operational plan that will be ready in 2014. In this phase, the advisors will build on the model developed in the first phase to produce a detailed design of the unit and an operational plan that will provide the TORs for staff and the performance contract for the unit coordinator. Finally, in the third phase, support may be offered via high-level advisors in the actual establishment and foundation of the coordination and delivery unit, at which point the initial delivery system will be fully formed.

**Deals orientation**

After the delivery model is complete, the next step is to begin to develop deals regarding the major projects in the growth pole program. Chief among these will be the development of a deep water port. The location and design of the port is as yet undetermined; a role the World Bank can contribute to in this process is to get all of key stakeholders around the same table and determine the effect of different designs on various interest groups. To this end, it will also offer expertise by providing analysis of the impacts of different port locations and designs and producing a paper with the results. This will be a key part of the innovation in this program: this paper will introduce flexibility into the design of the port. Uncertainty frequently undermines large infrastructure investments of this nature, by taking longer than anticipated or running significantly over budget. A flexible design limits the initial capital expenditure, while planning for and allowing further expansion if M&E suggests that it would significantly add value. In this manner, flexible systems not only allow for an increase in expected value by avoiding downside risks, but also leave room to take advantage of opportunities. Lead experts on flexibility can prepare a port design that can adapt at mid-project as more information surrounding the port become available. This will draw on the iterative nature of the M&E to offer the governing body the ability to change course and see whether it is possible to generate additional spillovers that attract public and social returns.

**Catalytic Interventions**

Another next step in developing the program will be to design and support catalytic interventions that support entrepreneurs and develop business linkages and demand-driven skills needs that prepare small and medium enterprises to move up the value chain as suppliers in growing industries. This step seeks to address the gap in the existing market between the demand and supply of goods and services in the mining and agribusiness sectors, with particular emphasis on local content. As such, it will develop specific, measurable opportunities that can be tapped by the private sector, and supporting them with catalytic interventions that address key weaknesses (skills, innovation, business development capabilities etc.) in value chains and enterprises.

This will also require integrating multiple stakeholders into an iterative problem-solving process via public-private dialogues. These should be used not only to support SMEs in capacity building, but also to develop a roadmap of what exactly are the goods and services that have the highest chance of being captured in-country by 2017 and 2022 by in-depth supply chain mapping analysis (value chain analysis, infrastructure prioritization, business linkages, social capital). Several value chains (including rice, palm oil, steel, and juices) have already been pre-identified as having high value-added potential; these opportunities should be formalized via market diagnostics and concrete value chain analysis.

**Social capital development**

Finally, in terms of the development of the growth poles program, it is crucial to invest in building and enhancing social capital. The key focus of this component is to build the growth pole program in a manner that addresses the needs of key stakeholders that would otherwise not benefit from the growth pole, including communities in mining areas that are not seeing the benefits of the mining, small farm holders which will be encouraged to link with large holders, and groups that could be disadvantaged. This will require dialogues with all of these stakeholders, with a particular emphasis on local government and chiefdoms.
Decentralized service delivery continues to be a key element in improving basic services in education, health and water and sanitation, and the time may be ripe for further deepening of the decentralization process. In many ways, Sierra Leone’s progress on decentralization could hold useful lessons for other post-conflict countries, especially in terms of deconcentrating powers by devolving responsibilities to local authorities, improving service delivery, and strengthening accountability. A majority of the functions envisaged for devolution under the 2004 Local Government Act (LGA) have been devolved to Local Councils. Recent discussions amongst stakeholders have highlighted that Agenda for Prosperity is a good time to revisit the LGA and reflect upon lessons from experience, in order to deepen the devolution process. Such a review should look at devolving authority over line agency staff to Local Councils, and further refine the intergovernmental fiscal transfer arrangements on the basis of a full understanding of local revenue collection and management. The opportunities provided through the decentralization process to actively engage with citizens and promote social accountability are being taken forward and are expected to continue.

One of the unique benefits of working in Sierra Leone is that it offers a strong chiefdom system that can play an active role for the decentralization of services delivery. Initial discussions have already taken place at multiple levels of government. The focus at the chiefdom level should be how to best build, enhance, and sustain capacity for community level development initiatives and participation of the community in supporting growth pole projects. This can be particularly crucial for distribution processes to more rural areas and monitoring performance and impacts at the community level.

Social capital will also be important in ensuring that the growth poles program is implemented in a way that environmentally sustainable and gender sensitive. This should include, as per the World Bank’s safeguards standards, performance indicators on environmental and social outcomes in project results frameworks and ensure systematic collection of data to monitor and evaluate safeguards performance.

**TO CONTINUE PUBLIC-PRIVATE CONSULTATIONS, LEARNING EXPERIENCES EXCHANGE AND CONSENSUS BUILDING**

The second component of the next phase will be to communicate, as outlined in the first segment of this conclusion, to all relevant stakeholders. First and foremost, the program will be communicated via public-private dialogue workshops. These will include representatives of government, industry, finance, and the community at large to evaluate the proposed plan and integrate their feedback. On a broader level, outreach activities will be conducted in communities so that they can be fully informed on what to expect from the implementation of the program and can address any concerns they may have. In terms of informing decision makers, a lead practices tour that will inform them on best practices and previous approaches will be undertaken so that they will start the growth poles program with the necessary skills and capacity. Finally, for instance, a video will be prepared that depicts and explains the growth poles program. This video will be accessible to all levels and can be used to cheaply and quickly educate the public as well as all major stakeholders regarding the coming growth pole program.

**RELATED TO A PUBLIC INVESTMENT TO KICK-START THE GROWTH POLES PROGRAM**

The third and final component of the next phase is the possible preparation for Government intervention to support initiatives selected through the growth poles prioritization process. This component will include performing economic analysis (including the economic rate of return) and the direct cost/benefit analysis for each selected intervention. After performing a detailed screening model, these interventions will be selected on the basis of quick wins costing and identification. Once the projects have been prioritized by the model described in the back up box appendix, the most pressing initiatives with the highest returns will be evaluated further for possible financing and implementation.
There are three sets of activities to be undertaken to turn the growth poles approach into an operational strategy: the growth poles program.

### Plan of activities

<table>
<thead>
<tr>
<th>Months</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI ...</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activities related to structuring the growth poles program: multi-sectorial studies to select interventions and signal commitments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Delivery systems</strong></td>
<td>Delivery platform agreed upon*</td>
<td>Adaptable M&amp;E framework defined</td>
<td>Start delivery unit*</td>
<td>Master planning</td>
<td>Start capacity building, set information systems</td>
<td></td>
</tr>
<tr>
<td><strong>Deals orientation</strong></td>
<td>Design work and protocol action plans</td>
<td>National workshops</td>
<td>Decision model building</td>
<td>Feasibility studies*</td>
<td>Project development financing and advisory services</td>
<td></td>
</tr>
<tr>
<td><strong>Catalytic interventions</strong></td>
<td>Design work and linkages, skills and value chains analysis</td>
<td>Case studies developed</td>
<td>Build business case and size catalytic interventions (skills, equipment, infrastructure, financing)</td>
<td>Start supplier development program and catalytic fund*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social capital development</strong></td>
<td>Political economy analysis at chiefdoms level (trust, livelihoods, gender, environment)</td>
<td>Decentralization of services delivery in growth pole areas (planning, monitoring) assessment</td>
<td>Social capital development strategy</td>
<td>Launch social capital activities such as block grants*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Activities related to communication and consensus building to operationalize the proposed growth poles strategy

| **Communication** | Public private dialogue and stakeholders consultations | Lead practices tour | Communication and outreach campaigns* | Growth poles video |

