



# Sierra Leone

MONDAY, MARCH 6, 2006

## Embracing a bright new dawn

**SIERRA LEONE HAS BECOME A MODEL FOR OTHER NATIONS MOVING FROM CIVIL CONFLICT TO PEACE**

LAST June, during the Conference on Disarmament, Demobilization and Reintegration which Sierra Leone hosted in its capital Freetown, it became clear that in Africa, at least, the country is no longer associated with war and conflict. On the contrary, it is praised for the success of its transition to peace and stability, and is now upheld as a model to follow for other nations emerging from civil conflict.

Commenting on the pullout of UN peacekeeping troops, Daudi Mwakawago, Special Representative of the Secretary General of the United Nations, says a different kind of UN presence is now appropriate. "We were there to keep the peace. We've kept it. Now we want the peace-builders to come and work with the people." A new UN Integrated Office in Sierra Leone has been established to "create an enabling environment for private investment" and international donors have pledged US\$800 million for the purposes of national reconstruction.

On the outskirts of Freetown, the renewed sense of confidence is palpable. The emerging affluence of post-conflict Sierra Leone can be seen as houses spring up near-

by the soon-to-be-completed US\$60million American Embassy. In the center of the city, the legacy of the decade-long civil war is more evident but even here, alongside the shells of buildings burnt down during the rebel invasion of the capital in 1999, there is renovation and reconstruction. A vibrant new city is emerging from the rubble and across the country, Sierra Leoneans are focused on the grand task of rebuilding a society.

The war officially ended in January 2002. Peaceful presidential and parliamentary elections followed in May of the same year, and Ahmad Tejan Kabbah's Sierra Leone People's Party (SLPP) was re-elected winning a large majority. In May 2004, local elections were held for the first time in 32 years, and the decentralization process has led to the creation of districts and town councils.

The country's newfound status as an model for conflict resolution is the culmination of a long healing process helped in part by innovative institutions such as the Truth and Reconciliation Commission and the Special Court. At its root, however, peace prevails due



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The withdrawal of UN peacekeepers early this year heralds Sierra Leone's return to normality.

to the good will of the Sierra Leonean people and their determination not to return to the dark days of civil war.

"From the beginning, we agreed that one of the causes of the war was exclusiveness, so a central component of the disarmament, demobilization and reintegration process was inclusiveness," says President Kabbah. "We must ensure that everybody feels that he or she has a stake in the country."

The President considers the establishment of a solid framework

of democratic practices as essential to the success of ongoing efforts to improve the welfare of the people. "That is why we are vigorously pursuing the goals of good governance through reforms aimed at improving the integrity of state institutions, fiscal and public sector management, and the quality of public and political leadership."

All this is having an impact on investor confidence, with major investments in telecommunications, tourism, mining and agriculture over the past few years. Sierra

Leone is once again ready for development. Vice President Solomon Berewa says that foreign investors in the country "are confident about the security situation and the laws we are putting in place."

A more detailed online version of this report is available at [www.summitreports.com/sierraleone2006](http://www.summitreports.com/sierraleone2006)

### FACTS & FIGURES

**POPULATION**  
6 million

**AREA**  
772,202 sq. miles  
(slightly smaller than South Carolina)

**CURRENCY**  
Leone

**CAPITAL**  
Freetown

**GDP PER CAPITA**  
purchasing power parity  
US\$800 (2005 est.)

**GDP GROWTH**  
5.5 percent (2005)

**NATURAL RESOURCES**  
diamonds, titanium ore,  
bauxite, iron ore, gold

**EXPORTS**  
diamonds, rutile, cocoa,  
coffee, fish

Source: CIA World Factbook

Where dolphins jump out to play

A breathtaking Atlantic Ocean before you, beautiful scenery around you, a fantastic service in the comfort of a friendly and relaxed setting, plus both fitness and modern conference centers, round-the-clock restaurants... But then, you may just choose to sit on the terrace, watching dolphins play on the wild coast of West Africa.

[www.botelkimbima.com](http://www.botelkimbima.com) **Kimbima Hotel**

## Sierra Leone

## Prudence and reform demand debt relief

**ECONOMY.** THE PROSPECTS FOR SUSTAINABLE ECONOMIC GROWTH ARE POSITIVE, BUT FOREIGN INVESTMENT AND DONOR SUPPORT ARE ESSENTIAL

SIERRA LEONE is capitalizing on its hard-won stability to stimulate economic growth through financial reform, whilst deepening democratic structures and maintaining a prudent fiscal regime.

Rising economic activity and increased exports have led to five consecutive years of economic recovery. GDP grew by 9.3 percent in 2003, 7.4 percent in 2004, and is expected to be similar in 2005.

Dr. James Rogers, Governor of the Bank of Sierra Leone, expects the trend to continue. "Projected growth over the next three to four years is on average 7 percent, which seems a reasonable expectation," he says.

