



OAU DRIVE, TOWER HILL, FREETOWN

PARLIAMENTARY DEBATES

[HANSARD]

OFFICIAL HANSARD REPORT

FIFTH SESSION - FIRST MEETING

WEDNESDAY, 20TH SEPTEMBER, 2017

SESSION – 2016/2017



OAU DRIVE, TOWER HILL, FREETOWN

PARLIAMEN TARY DEBATES

[HANSARD]

OFFICIAL HANSARD REPORT

VOLUME: I

NUMBER: 48

First Meeting of the Fifth Session of the Fourth Parliament
of the Second Republic of Sierra Leone.

Proceedings of the Sitting of the House
Held Wednesday, 20th September, 2017.

CONTENTS

I. PRAYERS

II. RECORD OF VOTES AND PROCEEDINGS FOR THE PARLIAMENTARY SITTING HELD ON TUESDAY, 19TH SEPTEMBER, 2017

III. GOVERNMENT MOTION

THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

[I] ARTICLES OF ASSOCIATION, AFRICA 50 PROJECT FINANCE - A SPECIAL STATUS FINANCIAL COMPANY WITH AUTHORISED SHARE CAPITAL OF THREE BILLION UNITED STATES DOLLARS **[\$3,000,000,000]** AND AN ISSUED SHARE CAPITAL OF SIX HUNDRED AND THIRTY TWO MILLION TWO HUNDRED AND TWENTY THREE THOUSAND UNITED STATES DOLLARS **[\$632,223,000]** ADOPTED BY THE GENERAL ASSEMBLY SHAREHOLDERS ON 29TH JULY, 2015;

[II] ARTICLES OF ASSOCIATION AFRICA50 PROJECT DEVELOPMENT - A SPECIAL STATUS FINANCIAL COMPANY WITH AUTHORISED SHARE CAPITAL OF FIVE HUNDRED MILLION UNITED STATES DOLLARS **[\$500,000,000]** AND AN ISSUED SHARE CAPITAL OF SEVENTY THREE MILLION, SEVEN HUNDRED AND NINETY ONE THOUSAND UNITED STATES DOLLARS **[\$73,791,000]** ADOPTED BY THE GENERAL ASSEMBLY OF SHAREHOLDERS ON 29TH JULY, 2015; AND

[III] FINANCING AGREEMENT [ADDITIONAL FINANCING FOR THE PUBLIC FINANCIAL MANAGEMENT IMPROVEMENT AND CONSOLIDATION PROJECT AND AMENDMENTS TO THE ORIGINAL FINANCING AGREEMENT] BETWEEN THE REPUBLIC OF SIERRA LEONE AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION, DATED 27TH JULY, 2017 [CREDIT NUMBER 6078-SL AND GRANT NUMBER 5360-SL]



THE CHAMBER OF PARLIAMENT OF THE REPUBLIC OF SIERRA LEONE

Official Hansard Report of the Proceedings of the House

**FIFTH SESSION – FIRST MEETING
OF THE FOURTH PARLIAMENT
OF THE SECOND REPUBLIC**

Wednesday, 20th September, 2017.

I. PRAYERS

[The Clerk of Parliament, Hon. Ibrahim Sesay, Read the Prayers].

[The House met at 10:42 a.m. in Parliament Building, Tower Hill, Freetown].

[The Deputy Speaker, Hon. Chernor R. M. Bah, in the Chair].

The House was called to Order

Suspension of S. O. 5[2]

HON. LEONARD S. FOFANAH: Mr Speaker, Honourable Members, this is in connection with item II on the Order Paper. Due to technical reasons, I want item II to be withdrawn.

II. GOVERNMENT MOTION

THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

MR MOMOH VANDY [*Minister of State, Ministry of Finance and Economic Development*]: Mr Speaker, Honourable Members, be it resolved that this Honourable House ratify the following documents which were laid on the Table of the House on Tuesday, 19th September 2017;

[i] Articles of Association, Africa 50 Project Finance - A special status financial company with authorised share capital of three Billion United States Dollars [**\$3,000,000,000**] and an issued share capital of Six Hundred and Thirty Two Million Two Hundred and Twenty Three Thousand United States Dollars [**\$632,223,000**] adopted by the General Assembly shareholders on 29th July, 2015;

[ii] Articles of Association Africa50 Project Development - A special status financial company with authorised share capital of Five Hundred Million United States Dollars [**\$500,000,000**] and an issued share capital of Seventy Three Million, Seven Hundred and Ninety One Thousand United States Dollars [**\$73,791,000**] adopted by the General Assembly of Shareholders on 29th July, 2015; and

[iii] Financing Agreement [Additional financing for the Public Financial Management Improvement and Consolidation Project and Amendments to the Original Financing Agreement] between the Republic of Sierra Leone and the International Development Association, dated 27th July, 2017 [Credit number 6078-SL and Grant number 5360-SL].