### Activities related to a possible Government operation to pursue quick-wins, kick start at least one growth pole and sequence the interventions

| **Possible Government operation*** | Project preparation, including cost/benefit and economic analysis | Quick wins identification, costing and implementation | Procurement mechanism defined | First operation agreed upon | Effectiveness* |

* contingent upon stakeholders approval and the length of their administrative processes
Institutional arrangements will depend on final components of the program but early planning is necessary

- **Learn lessons from similar multi-sectorial programs & adapt to Sierra Leone e.g. cluster development initiatives (China, Singapore, Malaysia); Growth poles projects (Madagascar, Burkina Faso [Bagré Pole], Mozambique): Multi-sectorial projects in Sierra Leone, e.g. Rural and Private Sector Development Project**
- Study reports, reviews. Peer-to-peer exchanges, South-South learning exchanges (Study tours)
- Identify lead institution that will sponsor growth poles program and host implementation body
- Identify key Government institutions that will be critical to implementation, assess current systems, staffing and institutional capacity needs
- Assess institutional options i.e. small coordinating units working in host institution or created a dedicated growth poles agency. Considerations: Adaptability of institutional design, long term institutional building
- Develop framework of institutional arrangement's on growth poles
- Pass framework document e.g. Project Implementation Manual or enact a law to create a growth poles agency.

### Initial Considerations

<table>
<thead>
<tr>
<th>Lead Institution</th>
<th>Implementation body</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central role of Office of President and Min of Finance</strong></td>
<td><strong>Possible gradualist approach: From PCU to Agency</strong></td>
</tr>
<tr>
<td>Office of the President</td>
<td>Project Coordination Unit</td>
</tr>
<tr>
<td>- Has convening power of Government required to coordinate growth poles.</td>
<td></td>
</tr>
<tr>
<td>- Strategic Role of Chief of Staff (Strategy and Policy Unit, Cabinet Oversight) to monitor Growth poles</td>
<td></td>
</tr>
<tr>
<td>- Host PPP &amp; MCC Units-PPPs will be strong delivery of growth poles. Coordination between MCC process and Growth poles to avoid duplication</td>
<td></td>
</tr>
<tr>
<td>- Can be created within host institution &amp; staffed with expert staff (Coordinator, Procurement Specialist)</td>
<td></td>
</tr>
<tr>
<td>- Acts as a hub but coordinates with MDAs through placed focal points</td>
<td></td>
</tr>
<tr>
<td>✓ Can be set-up quickly</td>
<td>✗ May not have sufficient autonomy and power</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Growth Poles Agency</td>
</tr>
<tr>
<td>- Plays a donor coordination function through DEPAC &amp; Dev. Ass. Coordination office (DACO)</td>
<td></td>
</tr>
<tr>
<td>- Oversees GoSL resources, and also looks at fiscal risks, etc. ensuing from PPPs</td>
<td></td>
</tr>
<tr>
<td>- Creating Public Investment Systems for long-term planning of projects</td>
<td></td>
</tr>
<tr>
<td>- Will need to be created by law</td>
<td></td>
</tr>
<tr>
<td>- semi-autonomous body, governed by a Board</td>
<td></td>
</tr>
<tr>
<td>✓ Long legislation process will cause delay in setting up</td>
<td>✗ It is not adaptable to changes</td>
</tr>
</tbody>
</table>
Prioritize key sectorial and cross-cutting interventions for the program to support the implementation of Agenda for Prosperity

**Signal commitments to finance priorities interventions**

“The Agenda for Prosperity is a mega and multi-faceted project with eight pillars, each pillar carrying its own flagship projects”

President Koroma

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Economic diversification</th>
<th>Managing natural resources</th>
<th>International competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Agriculture</td>
<td>Mineral resources</td>
<td>Business environment</td>
</tr>
<tr>
<td>Not focus</td>
<td>Manufacturing</td>
<td>Environment</td>
<td>Environment</td>
</tr>
<tr>
<td></td>
<td>Fisheries</td>
<td>Water</td>
<td>SMEs</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>Land mgmt.</td>
<td>Road network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oil and gas</td>
<td>Energy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Port and airport</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Telecom</td>
</tr>
</tbody>
</table>

**Public returns**
- Shareholding
- Tax revenues
- Economic returns
- Net present value

**Social returns**
- Direct jobs
- Indirect jobs
- Access to services

**Private returns**
- Direct GDP impact
- IRR
- Profitability variance
- Net present value

**Decision model**
Measure value proposition of each of the flagship project under pillars 1, 2 and 4

Interventions will be prioritized in the next phase through the use of the decision model and public private consultations.

**Critical cross-sectorial interventions which require a strong coordination mechanism:**

The Delivery Unit

**Cross-cutting and multi-sectorial interventions**

**A** Delivery systems

**B** Deals orientation

**C** Catalytic interventions

**D** Social capital development
Structure a program to mobilize resources and deliver Agenda for Prosperity

### Cross-cutting
- Set delivery unit
- Governance

### Mining
- Feasibility studies for power options
- Set supplier development program

### Agriculture
- Stimulate bio energy generation to grid
- Public goods investment in roads, storage and equipment
- Support out grower schemes and link with ABC

### Tourism
- Quality deals for hotels
- Public goods investment in utilities (power, water)
- Protect environment

#### Note:
These proposed interventions under each of the growth poles program component that have built most consensus in terms of impact and ease of implementation.

- Meanwhile the delivery platform (governance model) will be agreed among stakeholders.
- Each selected intervention will be assessed (cost/benefit).
- Key interventions will be sequenced with flexibility in design. Each step of the sequencing will be turned into individual action plans (quick wins, medium and long terms).
- Government and development partners will signal commitments.

**SOURCE:** Stakeholders’ consultations; Authors analysis
The growth poles approach

The context in Sierra Leone

The sectors that drive growth

Five enablers of competitiveness

About the three growth poles

The proposed growth poles program

Next steps

Back-up appendix

Bibliography
next steps
1 program
3 growth poles
5 enablers
3 sectors
1 approach
context
Consolidation of pages’ headings (1/2)

Introduction

🔍 The growth poles approach is relevant to Government strategy and vision 🔍 and [it] provides support to foster economic diversification through the sequencing and implementation of private sector development priorities.

🔍 Findings [three growth poles]: 🔍 proposed growth poles program to signal commitment, pursue quick wins and support Agenda for Prosperity.

Chapter 1 – The Growth Poles Approach for Sierra Leone

🔍 Growth poles are simultaneous, coordinated investments at the industry level in many sectors to support self-sustaining industrialization in a country. 🔍 Sierra Leone can learn from international experience and lead practices from the World Bank. 🔍 The complexity of growth poles development requires commitment and clear milestones, it is a time-bound exercise.