This improvement in performance goes hand in hand with a renewed commitment to effective fiscal management. The recently published Truth and Reconciliation

Report cited bad governance and economic mismanagement as two of the root causes of the civil war, and President Kabbah has characterized corruption as a "national security threat."

New public procurement legislation and an improved regulatory framework could have a potentially strong impact on ensuring transparency and efficiency in the use of public funds.

Financial Secretary Samura Kamara elaborates, "With the advice and support of our international partners, we have developed the new Government Budgeting and Accounting Act, where rules and responsibilities are clearly laid out. Now, it is clear who is liable if anything goes wrong, and there are sanctions imposed in these laws for the first time."

Agustin Carstens, Deputy Man-

aging Director and Acting Chair of the IMF's Executive Board, states, "The emergence of peace in recent years has paved the way for an enduring and broad based economic recovery, reflecting robust activity in agriculture, diamond mining, manufacturing, and services. Inflation is expected to decline to single digits as a result of tighter fiscal and monetary policies."

Key to this performance has been the focus on food security. President Kabbah has pledged that no Sierra Leonean should go to bed hungry by the year 2007, and unofficial statistics suggest good progress in achieving that goal.

The Bank of Sierra Leone has strengthened monetary market management by intensifying its open market operations, instituting policy measures aimed at containing monetary growth, and mopping up excess liquidity in the banking system.

The government is proceeding steadily with the implementation of critical reforms to consolidate economic recovery. In a bid to build fiscal sustainability, a National Revenue Authority has been established to improve on tax administration and boost domestic revenue collection.

A National Commission for Privatization (NCP) has been established to implement a divestiture program, with a view to making public enterprises financially and economically viable, better service providers, and less dependent on subsidies.

Whilst developmental assistance and international aid will continue to play an important



UNHCR Goodwill Ambassador Angelina Jolie participates at a crafts workshop with young refugee women.



PHOTOS: UNHCR - DAN STOREY

## INTERVIEW

## "Debt cancellation makes economic and moral sense"

### Are you confident about the prospects for economic growth?

The prospects for growth and development are very good. Our challenge now is to distribute the benefits of growth through the creation of jobs and investment in education and health. We also hope to improve housing and access to basic necessities such as safe drinking water, electricity, and transport.

### What do you feel Sierra Leone needs from the international community to bring its debts to a sustainable level?

The G8 has laid the foundation for this. What we need is total debt cancellation. Sierra Leone's total international debt to multilateral and bilateral institutions is US\$1.7 billion—equivalent to the budget for the country's approved Poverty Reduction Strategy Program (PRSP). Debt cancellation will free resources for investment in direct pover-

ty reduction programs. I believe debt cancellation by the developed world not only makes economic sense, but it also makes moral sense, because it will contribute to global development in an equitable manner.

### Do you feel that Sierra Leone is doing enough to qualify for debt reduction?

We should be judged on the efforts being made to address corruption and maintain good governance as well as issues relating to as well as efficient management of resources. We have made significant progress.

### Debt cancellation aside, what else could the developed world do to help?

The developed world needs to offer us opportunities, to give us access to markets and the opportunity to add value to the primary commodities produced here so that we can maximize returns.



DR. JD ROGERS  
Governor, Bank of  
Sierra Leone

## Fresh opportunities at investment forum

**NEW INCENTIVES** AND LESS RED TAPE ADD TO THE APPEAL OF SECTORS WITH MAJOR POTENTIAL

THE principal barrier to investment in Sierra Leone is its international image. It has been four years since the end of the war and despite international recognition for the success of its Demobilization, Disarmament and Rehabilitation process, and the pullout of UN troops, there is still a lag in perceptions, and an impression abroad that the country is unstable.

The solution, according to Mohan Kaul, Director of the Commonwealth Business Council (CBC), is to encourage people to visit the country. "Once people see the situation on the ground and appreciate the wealth of investment opportunities available, they will be far more enthused about investing here," he says.

With this aim in mind, CBC

together with the Ministry for Trade and Industry and Africa Recruit, is organizing the Sierra Leone Investment Forum, to be held in Freetown in March 2006, from the 27th to the 29th.

This is the first global investor conference in post-conflict Sierra Leone and with stability restored, and the rule of law firmly established, it will provide the perfect opportunity for international investors and entrepreneurs to take a look at the country.

Dr. Kadi Sesay, Minister of Trade and Industry, says that the focus is on rebuilding infrastructure and strengthening the legal framework and judicial capacity to attract foreign companies.

"We have conducted a study on all of the administrative bar-

John Benjamin, Minister of Finance.

