



**KEYNOTE ADDRESS DELIVERED BY HIS EXCELLENCY, DR. JULIUS MAADA BIO, PRESIDENT OF THE REPUBLIC OF SIERRA LEONE, AT THE UNVEILING OF THE NATIONAL MICRO-FINANCE PROGRAMME (MUNAFI FUND).
MAGBURAKA, 12 FEBRUARY 2021**

Honourable Ministers of Government,
Honourable Members of Parliament,
Our Revered Paramount Chiefs and Traditional Authorities,
Development Partners and Private Sector Representatives,
Distinguished Ladies and Gentlemen,
Good afternoon.

1. It is with great joy that I am here today in Magburaka to personally meet with women and youth. As I have emphasised, inclusive development in this nation is only possible when women and youth are fully empowered to contribute their fair share to our national development.

2. So, I am not here to talk politics; I am not here to talk about red or green. I am here to tell our women and youth that ours is a caring Government. Ours is a listening Government that cares about ensuring that women and young people are able to access microfinance funding in order to develop themselves, their families, and their communities. For us, inclusive development means leaving no one behind because every Sierra Leonean matters regardless of his or her tribe, place of origin, or political affiliation.

3. But we have a more immediate challenge. We must be watchful guardians of our own health and the health of our community. COVID-19 is real and deadly. Over a hundred million people have been infected the world over and over a million people have died. Thousands have been infected in Sierra Leone and we have lost our brothers and sisters to COVID in Sierra Leone and in the diaspora. So please adhere to all health protocols from health officials and from NACOVERC and DICOVERC officials about wearing face masks properly, frequently washing hands, and social distancing.

4. COVID has come with its own set of challenges. It has burdened healthcare systems and changed lifestyles. We have taken quick action as a nation to protect against and curtail the spread of COVID. Other countries and world institutions have praised the effectiveness of our responses. The CDC lists us in Tier 1 – low infection rates. Recently, we have had to strengthen measures in order to break the upward trend. We are making progress but we need every Sierra Leonean to take the right precautions in order to reduce the risk of infections.

5. There have been severe economic consequences to COVID. Economic activity and growth internationally and nationally have slowed down. People have lost jobs and there is worsening hardship all over the world, in Africa, and also in Sierra Leone.

6. But even in the midst of COVID, we have maintained our standing commitment to protect lives and enhance livelihoods. We have launched a number of general interventions. As part of our Quick Action Economic Recovery Programme, we ensured that essential commodities are available in the market at pretty much the same prices. We distributed social safety support for market women, the vulnerable, the old, the disabled, and workers in the hospitality sector. All those initiatives were meant to alleviate the severity of the impact of COVID -19 and to protect livelihoods.

7. But we have a larger commitment which we stated in our Medium-Term National Development Plan. Our inclusive growth strategy involves a focus on human capital development – free quality school education for all children, quality healthcare, and food security.

8. You have already witnessed our interventions in each of those areas. We have increased investments in education. Over 2 million

children especially girls are now in school and my Government pays school fees for each of them. That is one less burden for parents and assurance that those children will become resourceful citizens and drivers of future development in our nation. We have also provided school feeding programmes, free learning and teaching materials, also improved quality of learning and school governance.

9. In the areas of healthcare, we have built more hospitals and provided more hospital beds in just two and a half years. We have recruited and trained more nurses, enhanced pay and conditions of service for healthcare workers, and provided diagnostic testing facilities, among other interventions.

10. For food security, we have recently launched commercialised rice production in Rhombe. Other areas will follow soon as we drive towards rice self-sufficiency. We are making progress.

11. We have made much needed macroeconomic reforms and we have implemented policies and regulatory reforms that make our country attractive for trade and sustainable investments. We have made it easier to do business in the private sector.

12. We want to develop the private sector even more and various MDAs including the Ministry of Finance, the Ministry of Trade and Industry, the Bank of Sierra Leone, the National Revenue Authority, the Small and Medium Enterprises Agency (SMEDA), the Sierra Leone Local Content Agency (SLLCA), Private Sector stakeholders, and development partners will continue to collaborate in designing and implementing policies and programmes aimed at improving access to finance, the investment climate, and the entrepreneurial ecosystem in Sierra Leone.