🔍 [This] diagnostic is a process with 4 interrelated focus areas which taken together form a distinctive growth pole development strategy. 🔍 Developing a growth pole successfully requires a constant dialogue among stakeholders. 🔍 It also takes dynamic interaction among institutions to best coordinate efforts towards producing the desired outcomes. 🔍 The first step of the analytical work is to go through a prioritization process from an exhaustive scope to a short list of recommendations. 🔍 The second step of the work is about change process in order to sequence interventions, measure costs and impacts and select targets to be delivered. 🔍 A combination of various sources of financing is required to support growth poles development.

Chapter 2 – The Context in Sierra Leone

🔍 Sierra Leone is experiencing high GDP growth as a result of unprecedented FDI inflows in iron ore mining 🔍 but to sustain and share this economic boost, growth has to come from other sectors to have a transformational impact. 🔍 The mining boom is changing the development trajectory of Sierra Leone 🔍 but will it be enough to achieve shared prosperity in the medium to long term? Employment generation cannot only rely on the extractives industry. 🔍 Agriculture is the main contributor to GDP and employment, and attracts investments in non-cultivated land areas which may lead to agro-processing. 🔍 Sierra Leone’s world class assets in tourism are not utilized at their fullest potential.

Chapter 3 – The Sectors that Drive Growth and Create Stable Jobs

🔍 While the extractives industry influences the development trajectory of Sierra Leone and provides a robust case for growth poles support; 🔍 not all minerals have the same impact on the economy in terms of shared prosperity potential. 🔍 Agriculture is the base of rural development and attracts FDI that uplift agro value chains 🔍 but not all crops provide the same yields in terms of revenues and jobs creation, and fisheries may become a source of growth. 🔍 Tourism has been identified as a key growth sector in the Sierra Leone’s Agenda for Prosperity. 🔍 Selected industries are concentrated around geographical areas. 🔍 Emerging growth poles in Sierra Leone: 🔍 [their] areas encompass many chiefdoms, a level where political economy and decentralization issues may be addressed.
Chapter 4 – Five Enablers of Competitiveness for Economic Diversification

In order for a growth poles approach to deliver successful results in Sierra Leone, it must address gaps in 5 key areas. Infrastructure bottlenecks and missed opportunities for shared usage impede Sierra Leone competitiveness. Labor demand from firms is not matched because of the lack of skills and low literacy rates. Low market efficiency can be addressed by starting from anchor investors to strengthen their suppliers and improve logistics along their value chain. Despite the boom of the extractive sector, improvements in governance will not occur automatically as the development process unfolds. Better access to financial services is needed to seize opportunities.

Chapter 5 – About the Three Growth Poles of Sierra Leone

Rapid assessment of growth pole #1 (Freetown to Tonkilili): Zoom on Northern Growth Pole (#1)

Rapid assessment of growth pole #2 (Bonthe to Sulima): Zoom on Costal Growth Pole (#2)

Rapid assessment of growth pole #3 (Tiwai to Kailahun): Zoom on South-Eastern Growth Pole (#3)

Chapter 6 – The Proposed Growth Poles Program to Support Agenda for Prosperity

There are 4 building blocks of the proposed Sierra Leone growth poles program. Support is needed for the Government to set up the building blocks to coordinate numerous ongoing and planned activities within the growth pole areas. Delivery focus drives impact and builds capacity within the system through a consistent set of tools. A delivery unit is being considered for the growth poles program, and it will require capacity building at every level of the delivery chain. Government should structure its role in deals to seize opportunities for shared infrastructure development and regional integration. How to establish value and develop shared infrastructure? Catalytic interventions will set the foundations for conducive ecosystem to economic diversification with focus on building linkages for better jobs. How to create business opportunities? Services delivery and livelihoods should be considered in light of social capital. How to share prosperity with local communities?

Chapter 7 – Next Steps

There are 3 set of activities to be undertaken to turn the growth poles approach into an operational strategy: the growth poles program. Institutional arrangements will depend on final components of the program but early planning is necessary. Prioritize key sectorial and cross-cutting interventions for the program to support the implementation of Agenda for Prosperity. Structure a program to mobilize resources and deliver Agenda for Prosperity
Credit to the private sector has increased, enhanced by increased savings mobilization and monetary policy.

Domestic savings reached **above 10% of GDP by 2011**

- Low level of domestic savings compared to other SSA countries
- Low credit to the private sector in terms of magnitude

83% of the domestic credit went to the private sector by 2012

Capitl formation (private) reached 30% of GDP
Illustration of facts about FDI flow to Sierra Leone in the past decade (2003-2013) based on FDI markets report on 25 companies

<table>
<thead>
<tr>
<th>Headline figures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No of FDI projects</td>
<td>25</td>
</tr>
<tr>
<td>Total jobs created</td>
<td>3,260</td>
</tr>
<tr>
<td>Total capital investment</td>
<td>USD 504.53 m</td>
</tr>
<tr>
<td>Average project size</td>
<td>USD 100.90 m</td>
</tr>
</tbody>
</table>

Metals (extraction) is top sector with almost one-third of projects are in metal

The other companies are involved in, tourism, telecommunications, energy, and financial services

In terms of project type, 96% of projects are new investments

Total of 3260 Jobs Created in the 10 years period

The largest number of projects was announced in 2012 (6)

Freetown is the top destination (32% of the surveyed companies)

Largest projects originate in UK ($170 million)

Most of the investment came from Developed countries

**Jobs created in main sectors**

- Electricity: 1000
- Extraction: 260
- Manufacturing: 2000

**Source of Investment (%)**

- Canada: 24.0
- UK: 16.0
- Nigeria: 8.0
- United States: 12.0
- Malaysia: 4.0
- India: 4.0
- Finland: 4.0
- Germany: 4.0

**Context**

Sierra Leone Ranks low on Human Development Index (HDI) compared to other SSA countries, but impressive improvement over the years

**Context**

<table>
<thead>
<tr>
<th>2005</th>
<th>2012</th>
<th>Ghana 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life expectancy at Birth</td>
<td>44.3</td>
<td>+8.5%</td>
</tr>
<tr>
<td>Mean Years of Schooling</td>
<td>2.9</td>
<td>+13.7%</td>
</tr>
<tr>
<td>GNI per Capita (2005 PPP $)</td>
<td>610</td>
<td>+44.4%</td>
</tr>
<tr>
<td>HDI value</td>
<td>0.315</td>
<td>+14.0%</td>
</tr>
</tbody>
</table>

**Target for 2035 (Agenda for Prosperity)**

- Mean Years of schooling: 7 years
- Life Expectancy at Birth: 57 years
- HDI: 0.55

*SOURCE: Government of Sierra Leone; UNDP, Human Development Report 2013*
Sierra Leone’s mining industry is concentrated, here is a brief background of major players within the growth pole areas (Northern and Coastal growth poles)