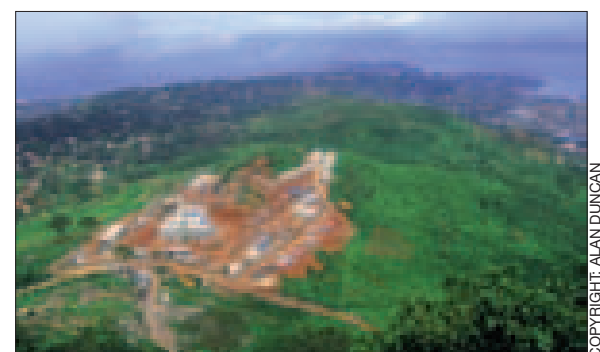
Priorities for the future include the development of complementary policies to attract investors, including the harmonization of tariffs within the subregion and achieving monetary unity through the West African Monetary Zone.

With investment flows increasing and the prospect of substantial debt relief in the near term, the future looks bright. As one of nine African nations considered close to the completion point in the Highly Indebted Poor Countries (HIPC) initiative established by the World Bank and the IMF, Sierra Leone could soon be eligible for complete

debt cancellation following the landmark debt relief deal at the G8 Summit in Gleneagles, Scotland, last year.

Remarkable progress has been made in the years since the end of the civil conflict. However, Sierra Leone needs sustained focus from donors to consolidate peace.

Mr. Benjamin says, "We are emerging from a long and devastating war, and for now we depend on donors' support. Debt relief will be very welcome, but it is not enough to put in place the mechanisms for our development. We need access to markets and equitable investment. We have hope. The war left a lot of scars, but we know that the price of peace is never too high."



A newly built US Embassy shows the government's confidence in Sierra Leone.

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Continued on page 4

# BANK OF SIERRA LEONE

promise to pay us demand the sum of

*SUSTAINING STABILITY FOR EMERGING VENTURES*, The Bank of Sierra Leone has been fostering a sound economic and financial environment since its inception in 1964. Opening the world's eyes to a country of huge opportunity, the Bank is making Sierra Leone the place to do business. With its main objective of ensuring low inflation and high and sustainable economic growth, the Bank of Sierra Leone has succeeded in creating efficiency and soundness of financial markets and institutions. This has opened windows of opportunities for private sector development. Recent major developments include: overseeing the establishment of new banks and discount houses, deepening the money market instruments by introducing new securities that meet the liquidity needs of the market, developing capital markets, coordinating a national microfinance program, bringing community banks to the door step of rural communities and modernizing the payment system infrastructure.



***SETTING SIERRA LEONE'S BUSINESS PACE***

[www.bankofsierraleone-centralbank.org](http://www.bankofsierraleone-centralbank.org), [info@bankofsierraleone-centralbank.org](mailto:info@bankofsierraleone-centralbank.org), Tel: +232-22 226 501, Fax: +232-22 224 764

## Sierra Leone

## Development diamonds

**MINING PROSPECTS ARE GOOD FOR THE EXPLOITATION OF SIERRA LEONE'S RICH MINERAL RESOURCES**

SIERRA Leone is blessed with incredible mineral wealth, including major deposits of diamonds and gold. Now that peace and political stability have been reestablished, the government has formulated policies to attract investment to the mining sector, especially for industrial minerals such as rutile, bauxite, and iron ore.

A dramatic increase in legal exports of diamonds—from virtually nothing in 1999 to US\$150 million in 2005—has been a result of the Kimberly Process, a UN-approved export certification system which excludes conflict or illicit rough diamonds from the international gemstone industry.

The trade in "blood diamonds" arose in Sierra Leone, Angola and the Democratic Republic of Congo (DRC) when rebel groups utilized diamond resources to wage war on the government, committing terrible atrocities against citizens in the process. Today, however, diamonds are produced under licenses provided by a recognized democratically elected government and exported with full Kimberly Process certification.

The challenge now is to ensure that the country's diamond production benefits its people. In 2001, with the help of the U.S. Agency for International Development (USAID), the government created the Diamond Area Community Development Fund, which returns a portion of diamond export taxes to diamond mining communities. Hopefully, this spending, as well as ongoing public awareness campaigns, will reduce smuggling.

At present, Koidu Holdings is Sierra Leone's only operational Kimberlite mine, but Minister of Mineral Resources Alhaji Deen is confident about the sector's prospects. He says, "In the next four or five years, we hope to see at least two or three diamond mining companies, several diamond-cutting and polishing companies, gold mines, and more activities in rutile and bauxite."

Jean-Raymond Boule, majority owner of the Titanium Resources Group (TRG), agrees. He speaks of a "compelling commercial attraction" to Sierra Leone's high quality mineral resources.

If one company represents the revival of Sierra Leone's fortunes it is TRG, which is set to restart production in the first quarter of this year.