13. Government will also continue driving reforms that improve the ease of doing business, promote financial inclusion, and enhance public financial management. We will also continue to deepen the financial sector and explore avenues for greater access to international financial markets. Government will also continue to invest in expanding the manufacturing industry, including the establishment of Special Economic Zones.

14. We also seek to diversify our economy further and add value to our products for both the local and domestic market as my Government continues to strengthen regional and global trade relations. We will support businesses to fully reap the benefits of the ECOWAS Trade Liberalisation Scheme, the African Continental Free Trade Area, and other such regional schemes.

15. And we are always ready to do more. Part of doing more is to improve the lives of citizens by providing them with the wherewithal to enhance economic activity, drive private sector development, and therefore lift people out of poverty.

16. Previous speakers have indicated that there is a large informal sector comprising hundreds of Micro, Small, and Medium Enterprises. One major challenge they have consistently highlighted is "Access to finance." It is in that respect that my Minister of Finance announced during the 2020 budget my Government's intention to reintroduce a national microfinance scheme. Implementation was stalled by COVID but COVID cannot stop us from doing what is right for our citizens. COVID cannot stop us from providing our women and youth especially and MSMEs with access to finance at concessionary rates.

17. So MSMEs that would struggle to get loans from commercial banks at those high market rates can now access financing at very low rates.

18. As already indicated, the fund will empower MSMEs to get on the credit ladder and build a healthy credit history. A strong credit history will then make it easier for an MSME that wishes to expand its operations to access additional financing from the banking system and thus create more jobs and contribute to economic growth in the country.

19. For these reasons, I directed the Minister of Finance to pronounce Le100 Billion for the National Microcredit Scheme for 2021 to 2023 to support small and medium enterprises. I am here to fulfil that promise.

20. Under the leadership of the Ministry of Finance and the Ministry of Trade and Industry, experts consulted stakeholders, businesses, commercial banks, and even Non-Governmental Organisations, nationwide. We are therefore pleased today to launch the National Micro-Finance Programme, the MUNAFI Fund.

21. For the first three months of this 2021, Government is disbursing Le26.05 Billion to 11 financial service providers. These Financial Service Providers will then go on to lend money out to 4,100 beneficiaries targeted in every district

22. The Financial Services Providers will implement the scheme in accordance with the Operations manual.

23. I am informed that

a. The Service Providers were hired through a competitive process and they will cover all districts and the western area.

- b. The loans will be given out in groups of 5 or 10 and the loan size will initially be Le5 million and Le10 million. If a person adheres to the rules, that amount will be increased to Le15 million and even Le20 or Le25 million as an incentive.
- c. This is not free money. This is money that we expect you to invest and payback. The difference is that, unlike the loans from Commercial banks, the interest rate is set below 10%. This rate, we believe, will not pose a burden for people.
- d. Government will not be directly involved in managing this loan scheme. The Small and Medium Enterprises Development Agency (SMEDA) will play an oversight role in order to ensure that services are effectively delivered, and business development services are provided.
- e. We have also taken into consideration lessons learned from similar initiatives and we have decided to introduce an innovative governance structure with strict safeguards.

24. To those who are managing these funds, I expect you to be professional, transparent, and fair. We must continue to fight against corruption and strictly abide by and thus make more gains in public financial management.

25. To the would-be beneficiaries, invest these low-interest microfinance loans in ventures that will yield good profits for you. I count on you to work hard, learn fast, and use your business networks to grow your businesses and create more jobs. This is an opportunity to both develop your businesses and build a strong credit history.

26. This intervention today is part of a series of intentional interventions right across government to develop the private sector and strengthen economic recovery and growth, diversify the economy, and assure that we rebuild better and more resiliently

so. With these remarks, I formally unveil the Munafa Fund to support access to finance by micro, small and medium-scale enterprises in Sierra Leone.

I thank you for your attention