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>African Minerals</td>
<td>African Minerals Limited is a minerals exploration and development company with significant interests in Sierra Leone. The company is currently focused on the development of a world class iron ore deposit at Tonkolili and its related rail and port infrastructure. It is the largest employer in Sierra Leone and is set to become the largest contributor to the country's GDP.</td>
</tr>
<tr>
<td>London Mining</td>
<td>London Mining is an expanding producer of high specification iron ore for the global steel industry and is focused on identifying, developing and operating sustainable mines. Production in Sierra Leone (Marampa) started in 2011 and is expected to reach 5Mtpa in 2013. Moreover, Marampa has the capacity to increase its production to 16Mtpa in the few next years.</td>
</tr>
<tr>
<td>Sierra Rutile</td>
<td>Sierra Rutile is a leading mineral sands company, operating world-class assets in Sierra Leone. The company is in the process of significantly expanding its core rutile production, with associated increases of zircon and ilmenite by-products. Sierra Rutile is currently undergoing a significant expansion of its operations. It has commenced the construction of a dry mining operation and introduced a second smaller dredge to reprocess old tailings.</td>
</tr>
<tr>
<td>Sierra Minerals</td>
<td>Sierra Minerals is the only bauxite mine in Sierra Leone and is among the largest mining employer in the country. The mine has a resource base of approximately 31 million tonnes of bauxite and currently produces around 1.2 million tonnes per annum for export.</td>
</tr>
<tr>
<td>Cape Lambert</td>
<td>Cape Lambert Resources Limited is an Australian domiciled, cashed-up resources and investment company with exposure to iron ore, copper, gold, uranium, phosphate and lead-silver-zinc assets in Australia, Europe, Africa and South America. The company’s strategy is to acquire and invest in undervalued and distressed mineral assets and companies and to add value to those assets through a hands on approach to management, exploration and evaluation.</td>
</tr>
</tbody>
</table>

SOURCE: Company's websites
However, Sierra Leone mining companies appear small when compared to other global mining companies, with the risk of collapse in case of price fluctuation.

BHP Billiton vs. largest Sierra Leone mining companies

BHP Billiton is one of the world’s largest producers of major commodities, including aluminium, coal, copper, iron ore, manganese, nickel, silver and uranium, and has substantial interests in oil and gas.

The company’s revenues (for all minerals) in 2012 are enormously higher than those of any Sierra Leone mining company.

2012 Revenue

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sierra Rutile</td>
<td>179$ million</td>
</tr>
<tr>
<td>African Minerals</td>
<td>286$ million</td>
</tr>
<tr>
<td>London Mining</td>
<td>120$ million</td>
</tr>
</tbody>
</table>

Note: Mining companies operating in Sierra Leone are junior mining companies which are more vulnerable to market prices fluctuation.

SOURCE: Company’s websites
Only iron ore and heavy sands are suitable for growth poles, while diamonds have a limited impact on local development.

Whether minerals are suitable for the development of a growth pole or not depends on the fact that different minerals require different types of infrastructure development and hold different linkages with the local economy.

- Indeed, iron-ore and heavy sands require means of transportation that are able to sustain their heavy weight. Sierra Leone currently do not maximize the development of shared infrastructure. These heavy infrastructures include roads, railways and ports that will have an enormous spillover effect on the local economic community: roads and railways can be not only shared with among mining companies, but also shared with other types of local industries and even with the population.

- On the contrary, diamonds and gold are light minerals which can be transported regardless of the support infrastructure. This means that, due to their negligible weight and high value, diamonds are carried on regular roadways in light-weight vehicles which does not allow opportunities for shared infrastructure development.

- Furthermore, historically, it has always been harder to collect royalties from diamond mining (and consequently redistribute the revenues) owing to high rates of smuggling. Even in recent years, estimates of the value of diamonds lost to smuggling range from 50% to as much as 90% of total production by value. Alluvial diamond mining is already showing signs of diminishing returns, and as the decline continues, it could cease to be a viable economic activity. 150,000 to 200,000 artisanal miners live from this activity.

Value-chain approach for minerals

SOURCE: World Bank
Palm oil, sugar cane and rice are the largest contributors to Sierra Leone agricultural economy

<table>
<thead>
<tr>
<th>Perspective on Palm oil</th>
<th>Perspective on sugar cane</th>
<th>Perspective on rice (30.7% of agri GDP)</th>
</tr>
</thead>
</table>
| • World consumption of edible oils is rising  
• At the same time world production is decreasing (particularly in the EU, US, Brazil, Malaysia, and Indonesia due to deforestation)  
• Only among ECOWAS countries (which is a duty-free access zone for Sierra Leone), palm oil’s exports have risen from 65$ million in 2001 to 450$ million in 2008 (36,000MT unit production) | • World demand for sugar cane products (sugar, ethanol, molasses etc) is rapidly increasing due to the rise in income for the emerging markets and the rising interest for renewable fuels  
• Four of the five world largest producers of sugar cane (the EU, US, India, and China) have switched from being sugar cane producers to sugar cane importers.  
• In 2007, the ECOWAS zone alone imported more then 500$ million of sugar cane and more than 100$ million of ethanol (whereas in 2001 they imported, respectively, 20$ and 100$ million), and 70,000MT unit were produced | • Unlike for palm oil and sugar cane, Sierra Leone does not export rice  
• Even though in 2007 SL produced 800,000MT units of rice, the country’s rice self-sufficiency is only at 70%  
• However, since SL’s independence, agricultural development policies have been focused on the achievement of rice self-sufficiency for the country.  
• Major interventions have included both direct government participation and indirect aid through the donor-funded integrated agricultural/rural development projects.  
• All of these interventions have targeted small-holder farmers, who constitute approximately 90% of the SL farmer population. |

SOURCE: This is africa, Focus on Sierra Leone; Technical Assistance and Capacity Building for Sierra Leone Export and Investment Promotion Agency (SLIEPA), 2009; National Rice Development Stratgey, 2009; Sierra Leone Opportunities for Investors in the Oil Palm Sector; SL Opportunities for Investors in the Sugar Sector
The delivery system will translate the growth poles approach into strategic operational documents: each growth pole will have a masterplan.

Based on the existing geo spatial capacity of the GIS core team in the Government of Sierra Leone (Ministry of Planning, Freetown City Council) and the ongoing work on the National Spatial Development Plans.

Planning to be done one growth pole at a time, starting with the Northern growth pole and probably moving south to the Coastal growth pole depending to the location of the future deep sea water port.

**Master plan development**

<table>
<thead>
<tr>
<th>Full project portfolio mapping</th>
<th>Prioritization and sequencing of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>Match projects to resources</td>
</tr>
<tr>
<td>Resources</td>
<td>Run pilots for risky or new projects</td>
</tr>
<tr>
<td>Duration</td>
<td>Define milestones and targets</td>
</tr>
<tr>
<td>Cash costs</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
</tr>
<tr>
<td>Dependencies/critical path</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analysis of critical constraints</th>
<th>Constraint mitigation</th>
<th>Additional planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government budget</td>
<td>Options and levers to debottleneck</td>
<td></td>
</tr>
<tr>
<td>Donor funding if applicable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talent/resource pool to drive projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Communications</td>
<td></td>
</tr>
</tbody>
</table>

**Overview of master plan**

- 5-year cross-sector, cross-region road map
- Sequencing, resourcing, prioritization, and critical projects
- Early wins to generate momentum
- Governance model and processes
- Communication plan
- Owners and accountability
- Milestones, KPIs, and targets
- Budget estimates and fiscal impact
- Monitoring and evaluation strategy and plan
- Quality checking
- Capability building

**Monitoring and tracking**

- Delivery task team reporting to delivery monitoring team like any other team
- Monthly check-ins
- Annual review meeting
Note: This figure shows the typical sequence of front-end phases of procurement. The horizontal axis, 'level of escalation', indicates the extent to which capital has been committed in any phase of procurement. The vertical axis, 'degree of commitment/lock-in', indicates the specificity of the chosen project design in the corresponding phase of procurement. Figure 1 thus relates the degree of lock-in in various procurement phases to the consequences of escalating and abandoning the project.