Before their destruction in a rebel attack in 1995, the group's Sierra Rutile Mine and SML



PHOTO: DAN STOREY

**Top quality gemstones are now being legally exported through the Kimberly Process.**

Bauxite Mine were the country's major employers and main sources of government revenue, accounting for 75 percent of exports. Production at the rutile mine previously represented 30 percent of the world's annual supply of natural rutile.

The reopening of mines is a 'clear sign' of investment potential

Mr. Boule says, "TRG will be one of the lowest cash cost producers of rutile in the world, with huge reserves for the future already defined."

President Kabbah describes the reopening of the mines—backed by a US\$30million EU grant and a loan guarantee for US\$25million from the U.S. Overseas Private Investment Corporation—as "a clear signal that Sierra Leone is again an attractive destination for investment."

Elsewhere, exploration by Mano River Resources and its joint venture partner, Golden Star Resources, has revealed new gold zones, and follow-up drilling will commence in the second quarter of this year.

Tom Elder, Mano's President and CEO, says, "Our efforts over several years are now beginning to deliver the results that we always believed would be forthcoming from these projects."

## Reaping the rewards of faith and commitment

**ONE OF THE FIRST FOREIGN INVESTORS TO RETURN TO SIERRA LEONE AFTER THE WAR ENDED, KOIDU HOLDINGS, IS STEPPING UP PRODUCTION TO BENEFIT BOTH THE COMPANY AND THE STATE**

AS SOON AS you enter Koidu Holdings' operations you can sense a slight change in the atmosphere. Whilst employment remains one of the principal challenges facing President Kabbah's government, in the Kono District, an area of Sierra Leone renowned for its rich mineral resources, people are working with a steady focus, characteristic of the company. As the only diamond mine currently in production in Sierra Leone, Koidu Holdings is one of the country's most important foreign investors. The company is planning for the long-term, and is fully focused on performance.

Jan Joubert, the CEO of Koidu Holdings explains, "We have established a culture focused on the need to perform on a daily basis. Every day we monitor our performance against a plan and a set of short-term objectives. Staff and management are very hungry for a post-war success story in Sierra Leone. They put a lot of effort into their work, and that makes it easier to be successful."

By January 2004, following a 10-month program to reestablish the plant and infrastructure at the mine, Koidu Holdings' treat-

ment plant was commissioned and the company began production. With the build-up program for the K1 pipe at Koidu hitting record levels in July 2005, results are beginning to show. In that month alone, Koidu Holdings produced 10,500 carats of gem qual-



**JAN JOUBERT**  
CEO of Koidu Holdings

ity diamonds and 2,600 carats of industrial quality diamonds.

Alhaji Deen, Minister of Mineral Resources, welcomes the news saying, "Koidu Holdings is reaping the rewards of the management and its shareholder's foresight and their faith in the government's vision and the country's stability. Kimberlite diamonds represented only 11 percent of official exports in 2004 and the prospects for setting up more mines are good. Sierra Leone has diamond deposits with an average run-of-mine carat value that competes well with other diamond producing countries."

Government officials are especially happy because 40 percent of the company's profits go to the government in the form of corporation tax, surface rent, and royalties. It is this record of performance delivery, of creating profit for shareholders and the Government of Sierra Leone alike that has given rise to a relationship based on mutual understanding and support.

Jan Joubert elaborates, "A vital element of our success to date is due to the support we receive from all government officers in the Ministry of Mineral Resources, the Ministry of Finance, and the Ministry of Labor. We do everything in accordance with the relevant regulations, and the Ministries appreciate this. They are also eager for us to succeed, which is why they support us. Without this support we would not be where we are today."

Koidu Holdings was one of the first foreign investors to return to the country after the war was declared officially over in January 2002. By June of that year, the team was laying the groundwork for the establishment of a mine to exploit the famous Koidu Kimberlite pipes, and preparing what would eventually amount to a US\$26 million investment. This was not blind faith, but a judgment based on an intimate knowledge of the country.

The controlling shareholder, the Beny Steinmetz Group Resources Limited (BSGR) together with the minority shareholder Emergem Resources Inc, a natural resources company listed on the Toronto Stock Exchange, have been committed to Africa for many years. Recognizing that the Koidu Kimberlite Project was able to offer unique opportunities, they formed Koidu Holdings S.A. It is the combined operational expertise, technical, and financial capacities of the shareholders that form the final ingredient in Koidu's success. For instance, BSGR was able to draw on one of its affiliates, Bateman Engineering B.V., to provide the processing and recovery plant for the mine. Bateman Engineering B.V. is a leading, AIM-listed engineering company, and one of the leading solutions providers to the diamond industry in Africa and the Russian Federation.