Mr Speaker, Honourable Members, in an effort to save time, I wish to appeal to Honourable Members to move the motion for the ratification of the two articles of Association in agreement if permission is granted.

THE SPEAKER: Proceed, Mr Minister.

Mr Speaker, Honourable Members, Africa 50/50 is an innovative platform created by the African Development Bank [AFDB] two years ago for transformational change in infrastructural development and financing in Africa. It was incorporated in Casablanca and is legally and financially independent. The main objective of Africa 50/50 is to contribute to the sustainable economic and social development of Africa through infrastructure by:

- becoming the leading strategic investor in commercially viable and financially attractive Public Private Partnership [PPP] infrastructure projects in Africa;
- increasing the number of bankable private and PPP infrastructure projects in Africa;
- raising significant capital from public [government and government related] and private sources, with private funds significantly exceeding public funds over time; and
- tapping long term savings from within and outside the continent by creating an asset class attractive to institutional investors.

Mr Speaker, Honourable Members, Africa 50/50 has two separate companies, namely: Project Development and Project Finance and has three classes of investors; the African States, the International Financial Institutions, pension funds, sovereign wealth funds, and private sector entities, with a target capital of three billion United States Dollars [**\$ 3,000,000,000**]. Africa 50/50 is an independent institution with its own governance framework and decision making rules. However, the African Development Bank will continue to provide strategic support as a major shareholder, particularly through the Board of Directors which is chaired by its president. Both institutions seek to leverage their respective competitive advantages and develop synergies to speed up the provision of infrastructure in Africa.

Mr Speaker, Honourable Members, Africa 50/50 is in a unique position to facilitate infrastructural development since it is financed and supported by its African Shareholder Governments and the African Development Bank. It can thus act as a bridge between the public and private sectors, helping to eliminate bottlenecks for both private projects

and public private partnership and speeding up project implementation. Moreover, since the Government of Sierra Leone will largely invest equity on strategic minority investors, Government will always bring leverage funds for modern investments. However, we cannot do this alone, so we rely on the cooperation of our partners. This includes the Multi-lateral Development Banks and Institutional and Private Investors, as well as Private Companies that take the lead in structuring these projects. This is in line with pillar 4 of the Agenda for Prosperity. Africa 50/50 is the new platform to complement the financing of the infrastructure by the African Development Bank, other Multi-Lateral Development Banks and Private Investment Funds. Despite increased investment in infrastructure in Africa, there is still a large funding gap. Moreover, the project development phase for infrastructural project is too long and very limited resources are allocated to infrastructure project development. African 50/50 accelerates the provision of infrastructure by speeding up both project development and financing.

Mr Speaker, Honourable Members, tough economic times should be an impetuous for action rather than break. Since most infrastructural projects are both long development phase and based on long life span, the vagaries of the economic and commodity cycles cannot be allowed to influence actions. In fact, improved infrastructure will allow African countries to diversify the economies away from commodities and to add more value to boost the export, making them less dependent on commodity and economic cycles. African 50/50 follows a proven private sector base business model. It is in a position to include top managers and investment officials with substantial infrastructure and private sector experience. Also, despite the economic down turn, African Governments and the African Development Bank recognised the importance of the infrastructural development and added to the initial capital which now stands at eight hundred million United States Dollars [**\$ 800,000,000**] and will grow further. The project pipeline has also developed nicely and the first investment is in Nigeria; financing the development of an 80 megawatt solar power plant with Norwegian partners.

Mr Speaker, Honourable Members, the constitutive General Assembly of the founding Shareholders took place in July, 2015 in Casablanca with around seven hundred million Dollars [**\$700,000,000**], which is the initial capital subscription from 20 African states, including Sierra Leone, with share capital subscription of two million US Dollars [**2,000,000**] and the African Development Bank. Ninety per cent [**90%**] of the financial pledges were eye marked for project financing and the remainder project development at the first annual general meeting in July, 2016. Two more African governments and two central banks joined Africa 50/50. More sovereign shareholders are expected to join the fund raising from infrastructure and institutional investors. Capital should reach **1 bln** in 2017 and the midterm target has been raised to **\$3bln**.