**ESD Working Paper Series: Making Infrastructure Procurement Processes more Flexible under Uncertainty, Massachusetts Institute of Technology (MIT)**
Prioritization matrix: illustrative mining interventions

**Key Gaps**
1. Infrastructure
2. Labor
3. Market Efficiency
4. Governance
5. Finance

**Difficulty of Implementation**
- Low cost, <2 years
- Medium Investment cost, <7 years
- High Investment cost, >10 years

**Impact**
- High
- Low

**Low**
- Supplier development programs
- Incentivize hiring from local talent pool
- Provide vocational training partnering with local companies
- Investment tracking system at SLIEPA
- Set up catalytic fund

**Medium**
- Maintain road connections to ports/mines
- Improve existing power plant capacity
- Upgrade existing port (multipurpose)
- Create extractives curriculum
- Implement cadastral system (ongoing)
- Vicinity development programs
- Improve property registration process
- Improve M&E for better anti-corruption watchdog effectiveness

**High**
- Build new power plants
- Build new highway network to Liberia
- Build more ports (oil)
- Build new power plants
- Create and expand higher education infrastructure
- Improve transparency and accountability in government
- Improve M&E for better anti-corruption watchdog effectiveness

**ILLUSTRATIVE BASIS FOR NEXT PHASE**
- Decision modeling
- Flexibility in system design

**NEXT STEPS**
- Decision modeling
- Flexibility in system design
Prioritization matrix: illustrative agricultural interventions

**Impact**

**High**
1. Improve small-scale irrigation to small holders
2. Provide vocational training to local farmers
3. Scale up investment promotion activities
4. Set up seed-banks through ABC
5. Access to loans for local farmers/SMEs (widen coverage of rural banks)

**Medium**
3. Improve property registration process
4. Improve irrigation for rice
5. Create digital information channels + marketplace (SMS, etc) for farmers

**Low**
3. Improve consumer power access
4. Improve irrigation for rice
5. Improve small-scale irrigation to small holders

**Difficulty of Implementation**

**Low**
- Low cost, <2 years
- Growth poles material

**Medium**
- Medium Investment cost, <7 years

**High**
- High Investment cost, >10 years

**Gaps**

1. Infrastructure
2. Labor
3. Market Efficiency
4. Governance
5. Finance

**Basis for Next Phase**
- Decision modeling
- Flexibility in system design

**Next Steps**

1. Build new highway network to Liberia
2. Build new airports and link to main highways
3. Improve transparency and accountability in government
4. Improve safety and soundness of local commercial banks
5. Expand channels and coverage of financial services (ATMs, etc)
TOURISM

**Impact**

**High**

1. Improve Lungi-Freetown access/crossing
2. Provide vocational training to local tourism service providers
3. Scale up investment promotion activities and incentivize investors in tourism sector
4. Create tourist police/information
5. Set up shared-value fund

**Low**

1. Maintain road connections to ports, tourist spots
2. Incentivize hiring from local talent pool in the hospitality sector
3. Create and expand higher education infrastructure
4. Improve secondary school enrollment
5. Access to loans for local tourism operators/related value chain business

**Difficulty of Implementation**

**Low**

- Low cost, <2 years
- Growth poles material

**Medium**

- Medium Investment cost, <7 years

**High**

- High Investment cost, >10 years

**Key Gaps**

1. Infrastructure
2. Labor
3. Market Efficiency
4. Governance
5. Finance

**Illustrative basis for next phase**

**Decision modeling**

**Flexibility in system design**
Overview of the Decision Model

The decision model provides an analysis of the impact of project implementation on public, private, and social returns at the sector and industry level

- The decision model is based on:
  - An analysis of business plan returns to measure potential
  - Hypothesis driven infrastructure impact assessment on selected competitive industries to unlock potential
  - Reverse constraints and risks roadmap from options so to ease implementation
- The decision model incorporates both micro and macroeconomic assessments of projects
  - Microeconomic assessments are built off of the business plans of selected companies and the agglomerated effects at the industry level
  - Macroeconomic assessments are built off of economic analysis of the country and sensitivity analysis of the micro models to different macroeconomic conditions

Who should use the decision model?
- The decision model is made to assist:
  - Analysts in formatting and presenting their findings
  - Government officials in understanding the tradeoffs between investing in and sequencing various projects
  - Decision makers in making the ultimate funding decision

Why use this type of model?
- The decision model is unique in that it combines in one model the public, private, and social returns of each project
- This allows GoSL to pro-actively support shared wealth creation with a mix of targeted soft and hard interventions
The decision model gives outputs for private, public, and social returns for individual projects and places them in a broader context

- The decision model offers three outputs for each project:
  - Social: Number of jobs created, both directly and through business linkages
  - Public: Increases in tax revenues generated
  - Private: Increases in profitability for enterprises either via increased revenues or decreased costs
- These outputs are useful for prioritizing projects
  - The model does not offer statistical precision about the outputs of each project
  - The numerical outputs should be used to rank the projects in relation to each other

What tools does the model provide?

- In addition to providing the ability to prioritize projects, the model:
  - Creates a macro tool that can be used for other projects outside of Sierra Leone growth poles
  - Offers government officials the ability to change the conditions of a project easily and perform their own sensitivity analysis

How can the model be used?

- With the model, the user can:
  - Change the variables to see the impact of different scenarios on outputs
  - Extend or narrow the scope of the model
  - Change the impact of macroeconomic conditions on outputs
Methodology of the Decision Model

How is the model built?

- The first step is a screening model that separates projects by ease of implementation and impact indices
  - Around 200 projects are ranked on 10 variables that determine these two indices
  - The projects that perform best on both indices proceed to the actual decision model
- The decision model then models the impacts of the individual projects while placing them within the broader context of the economy
  - First the impacts of the project are modeled at the individual business level by looking at changes in the financial reports of selected enterprises given the implementation of the project
  - Next the impacts are modeled at the industry level, by combining the business reports with more macro indicators, such as exports for the total industry
  - Finally, the model is placed in the context of the economy as a whole by looking at jobs created outside of the industry via business linkages and agglomeration economies
- Lastly, the model is built such that several projects can be modeled at the same time to see how they interact with each other
  - This allows GoSL to prioritize projects and sequence them in a way that maximizes public, private, and social returns

Where does the data come from?

- The data for the model is primarily obtained from official government sources and publicly published commercial reports
  - Government sources include GoSL documents, World Bank/IMF reports, and US State Department publications
  - Commercial reports include business plans and financial statements from relevant countries and privately produced competitiveness reports

What is the scope of the data?