However, the rewards for the foresight and faith they had in the government's vision and in the country's stability are just beginning. With its winder and head frame only commissioned in October 2005, the step up in production won't see the Koidu mine hit full production volume until the beginning of 2006. There are also plans in place to double the company's investment by developing another mine after it recently beat out competition from ten other international companies to win the concession for Sierra Leone's Tongo Fields.

Commenting on the tender process, Vice President Solomon Berewa states, "Koidu Holdings' commitment to a rapid evaluation of the Tongo Diamond Field, the experience of their staff in appropriate mining methods and technology, and the work the company has already done in bringing the Koidu pipes into production was considered in the evaluation of the bids. We reached a unanimous decision. The best

## Fresh opportunities at investment forum

Continued from page 2

porate tax rate of 35% for investors in large-scale agriculture projects, the scrapping of minimum capital requirements and the duty-free import of tourism-related materials.

Investment procedures have also been simplified through the establishment of the Sierra Leone Export Development and Investment Corporation as a one-stop shop for investors. The agency guarantees business registration within seven days. Further security is provided by

the bilateral investment protection agreement that Sierra Leone has with the United States, and its membership in MIGA, the convention establishing the World Bank's Multilateral Investment Guarantee Agency.

The country's business-friendly attitude is set to be further enhanced by tax incentives and tariff reductions in an upcoming Investment Incentives Bill, and the gradual lowering of trade barriers in the region as part of the Economic Community of West African State's timetable for trade harmonization.

Investment opportunities abound in mining, fisheries and tourism but the priority is agriculture. Sierra Leone is already producing coffee, cocoa, rice and palm oil, and major players are already investigating the options for expansion in this sector.

The Forum will also see a variety of organizations coming together to try and reverse the brain drain that sees thousands of Africa's best and brightest minds leave the continent every year. These organizations are convinced that it is Africans around the world

that hold the key to the continent's future. As Dr. Titilola Banjoko, Managing Director of AfricaRecruit explains, "AfricaRecruit is a NEPAD (New Partnership for Africa's Development) program which mobilizes African Diaspora skills and financial capital for Africa. It exemplifies how the Sierra Leone Diaspora can engage in development."

For more information, visit:  
[www.cbcbglobeink.org](http://www.cbcbglobeink.org),  
[www.findajobinafrica.com](http://www.findajobinafrica.com)  
or [www.africadiaspora.com](http://www.africadiaspora.com)

## Sierra Leone

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company won—on its merits, and only on its merits.”

As the only operational diamond mine in Sierra Leone, Koidu Holdings could demonstrate what no one else could—practical evidence of operational ability. And whilst there is often criticism about “weak governance” and “corrupt regimes”, the transparent way in which this tender process was conducted inspires confidence and is encouraging for foreign investors. And, of course, it also means that Sierra Leone will optimize the benefits for its own people.

Mr. Joubert adds, “If we look at the historical and geological information, we see that there are very good indications with respect to the grade and size distribution of the diamonds that could be found in Tongo. From a technical point of view, we believe we have the capacity to prove whether it is feasible or not within a reasonably short time.”

Tongo could just be the beginning. BSGR also has interests in the minerals and metals sectors. Using the success of its Koidu operations as a springboard, BSGR is now looking at additional investment opportunities in the country and the West African re-

gion, motivated in part by the relationships formed with the government and people of Sierra Leone. Indeed, creating a consensus with the local people also formed a major part in the success of their bid. Although the government owns Sierra Leone’s mineral resources, the local Paramount Chiefs own the land. Knowing this, the company became the first to go to the people of Tongo and seek their consent. They explained what they had achieved in Kono and what they would like to achieve in Tongo if given the opportunity.

This consensual approach had already come into play in Koidu when, in February 2004, some NGOs and civil society groups expressed concern about environmental damage caused by the mining operations. Peace Diamond Alliance convened a meeting of its executives whose attendees included representatives of the Ministry of Mineral Resources, parliamentarians, Chiefs, and the personnel of Koidu Holdings, who sought to resolve the issues and concerns raised. Subsequently, in order to keep all stakeholders happy, Koidu Holdings stepped up its relocation program for local residents and made the