Mr Speaker, Honourable Members, I would now move on to the addition of financing agreements for the Public Financial Management Improvement and Consolidation Improvement. Honourable Members could recall that in 2014 this Honourable House ratified a financing agreement. The grant number is 5350 and the amount was one hundred and twenty three million US Dollars [**\$123,000,000**] to co-finance the implementation of the Public Financial Management Improvement and Consolidation Project. I want to take this opportunity to inform this Honourable House that the implementation of the project is on-going and that the World Bank under the International Development Association [IDA] has provided an additional financing for special drawing rights which is the equivalent to ten million US Dollars [**\$10,000,000**] to continue with the implementation of this project. The objective of the Public Financial Management Improvement and Consolidation Project is to improve the budget planning and credibility, financial control, accountability and oversight in government finances in Sierra Leone through strengthening the institutional capacity for the delivery of an effective public financial management and oversight. The project consists of the following parts:

- strengthening budget financial procurement intercession systems;
- improving public financial management oversight and accountability oversight; and
- public financial management reform coordination and project management.

Mr Speaker, Honourable Members, this project is strategically relevant to the overall budget process, procurement, public financial management, taxation, oversight and accountability systems with an overarching objective in improving and promoting transparency in public financial management system in Sierra Leone. This additional finance is urgently needed as it covers the financing gap created in the original project due to the exit of key donor partners from the project. It has already been made overtime in the improvement of public financial management.

Mr Speaker, Honourable Members, the expected benefits of this project is to improve and strengthen the budget process, procurement, taxation and overall public financial management system both at national and local levels. This will happen through enhanced efficiency and transparency in public procurement, improve revenue accounting systems within the National Revenue Authority [NRA], greater openness and the use of opening big data to enhance development results. These activities in general will improve public engagement and oversight which will contribute to the overall objective of enhancing fiscal discipline, strategic allocation of resources and efficient delivery. The targeted beneficiaries are citizens both national and local levels.

Mr Speaker, Honourable Members, the principal of the credit will be repaid over a period of 32 and 64 semi-annual instalments after a grace period of six years commencing from the date of this agreements. The maximum commitment charge rate payable by government on the undrawn financing balance shall be one-half of **1%** per annum. The service charge payable by government on the withdrawn credit balance shall be equal to three-fourth of **1%** per annum.

Mr Speaker, Honourable Members, considering the importance which this Government attaches to infrastructure and therefore the establishment of Africa-50 in infrastructural funds which can finance infrastructural development and given the importance of the additional financing of the Public Financial Management Group, I now move that this Honourable House ratify the following articles of association and agreement which were laid on the Table of this Honourable House on Tuesday, 19th September, 2017

[i] Articles of Association, Africa-50 Project finance-A special status financial company with authorised share capital of three Billion United States Dollars [**\$3,000,000,000**] and an issued share capital of Six Hundred and Thirty Two Million Two Hundred and Twenty Three Thousand United States Dollars [**\$632,223,000**] adopted by the General Assembly shareholders on 29th July, 2015;

[ii] Articles of Association Africa-50 Project Development - A special status financial company with authorised share capital of Five Hundred Million United States Dollars [**\$500,000,000**] and an issued share capital of Seventy Three Million, Seven Hundred and Ninety One Thousand United States Dollars [**\$73,791,000**] adopted by the General Assembly of Shareholders on 29th July, 2015; and

[iii] Financing Agreement [Additional financing for the Public Financial Management Improvement and Consolidation Project and Amendments to the Original Financing Agreement] between the Republic of Sierra Leone and the International Development Association, dated 27th July, 2017 [credit number 6078 and grant number 5350SL]. I thank you for your attention.

[Question Proposed]

HON. HASSAN B. SHERIFF *[Deputy Majority Leader of the House]*: Mr Speaker, Honourable Members, I am going to be very brief. I want to say that I would support the position of the Deputy Minister of Finance before us. I want to refresh or perhaps remind the Minister here that if I may ask, to give us a profile of what he intends to do with this funding. This is because up to this time, you have not been able to give us the financial regulation since we passed the PFM Act. We are still waiting for it. May I ask of you to give us a profile of what you want to do with the funding here? Thank you, Mr Speaker.