- The data includes variables on:
  - Macroeconomic conditions (GDP, inflation, taxation rates, tariff rates)
  - Business returns (profitability, production rates, cash flows)
  - Industry returns (export rates, transportation costs, employment rates)
  - Project characteristics (traffic forecasts, cost of implementation, internal rate of return)
Flexibility in engineering design increases the expected value of a given project by avoiding downside risks and leaving project managers free to take advantage of unforeseen opportunities

- Project teams can improve results by recognizing that the future is inevitably uncertain
  - Currently projects are frequently undermined by the “flaw of averages”: assessing a potential project at the average of each variable
  - the average of all possible outcomes associated with uncertain parameters is not equivalent to the value obtained by using the average value of the parameters
  - This means that many projects are over-budget and overdue on their schedules
- Flexibility in design analyzes a range of scenarios and produces a range of possible values rather than a single numerical impact estimate
  - First the project team analyses numerous scenarios to determine the range of possible values
  - They then look at what qualities of the project allow for most favorable reactions to changing scenarios and design a project that can be modified around these key characteristics

**Four Steps to Flexibility**

1. Estimate the distribution of the future possibilities
2. Identify the points of potential flexibility in a design
3. Evaluate and choose flexible designs
4. Implement flexible design and manage accordingly

**Tools for Analyzing Flexibility**

- Screening Model
  - Used to identify candidates for flexibility
  - Can be bottom-up, top-down, or a simulation
- Target Curves
  - Used to identify the overall expected value of the project incorporating flexibility
  - Important tool for ranking and prioritizing projects
- Monte Carlo
  - Most classic approach to simulation
  - Important because it allows the modeler to incorporate uncertainty into the probability distribution of different events
The World Bank
*Sierra Leone’s Infrastructure, A Continental Perspective*
2011

After 9 years of peace, SL’s economy is booming. However, per capita growth rate could rise by 3% if the country rebuilds all the infrastructures destroyed during the civil war. Roads, ports, and telecommunications must be rebuilt. Priorities are: electrification, water, and sanitation, which all have 0-1% access in rural areas. Even though SL has spent $134 million in infrastructures, 66 of that are lost every year to inefficiencies, therefore the country must think strategically about its spending.

UNU-WIDER
*Impact of Foreign Aid on Economic Growth in Sierra Leone*
2012

This paper examined the impact of foreign aid on economic growth in Sierra Leone. The study found out that foreign aid has a significant contribution to economic growth in the country, which is in line with the majority of aid-growth literatures. It is also pointed out that, the impact of aid was not as such impressive in the civil war period, which may have to do with weaknesses of the institutions relevant for guiding the effectiveness of the aid.

The World Bank, World Economic Forum & African Development Bank,
*Africa Competitiveness Report*, 2013

Improvements in infrastructure have contributed to Africa’s improved economic performance in the past decade; however, critical investment and policy coordination challenges still exist. Balanced growth and improved competitiveness can be realized only through structural changes involving reduced cost of building infrastructure and increased private sector participation. Moreover, sustained support, to the competitive industries with vast potential such as agriculture mining and tourism, is required to achieve comprehensive competitiveness and economic diversification.
Bank of Sierra Leone


2013

This report is the Bank of Sierra Leone’s annual report on the state of the economy and the current account balance for the nation. It breaks down the economy by industry and sector and presents important trends, as well as the financial position of the country.

M. S. Foon

Report on foreign private capital flows, investor perceptions and corporate social responsibility in Sierra Leone, SLIEPA

2012

This paper reviews the economic position of Sierra Leone under the implementation of the Extended Credit Facility. Most of the findings were positive, with real GDP growth at 21.3 percent (though revised down from a projected 51 percent) and non-iron ore real GDP growth at 6.3 percent. The team recommended steps to mitigate risk in terms of variation in iron ore production and FDI inflows.

International Growth Center (IGC), O. E. G. Johnson

Economic challenges and policy issues in early twenty-first-century Sierra Leone

2012

This book is a compilation of essays on challenges and opportunities currently facing the economy and government of Sierra Leone. It is broken into four sections that cover macroeconomics and financial sector issues, private sector development and export promotion, real sectors, and governance and social services.
Government of Sierra Leone, Ministry of Labor and Social Security (MLSS), Ministry of Youth Employment and Sports (MYES)

*National Employment Policy for Sierra Leone*

2011

The National Employment Policy includes four main pillars to guide employment policy. The first is linking employment with economic growth via investing in labour intensive industries. The second is matching skills with jobs by investing in vocational education and skills development. The third is stimulating investment in enterprise and job creation by expanding access to credit. The fourth is local economic development that focuses on public works.

The World Bank

*Country assistance strategy progress report for the republic of Sierra Leone*

(International development association, International finance corporation and multilateral investment guarantee agency)

2012

This paper is a World Bank produced Country Assistance Strategy Progress Report for Sierra Leone. It covers recent trends and changes in the country context, reports of the progress towards CAS pillars and human development indices, as well as constraints against progress in the future and proposed adjustments to the current policy.

The World Bank (AFTFW), P. Noumba Um

*Sierra Leone Briefing*

2012

This paper details the agenda and objectives for a mission by Paul Noumba, Manager of the African Finance and Private Sector Development department of the World Bank, to Sierra Leone in May 2012. It covers the messages conveyed during the mission, as well as the country context and the lessons for moving forward with policy in Sierra Leone.
**Government of Sierra Leone**

*Bibliography*

**National energy profile of Sierra Leone**

2012

This paper profiles Sierra Leone’s energy sector, which is frequently cited as one of the top three concerns to doing business in Sierra Leone. Currently less than 10 percent of Sierra Leoneans have access to electricity. To reach sustainable energy levels by 2030, Sierra Leone will require a 100 percent increase in electricity access along with increasing energy efficiency to 12-15 percent.

**Government of Sierra Leone**

*Competitiveness in Sierra Leone. Leveraging growth in the extractive sector and making the most of boom-time*

2012

This presentation covers issues of competitiveness in Sierra Leone in terms of implications for entrepreneurship and infrastructure as well as private sector development. It presents opportunities for development of exporting industries in Sierra Leone on the basis of new growth paradigms and presents solutions to the “productivity tug of war.”

**Government of Sierra Leone, L. Garrido**

*Sierra Leone’s Vision of Prosperity: Overcoming Constraints to Diversification and Growth*

2012

This paper is a growth diagnostic for Sierra Leone that defined the benchmarks for the Government’s long term development goals. It set many of the targets included in the Agenda for Prosperity by identifying the current constraints on growth. The main proposal is one of portfolio diversification in terms of growth projects in order to turn the growth from the mining boom into development.
These three reports outline the Sierra Leone Export and Investment Promotion Agency's identification of sector specific projects for economic growth. 60 projects were identified within the mining, agriculture, fishing, and agriculture sectors, and the reports then go through a description of each project as well as a breakdown of the valuation techniques used for the projects.
Government of Sierra Leone

*Sierra Leone’s Agenda for Prosperity*

2013

This document presents the strategic policy agenda the Government of Sierra Leone intends to follow in order to achieve Middle Income Status by 2035. Specifically, it represents the agenda for the first five years of this transition and tackles issues of macroeconomic stability and growth, human development, and industrial diversification.