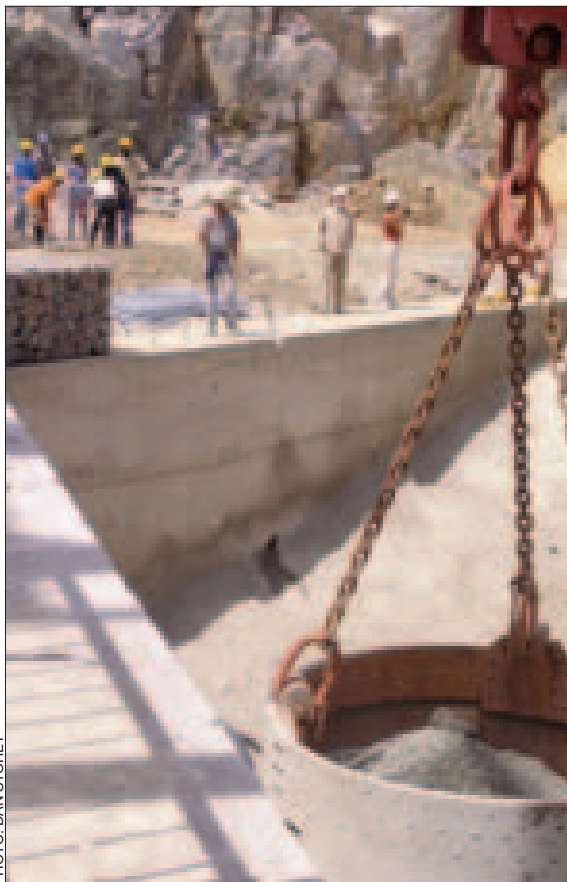


PHOTO: DAN STOREY

Production got under way early in January 2004, following a 10-month program to reestablish the plant and its infrastructure.

decision to switch to a vertical rather than a conventional open pit. President Kabbah went to Kono a few days after the meeting, calling it “a job well done” and urging the people of Kono to cooperate with Koidu Holdings.

Today, walking the streets of Koidu, the evidence of years of civil unrest is plain to see. Koidu was a rebel stronghold for years and the burnt out interiors of buildings are visible through the missing windows and roofs; however, there is a renewed sense of optimism. Immediately after the war it was a ghost town, but the bustle of people and trade is returning. Newly painted buildings with reconstructed roofs are springing up amidst the devastation.

There is no doubt that this renaissance is due in large part to Koidu Holdings. The company employs around 400 Sierra Leoneans of whom 80 percent are from the local community. With an average wage of US\$350 a month, Koidu Holdings is the highest salary payer in Sierra Leone by a noticeable margin. Assuming, as is often the case, that each worker is supporting ten people, then its operations impact almost 4,000 people directly. Indirectly, the business opportunities generated by its pres-

ence mean that the mine is benefiting thousands more. Needless to say, it is difficult to find anyone who is critical of the company.

If Koidu Holdings can bring the Tongo Fields project on line it will be great news for the country. With his fierce commitment to the country, its people and the shareholders, Jan Joubert is determined to make it a reality.

“There is no doubt that Africa is the future in terms of resources and, having worked in many African countries, my passion is Sierra Leone. We are not an NGO, we are here to make money, but we are also committed to the country. There is a lot of potential here, it is only a question of studying the opportunities well and then committing yourself to making things work.”

“I’ve been here since 1995, I saw it in 2002, and now, almost four years after the war, it seems like a different world. People have hope and are more positive. Obviously, there is still a lot to be done in Sierra Leone in terms of development and education, and in terms of industry and investment to create jobs, but due to my understanding of Sierra Leone and its people, I feel a moral obligation to make sure that Koidu Holdings delivers.”

*Where dreams take flight*

Just a decade ago, the country welcomed around 100,000 tourists a year. Today, the airport is ready to handle ten or even twenty times the traffic volume it currently handles. Excellent infrastructure and services cater to the world’s largest commercial aircraft, including Boeing 747s. Major European carriers such as SN Brussels are already flying to Sierra Leone, and Emirates Airlines and Kenya Airlines will start heading to Freetown soon.



**SIERRA LEONE  
AIRPORTS AUTHORITY**

**Freetown International Airport**

Sierra Leone Airports Authority (SLAA)  
www.freetownairport.org  
Tel: +232-22 223 881  
Fax: +232-22 224 853

# Taking the right road for growth

**INFRASTRUCTURE** UPGRADING THE ROADS, PORT AND AIRPORT FACILITIES IS CRUCIAL TO DEVELOPING THE ECONOMY AND REDUCING POVERTY

MAJOR improvements are being made in Sierra Leone's transport infrastructure with financial support from the World Bank and the African Development Bank (ADB). A grant of US\$44 million, recently announced by the World Bank, will be used to rehabilitate selected priority roads, port and airport fa-

ILITIES, as well as support regulatory and institutional reforms.

Infrastructure investments are key to the government's efforts to reduce poverty, secure sustainable economic growth, and reach Millennium Development Goals (MDGs). The unreliability and high cost of state-owned utilities and

the transport network constitute huge barriers to economic recovery and expansion. The road network is insufficient and severely deteriorated, and frequent blackouts mean the power supply is, at best, sporadic.

Nonetheless, there are companies in the transport and communications sectors offering a high level of service, and steady progress is being made in the reconstruction efforts.

One of Sierra Leone Airports Authority's major investment programs at the national airport is stimulating the resumption of an increasing number of direct international flights.