HON. ANSUMANA J. KAIKAI: I thank you, Mr Speaker. Mr Speaker, Honourable Members, there is no Agreement better than this one. We on this side want you to bring more of them in the next two and half months because we would be enjoying them. We will take over them as you did to us in 2007. We brought many Agreements

and you are enjoying them and you are not paying any grace to us. We shall pay you equally because we would enjoy the benefits of these Agreements come six months from now. I thank you, Mr Speaker.

HON. LEONARD S. FOFANAH: Mr Speaker, Honourable Members, my brother has just come from the oracles I supposed, but I think the oracles have given him the wrong information. You are going to be drastically disappointed. We wish we would continue in this spirit and see very credible elections. You will be disappointed with the results of that election because your presumptuous anticipation of going into the saddle of leadership will not materialise with the support of the people. Having set the pace, we wish to continue the development process in this country.

Mr Speaker, Honourable Members, I am seriously impressed by this development and the initiative of the African countries because they are now looking back at their own local resources to generate funds for the development of Africa. This is a very laudable gesture and we hope the practice would continue to generate resources needed for our development.

Mr Speaker, Honourable Members, I am impressed with the very short contribution by the Acting Minority Leader. That is indeed very uncharacteristic of him and having said that, I want to also follow his pace and to say that we ratify the Agreements that are before us because these are Agreements that have absolutely no criticisms. These Agreements are going to set the pace for the development of the rest of Africa. I thank you very much, Honourable Members.

MR MOMOH VANDI: Mr Speaker, Honourable Members, be it resolved that this Honourable House ratify the following Agreements which were laid on the Table of this Honourable House on Tuesday 19th September 2017.

[i] Articles of Association, Africa-50 Project finance-A special status financial company with authorised share capital of three Billion United States Dollars [**\$3,000,000,000**] and an issued share capital of Six Hundred and Thirty Two Million Two Hundred and

Twenty Three Thousand United States Dollars **[\$632,223,000]** adopted by the General Assembly shareholders on 29th July, 2015;

[ii] Articles of Association Africa-50 Project Development - A special status financial company with authorised share capital of Five Hundred Million United States Dollars **[\$500,000,000]** and an issued share capital of Seventy Three Million, Seven Hundred and Ninety One Thousand United States Dollars **[\$73,791,000]** adopted by the General Assembly of Shareholders on 29th July, 2015; and

[iii] Financing Agreement [Additional financing for the Public Financial Management Improvement and Consolidation Project and Amendments to the Original Financing Agreement] between the Republic of Sierra Leone and the International Development Association, dated 27th July, 2017 [credit number 6078 and grant number 5350SL]. I thank you for your attention.

[Question Proposed, Put and Agreed to]

Government Motion by the Minister of State [I], Ministry of Finance and Economic Development has been ratified]

THE SPEAKER: Honourable Members, today is a very busy day. We are going to meet again on the Public Safety Food and Feed Authority Bill as was agreed yesterday and I am sure the Public Accounts Committee has a very important hearing. On that note, I am tempted to adjourn the sittings.

HON. BASHIRU SILIKIE: Mr Speaker, Honourable Members, three weeks ago, I reminded the Leadership about a decision taken in this Parliament. When we were ratifying the Finance Act of 2017, we said that the Minister of Finance should come here and update this Parliament on the 25th August, 2017 on the successes and challenges of that Act.

Mr Speaker, Honourable Members, this is Parliament and whatever is agreed upon by this Parliament should be adhered to. I am still requesting through the leadership of this Parliament to summon the Minister of Finance to come and explain to us about that Bill. I thank you very much.

THE SPEAKER: Thank you very much Honourable Member. Your point is noted and I know for a fact that this House demanded that the Minister should be here. However, I am in doubt of the 25th August date. That will be looked at, but I doubt whether it was specifically mentioned. I recall that I was the one that made that submission, but I would ask that the Clerk check the records to confirm whether the 25th August date was specifically mentioned. Those of you that were around should communicate with the Clerk. Go back to the records because I was the one who made that statement. Please go back to the records to confirm that I specifically mentioned the 25th August, 2017.

Honourable Members, may I reiterate again that I have requested on several occasions that for other announcements, it is better to get the Clerks of the various Committees to be communicating with the Members rather than allowing the Clerk to go through some of these announcements, thereby spending more time. It is better for the Clerks of Committees to be doing these jobs. It is easier and far more effective.

ADJOURNMENT

*[The House rose at 11.30 a.m., and was adjourned to Thursday, 28th September, 2017
at 10:00 a.m.]*