The World Bank, IMF

*Financial Sector Assessment. Sierra Leone*

2017

This paper presents a joint IMF-World Bank assessment of the financial sector in Sierra Leone. The report concludes that currently the financial sector is unable to provide adequate support to the private sector, and in particular financial services for SMEs should be developed further to promote entrepreneurship.

The World Bank (AFTFP)

*Sierra Leone Investment Climate Policy Note*

2009

This paper presents a World Bank African Finance and Private Sector Group assessment of the investment climate in Sierra Leone. It explores issues of firm performance, investment constraints, availability of finance, and recommendations for further internationalization and export promotion.
Government of Sierra Leone, Ministry of Trade and Industry

*Unleashing the Talent of Our People. A Vision and a Promise. Private Sector Development Strategy for Sierra Leone*

2008

This paper presents the Ministry of Trade and Industry’s strategy to develop the private sector in Sierra Leone. It looks at issues of investment and enterprise, innovation and competitiveness, and inclusion and fairness. In moving towards these goals, it seeks to promote entrepreneurship, increase access to finance, create jobs, and improve market efficiency.

MIT

*The Value of Flexibility in System Design for a Resource Corridor Program*

2012

This paper analyses the system of flexibility established in Venture Capital, and developed a framework that looks at every level of the organization from structural characteristics to formal processes and rules to informal processes. It then uses this framework to analyze flexibility in the Defense Advanced Research Projects Agency as a governmental organization that has been remarkably successful in incorporating flexibility.

MIT

*Making Infrastructure Procurement Processes more Flexible under Uncertainty*

2013

This paper argues that flexibility in project design is particularly valuable in development projects, where uncertainty and unanticipated changes frequently cause delays, budget shortfalls, and stakeholder frictions. Three principles are proposed as providing for more flexible front-end phases of procurement processes: undertraining and properly assessing uncertainty, studying system-wide impacts, and building designs in phases.
The World Bank
*Why Quality Matters. Rebuilding Trustworthy Local Government in Post-Conflict Sierra Leone*
2012

In a post-conflict and fragile setting, like the one in Sierra Leone, failing to build accountable and legitimate institutions generates violence. Changes in local government performance influence citizens’ beliefs about the trustworthiness of local government authorities. The study’s result is that improvements in the quality of decentralized services and in the perceived honesty of councilors are positively related to the trustworthiness of political authorities.

Statistics Sierra Leone
*Tourism Statistics Bulletin*
2011

Tourism is not only the largest and fastest growing industry in the world (10% of world GDP), but it also generates foreign exchange revenues, regional and international trade, and investment linkages. Sierra Leone has a strong potential in the tourism sector: excellent beaches, islands, mountains, rich biodiversity, interesting wildlife, friendly people, and rich cultural roots. The bulletin includes all tourism data useful for this sector's development.

SLIEPA, V. Saidu-Kamara (Minister of Tourism & Cultural Affairs)
*Tourism. Sector Overview*
2012

Notwithstanding Sierra Leone’s touristic amenities, the tourist sector has been cancelled by the 1990 Civil war (tourism had expanded quickly in the 80s) and now no international brands operate in Sierra Leone. To boost tourism, the government has a 4-point plan: target tourism development in the Western Peninsula, set up tourism schools, government reforms, and update of tourism related regulations.
**FJP, O. R. N. Jones**  
*Private Sector, Infrastructure, and Entrepreneurship: Competitiveness for private sector led transformation*  
2012

The current paradigm for private sector transformation only takes into account physical factors of production (tourism, natural resources, land management/agriculture, port, water) therefore limiting the chances of turning potential into high and sustainable standards of living. On the other hand, a new better paradigm, with new horizons, must include the role of culture and consider the economy as an outcome variable.

**FAO**  
*Review of past agricultural policies in Sierra Leone*  
2011

After the acute 2010 food crisis, the world's attention has been focused on food productivity. Especially in developing countries such as Sierra Leone. This document attempts for the first time to give an overview of Sierra Leone's agriculture policies of the past, and their impact on the present state of the country's agribusiness sector.

**London Mining Factsheet, 2013, www.londonmining.com**

The document presents London Mining company. The company focuses on the development of sustainable mines, and has started production in Sierra Leone (Marampa mine) in 2012. London Mining expects to reach production capacity of 5Mtpsa of iron ore in 2013, and is developing two other potential mines in Greenland and Saudi Arabia.
Government of Sierra Leone, Sierra Leone Ministry of Trade & Industry
*Sierra Leone Local Content Policy*
2012

Since the private sector is considered to be Sierra Leone's engine for the overall economic growth of the country, the SL government objective is to support this sector through a wide array of political and economic reforms that simplify or eliminate entrepreneurs' challenges such as lack of access to finance and lack of skilled labor.

US government
2011

The Minerals Yearbook is an annual publication that reviews the mineral and material industries of the US and other foreign countries. The document overlooks the mineral sector under the aspects of: legislation and government programs, consumption, prices, and foreign trade for different minerals. These annual reviews contain statistical data and information on approximately 90 commodities.

The World Bank

The concept of growth poles dates theoretically back to 1949 and was more practically redefined in 1966 as "A regional growth pole is a set of expanding industries located in an area and inducing further development of economic activity throughout its zone of influence." The fundamental features of a growth pole are: 1. strong geographic concentration 2. anchor investor 3. lumpy investment 4. endogenous dynamic.
Sierra Leone Government, M. Konteh, Minister of Trade and Industry

*Sierra Leone: Africa's New Investment Destination, SLIEPA* 2012

The three documents explore the rising market opportunities for Sierra Leone deriving from the increasing demand (global, regional and local) for palm oil and sugar. Thanks to its abundance of land, Sierra Leone offers a competitive environment for the production of palms and sugar canes, making the country a suitable investment destination both for African and non-African investors.

*Sierra Leone Opportunities for Investors in the Oil Palm Sector, SLIEPA* 2012

*Sierra Leone Opportunities for Investors in the Sugar Sector, SLIEPA* 2012
Sierra Leone Economic Sector Work, E. Mannah and Y. Ngadi Gibril
A Skills Gap Analysis for Private Sector Development in Sierra Leone
2012

The private sector is fundamental for Sierra Leone to turn its wheels and move it to a superior level. The private sector environment, potential and initiatives must be promoted in order for the country to prosper. One of the most important factors in private sector development is the training of a highly qualified labor force.

World Bank (prepared for), University of Greenwich
Contrasting Rice Value Chains. A Benchmarking Study of Rice in Ghana, Senegal and Thailand
2012

The document explores the rice value chain in Ghana, Senegal and Thailand. The analysis covers the whole chain (from seed and chemical suppliers to researchers, consumers and agencies) through existing surveys, literature and interviews on the topic. Moreover, the study adds further data from government agencies, donors and key players in the rice industry.

McKinsey, M. Barber, P. Kihn, A. Moffit
Deliverology: From idea to implementation
2011

Deliverology means "the science of delivery" and is linked to the delivery of solution. It is an approach to managing reform initiatives that was born in the United Kingdom but has increasingly gained importance all over the world. Three components are fundamental for the formation of a delivery unit: data collection for 1. setting targets and 2. trajectories, and 3. the establishment of routines.
Government of Sierra Leone

*Focus on Sierra Leone. This is Africa*, in association with Ministry of Finance Sierra Leone 2013

After its 11-year long civil war (which ended in 2002), Sierra Leone’s government is trying to reform its policies in order to boost the domestic private sector and turn Sierra Leone into the favorite destination in all West Africa for foreign investors. Sierra Leone is a country in transition: fair elections have already been held twice and people are hungry for a change.