Meanwhile, the Sierra Leone Ports Authority (SLPA) is looking to take advantage of what is the third largest natural harbor in the world, and develop its potential as a transshipment hub. The World Bank is financing the dredging and paving of the container terminal and pro-



Upgrading at Freetown Port will set it on course to become the transshipment hub of the region.

vision of equipment to the tune of almost US\$7 million. It is also supporting the restructuring of the SLPA.

Nestor Galley, the authority's General Manager, says, "Our productivity rates are already quite high and we believe that, with extra facilities, we will be among the most productive ports in the subregion. It will take us time to become the trans-

shipment hub, and prepare the port for privatization, but we are making progress."

The initial stages of the privatization process are due to start this year, and by 2008 the SLPA aims to become a landlord ports authority, with the granting of concessions to private companies running the container terminal and stevedoring activities.

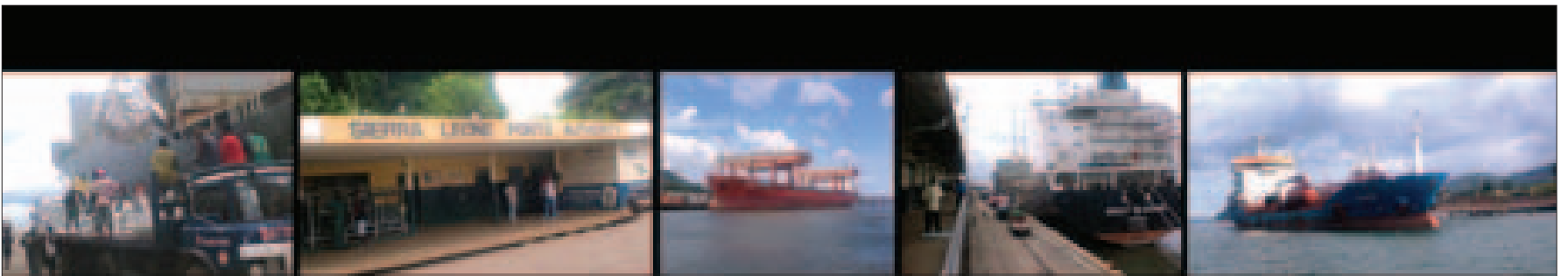
Crucially, Sierra Leone's road network will be fully rehabilitated in the next couple of years. Bordered by Liberia on one side and Guinea on the other, the Sierra Leone Roads Authority (SLRA) is developing the linkages for a trans-West African highway. Work on the highway from Freetown to Conakry, the Guinean capital, began one year ago and



**DONALD BULL**  
General Manager of Sierra Leone Airports Authority



**NESTOR GALLEY**  
General Manager of Sierra Leone Ports Authority



## MOOR INVOLVEMENT

Overseeing and operating Sierra Leone's maritime activities, since 1964 the main focus of Sierra Leone Ports Authority (SLPA) has been the Port of Freetown. With projects underway to expand and enhance facilities and plans to divest functions to private companies, SLPA is focused on core port services and vessel turnover time. With SLPA you can rest assured that there is always a safe pair of hands at the helm.



# Sierra Leone

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will be completed by the end of 2006.

First, the road from Freetown to Bo in southern Sierra Leone is being reconstructed. Once this is linked to Liberia via an ADB-funded project for the road from Gbangjuma to the Mano Bridge, there will be a trans-West African highway from Conakry to Freetown, on to Bo, and then to Monrovia, Liberia.

By next year, the government expects to have renovated 50 percent of its feeder roads to link the provincial areas to the main roads. By then, a large number of the main routes would have been upgraded. This will not only reduce the costs of doing business, but also alleviate poverty by allowing people to access markets.

According to Prince Harding, Minister of Transport and Communications, control of the Sierra Leone Road Transport Corporation is going to be transferred to the private sector. "We have decided to make it another candidate for privatization, and we are hoping that some entity will take it over and run it efficiently for everyone. Transport is an open field for anybody to come in and compete," the minister adds.

Other areas of national infrastructure are also being improved. Mobile telecoms companies will offer countrywide coverage by the beginning of 2006, and are fast superseding the country's aging system of landlines by offering reliable and affordable service.

Jointly funded by the World Bank, the ADB and the Government of Italy, the long-standing Bumbuna Hydroelectric project will finally be completed in 2007 and cost US\$91.8 million. This will provide a reliable electricity supply to Freetown and the whole of the western area of Sierra Leone, improving public services and providing an affordable energy supply to replace expensive generators.

Talks are being held with Eskom Holdings, the South African power utility, to agree on a management contract for the National Power Authority.



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## Paradise regained

**TOURISM BLESSED WITH BEAUTIFUL BEACHES, UNFORGETTABLE LANDSCAPES AND FRIENDLY, HOSPITABLE PEOPLE, SIERRA LEONE HAS GREAT POTENTIAL AS A DESTINATION FOR TOP END TOURISTS**



THERE was a time, not so long ago, when Sierra Leone attracted up to 100,000 tourists a year. Given its natural beauty, the climate, the diversity of the landscape, and the warmth of the people, it is not hard to see why.

