

OAU DRIVE, TOWER HILL, FREETOWN

PARLIAMENTARY DEBATES

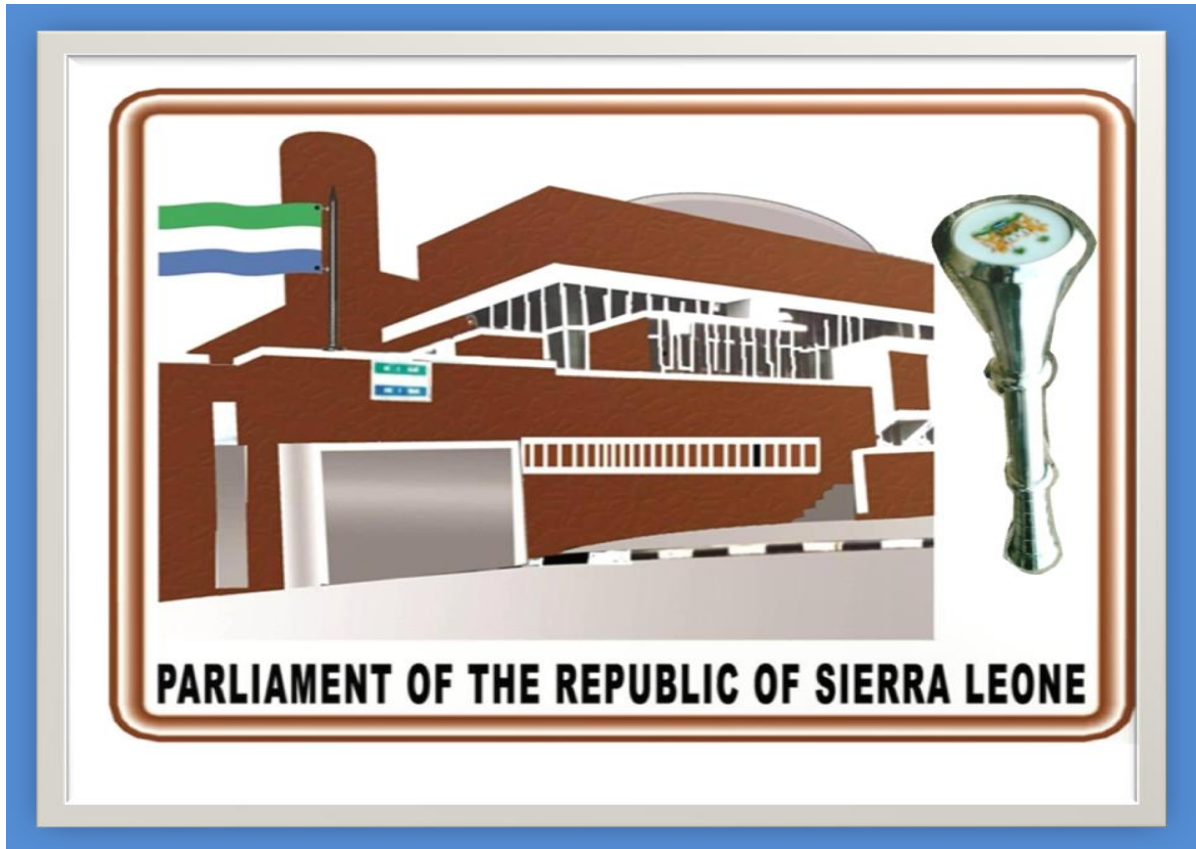
[HANSARD]

OFFICIAL HANSARD REPORT

FIFTH SESSION - FIRST MEETING

TUESDAY, 25TH APRIL, 2017

SESSION – 2016/2017



OAU DRIVE, TOWER HILL, FREETOWN

PARLIAMENTARY DEBATES

[HANSARD]

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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 Tuesday, 25th April, 2017.

CONTENTS

I. PRAYERS

II. RECORD OF VOTES AND PROCEEDINGS FOR THE PARLIAMENTARY SITTING HELD ON THURSDAY, 20th APRIL, 2017

III. LAYING OF PAPERS

[A] HON. CHERNOR R.M BAH, DEPUTY SPEAKER OF PARLIAMENT

THE REPORT OF THE SIERRA LEONE PARLIAMENTARY DELEGATION TO THE OPENING OF THE 2016 SECOND ORDINARY SESSION OF THE ECOWAS PARLIAMENT, FOURTH LEGISLATURE, HELD IN ABUJA, NIGERIA, ON THE 22ND SEPTEMBER, 2016.

[B] HON. PATRICK L. M. KARGBO, CHAIRMAN, PARLIAMENTARY OVERSIGHT COMMITTEE ON DEFENCE AND PRESIDENTIAL AFFAIRS.

[I] REPORT ON AWARENESS RAISING CONFERENCE FOR PARLIAMENTARIANS ON CYBER-CRIME AND CYBER-SECURITY, HELD IN VEMTO, NAMIBIA, FROM THE 28TH NOVEMBER, TO 1ST DECEMBER, 2016.