The World Bank (DECRG), D. Kaufmann and A. Kraay

*Growth without Governance*

2002

All over the world, quality of governance and per capita income levels are positively related. The results of this study, on one side, confirm the relationship between good governance and economic development. However, the innovative result of the study, on the other side, is that, once growth has been achieved, this does not necessarily lead to further improvements in governance: "growth without governance".


The document is a presentation of African Minerals corporate. It shows all different aspects of the company ranging from safety to interim results, from development history to geographical maps, from multi-stage growth into multi-generational asset to current production rate. Other topics in the presentation are election updates, mining infrastructures, governance, and 2013 challenges.
In recent years, the public (citizens and civil society) has become more and more interested in government budget issues, gaining more and more voice on the subject. This report sums up all the best practices in budget work that can be applied to the extractive industry. The appendix offers a list of Internet resources for further analysis.

The Digest analyses the increasing demand for higher (tertiary) education by 132 million students all over the world in 2004. The analysis includes data on the type of study and where the schools are. This Digest is divided into 4 sections: basic framework for analysis, output in terms of graduates, trends in school participation, changes in the international mobility of tertiary students focusing on their countries of origin and of study.

The study collects data from more than 550 CEOs and senior manufacturing leaders in 2012. The scope is to better understand those trends that create a competitive global environment for manufacturing. Therefore, the study analyses all facets of research, development, production, sales, distribution, logistics, customer service, marketing, and support, which are the complex forces that drive the manufacturing industry.
Since the end of the Civil war, Sierra Leone had made progress in almost every field, from the restoration of security to the delivery of public services. In light of this, the country has seen a great increase in the number of student enrollments and an effort in rebuilding schools and school-related building destroyed during the war. However, the education field still requires more struggle as it faces huge challenges.

The Agenda for Change is the result of Sierra Leone's free, fair and democratic elections. The government that Sierra Leoneans have elected is committed to the improvement of the country's social and economic conditions. Sierra Leone must become a prosperous and tolerant nation, where friendship, citizenship and kinship win over divisions and extremisms.

The Diagnostic Trade Integration Study (DTIS) is a document that assesses the competitiveness of a country's current economic and also its potential to engage in international trade. In 2013, the Sierra Leone government, the World Bank, and the European Union have reviewed the previous 2006 DTIS in light of new priorities such ad tourism, fisheries and agriculture.
The Report concerns Sierra Leone's infrastructures. Country's infrastructures suffered greatly during the civil war and, even though now Sierra Leoneans have enjoyed more than 10 years of peace, the nation's infrastructure are still inadequate and poorly maintained. However, there are many opportunities to change the current situation, and the plan of the Report is to offer recommendations and solutions on the subject.

The report focuses on the development of a trade strategy in order to increase Sierra Leone's exports. The IGC has worked under request of the Sierra Leone government, and has collected all data during the May 2011 fact-finding mission. The mission benefitted from the support of the relevant ministries, private sector and international development agencies.

The FSDP focuses on four priority areas for Sierra Leone: 1. build a strong and effective commercial banking system 2. increase access to finance through microfinance, rural credit, and community banks 3. Improve the mobilization and investment of long-term funds 4. establish a suitable environment for finance, through regulatory reforms.
Government of Sierra Leone  
*National Sustainable Agriculture Development Plan 2010-2030*  
2009

The document offers the broad framework necessary to turn the Government's Agenda for Change into action. The NSADP provides solutions to move agriculture, forestry and fisheries towards the country's needs, which are increasing because of population growth and additional income, and towards the creation of additional income to Sierra Leone's economy.

The World Bank  
*Integrated Transport Policy, Strategy & Investment Plan (Sierra Leone)*  
2013

The document analyses the background of the study and compares it to the 2003 NTS&IP. It then Sierra Leone's national transport requirements and performances, and classifies means of transport, categories of strategic interventions and top priorities. Finally, the document proposes strategic interventions in order to deliver practical solutions and summarizes the study.

Government of Sierra Leone  
*Smallholder Commercialization Programme (Agriculture)*  
2010

The Programme presents Sierra Leone's agricultural background, including the economic, poverty and food security statuses. The analysis then goes on by presenting an array of activities that can be undertaken in each sector ranging from production intensification to diversification, from value addition to marketing in order to favor Sierra Leone's smallholders' position.
The report on the evaluation of “removing administrative barriers to investment –phase III” in Sierra Leone studied the relevance, effectiveness and efficiency of the interventions, and tried to quantify the impact of the project and specific interventions. The report indicated that the project was successful; the simplification of the business registry system and the elimination of tax advance payment system are among the changes that contributed to the positive result.

Developing growth poles and Competitive industries in Sub-Saharan Africa

A growth poles project can help direct resources in to industries of highest potential and remove challenging cross-cutting as well as industry specific investment climate reforms. Effective implementation of the project requires policy reforms, infrastructure investments, support to the private sector and support to the public institutions. There are risks associated with growth pole project that could be mitigated by private sector participation, industry linkages, simplicity, political will to remove barriers, local participation and good monitoring and evaluation system.

World Economic Forum

The Travel & Tourism Competitiveness Report

2013

World Tourism and Travel Council and Oxford Economics conducted research on contribution of Travel and tourism sector to GDP, employment and export in emerging and advanced economies benchmarking against other sectors with global presence like mining and education. In Africa, the industry faces number of infrastructure and investment challenges. However, Travel and Tourism is one of the leading employers in the region surpassing mining, communications and financial services industries, creating over 8 million direct jobs.
The School of Mining Engineering and CSMI

Resources corridors: experiences, economics and engagement
2012

Development corridors (DCs) should be initiated and pursued based on inherent economic and infrastructure potential. The experience with the implementation of DCs has both success and failure stories. Strong business case, government commitment and leadership, inter-sectoral coordination, strong project management with political access to critical ministries, rapid decision making process, and availability of private funding due to good market demand for the projects products and opportunities for SMMEs are among the qualities observed in the successful projects.

S. Jibao, W. Prichard

Rebuilding Local Government Finances After Conflict: The Political Economy of Property Tax Reform in Post-Conflict SL
2013

The research tried to explore relatively successful reforms of the local property tax system in the four largest City Councils in Sierra Leone. The study underlined on the importance of targeted support from the international community and the central government grounded on longer term and local level partnerships; high-level reform leadership to overcome resistance, particularly from large property owners; and political leadership, reform strategies that are comparatively contractual can contribute to a virtuous cycle of improved governance and help to build sustainable political support for successful and continued reforms.

A. Janneh, J. Ping

Africa as a Pole of Global Growth
2012

Africa has witnessed a remarkable economic performance over last decade with GDP growth averaging 5.6 percent (pre-global economic crisis) making it the second fastest growing region in the world. Improved macroeconomic management, good governance and control of corruption and significant FDI flows accounted for part the observed change. This resurgence is giving rise to recognition of Africa as an emerging market and a potential global growth pole.