As you move away from Freetown further down the peninsula, Sierra Leone really comes into its own. Indolent rivers flanked by mangroves flow into the sea, whilst local fishermen mend their nets, or haul in the latest catch.

The merest sprinkling of tourists are flopped on the white sands or playing in the turquoise waters, and behind the beaches forests rise up the sides of cloud-capped mountains.

Despite its recent past, Sierra Leone is renowned as one of the friendliest countries in Africa. Sierra Leoneans take pride in being a multicultural society where Muslims and Christians coexist peacefully, and inter-marriage across tribal and religious boundaries is commonplace.

With such beauty and with peace firmly established, investors are starting to return to the tourism sector. There are unobtrusive developments taking place along the Freetown Peninsula, but the most substantial may be a multi-million dollar complex at Lumley Beach, Freetown, proposed by

Chinese investors.

According to the World Travel and Tourism Council, tourism was expected to account for 5.7 percent of Sierra Leone's GDP and 47,379 jobs, or 4.5 percent of total employment last year. Growth of 5.5 percent per annum in real terms is expected between 2006 and 2015.

Cecil Williams, General Manager of the National Tourism Board emphasizes that Sierra Leone is a natural, unspoilt destination. He says, "Our focus is to target the top end of the market rather than going in for mass tourism."

Investors are returning to the sector now that peace has been reestablished

Amongst a number of good quality hotels offering facilities for both the business traveler and the tourist is the Kimbima Hotel. Overlooking the Atlantic Ocean, the 42-bedroom Kimbima prides itself on being one of Sierra Leone's most prestigious, high-tech and well-equipped hotels, and boasts a modern conference center.

Wilfred Sam-King, the hotel's Chief Executive Officer, says that one of their greatest challenges is building confidence abroad. "The world needs to know that Sierra Leone is now a safe, stable and secure place," he says.

He believes that the country's attractions will be promoted best by the people who have been there. "Sierra Leone is so rich in terms of its human resources, friendliness, landscapes, and beauty. Once people share the wonderful experiences they have had here, others will follow."

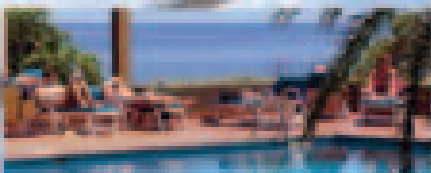
Peter Balis, Financial Controller of Cape Management & Entertainment Corporation, agrees. He says, "There are amazing beaches, fascinating islands and plenty of unique attractions, like the chimpanzee sanctuary."

The corporation owns the Cape Sierra Hotel, which boasts a captivating view of the Atlantic, and offers 57 standard rooms, six junior and three executive suites, a fully-equipped business center, and lists the President of Sierra Leone among its recent guests.

Mr. Balis believes the tourism sector has great potential for investment, particularly in hotel building. "Once the government makes the necessary investments in infrastructure in conjunction with the tourism development program, then there will be a lot of demand."

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#### Cape Sierra Hotel

3 executive suites - 6 junior suites  
57 standard rooms - 49 Chalets/Apartments  
Business center and wifi internet service  
Swimming pool - Tennis court - Hairdressing salon  
International restaurant

Tel: +232 22 230 321/2, Fax: +232 22 233 157  
Mobile: +232 76 765 899, [capesierra@hotmail.com](mailto:capesierra@hotmail.com)



#### Lagoonda Entertainment Complex

Casino - Disco - First class restaurant - Piano bar  
and terrace - Conference auditorium - Cinema hall

Mobile: +232 76 765 899  
[capesierra@hotmail.com](mailto:capesierra@hotmail.com)



#### Lungi Airport Hotel

Air-conditioned lobby bar and a la carte restaurant  
Conference/meeting room - Swimming pool  
Tennis court - Volleyball court - Private car park  
Nightclub with casino

Tel: +232 22 338 272, Fax: +232 22 338 279  
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## a new era for diamond mining in sierra leone

*Kimberlite* - the future of diamond mining in Sierra Leone

**Koidu Holdings S.A.** is a diamond mining and exploration company, with interests in the Koidu and Tongo diamond fields of Sierra Leone. The company's philosophy of *Progress through Performance*, introducing new mining and processing technologies, brought the Koidu Kimberlite Project into production in 2004. The company and its shareholders, BSG Resources Limited and Energem Inc., are committed to developing sustainable operations by empowering the local community with world class mining technology and skills, assisting in infrastructure development, funding feeding schemes, providing health care services and improving the quality of life of those touched by our efforts.



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