[II] FIRST REPORT ON THE COMMITTEE'S VISIT TO MEET THE DEPLOYMENT AREAS IN THE WESTERN AREA, NORTHERN AND SOUTHERN PROVINCES FROM THE 29TH AUGUST, TO 4TH SEPTEMBER, 2016.

IV. BILL

THE FINANCE ACT, 2017

INTRODUCTION AND FIRST READING

THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

V. GOVERNMENT MOTION

THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

[A] THREE TOWNS WATER SUPPLY AND SANITATION PROJECT [ADDITIONAL LOAN] LOAN AGREEMENT BETWEEN THE REPUBLIC OF SIERRA LEONE AND THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT [OFID], DATED 22ND FEBRUARY, 2017; AND

[B] LOAN AGREEMENT TOKEH-LUMLEY ROAD IMPROVEMENT PROJECT BETWEEN THE REPUBLIC OF SIERRA LEONE AND KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT, DATED 22ND MARCH, 2017.



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**

Tuesday, 25th April, 2017.

I. PRAYERS

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

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

[The Speaker, Hon. Sheku Badara Basiru Dumbuya, in the Chair].

The House was called to Order

II. CORRECTION OF VOTES AND PROCEEDINGS FOR THE PARLIAMENTARY SITTING HELD ON THURSDAY, 20TH APRIL, 2017

COMMUNICATION FROM THE CHAIR

THE SPEAKER: Honourable Members, we go through the Record of Votes and Proceedings for the parliamentary sitting, held on Thursday, 20th April, 2017. As usual, Page 1? Page 2? Page 3? Page 4? Page 5? And Page 6? There being no correction or amendment, could someone move for the adoption of the record of Votes and proceedings for the parliamentary sitting held on Thursday, 20th April, 2017?

HON. ABU T. KOROMA: Mr Speaker, I so move.

THE SPEAKER: Any seconder,

HON. SULAIMAN M. SISAY: Mr Speaker, I so second.

[Question Proposed, Put and Agreed to]

[Record of Votes and Proceedings for the parliamentary sitting held on Thursday, 20th April, 2017 has been adopted as presented]

III. LAYING OF PAPER

[A] HON. CHERNOR R.M BAH, DEPUTY SPEAKER OF PARLIAMENT

HON. CHERNOH R.M BAH: Mr Speaker, with your permission, I beg to lay on the Table of this Honourable House the following document:

The Report of the Sierra Leone Parliamentary Delegation to the Opening of the 2016 Second Ordinary Session of the ECOWAS Parliament, Fourth Legislature, held in Abuja, Nigeria, on the 22nd September, 2016.

[B] HON. PATRICK L. M. KARGBO, CHAIRMAN, PARLIAMENTARY OVERSIGHT COMMITTEE ON DEFENCE AND PRESIDENTIAL AFFAIRS.

HON. PATRICK L. M. KARGBO: Thank you, Mr Speaker. Mr Speaker, Honourable Members, before I lay this Paper, I would like to get the record straight. The spelling of defence on the Order Paper is wrongly spelt. So let us get that corrected. Having

made that correction, it is now my privilege to lay on the Table of this Honourable House, on behalf of the members of the parliamentary Committee on Defence and Presidential Affairs, the following reports:

[i] Report on the Awareness Raising Conference for Parliamentarians on Cyber-Crime and Cyber-Security, held in Windhoek, Namibia, from the 28th November, to 1st December, 2016.

[ii] First Report on the Committee's visit to the Military Deployment areas in the Western Area, Northern and Southern provinces from the 29th August, to 4th September, 2016.

IV. BILL

THE FINANCE ACT, 2017

INTRODUCTION AND FIRST READING

THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

THE SPEAKER: Honourable Members, all of us would recall that when we met on Thursday last week, we talked about the Finance Bill and there was a motion to the effect that the substantive Minister should be here to pilot this Bill. Since he is still not here, because of extenuating situation, we have to go ahead with the Bill. So, I would respectfully ask the Minority Leader to withdraw the motion before we proceed.

HON. DR BERNADETTE LAHAI: Mr Speaker, Honourable Members, some time ago, this Bill was brought before us for debate. In the process of debating this Bill, we were told by the Deputy Minister, who is presently before us, that he is here to plead on behalf of the substantive Finance Minister for this Parliament to postpone the debate on this Bill because the Minister himself wanted to be here to pilot this Bill. Based on his plea, we had to stop the debate on this Bill. Last week, the Deputy Minister was here again to pilot this Bill. According to him, he said that the substantive Minister was unavoidably absent. We did move a motion that because we were heading to debate the Bill, but he pleaded for the substantive Minister to be here, I moved the motion that we want the substantive Minister to be here. That motion was moved not because we underestimated the competence of the Deputy Minister, but because we wanted the substantive Minister to be here to tell us why

he wanted to pilot this Bill instead of his deputy. However, we are now being told that the Finance Minister and other Ministers are out of the country discussing important issues. In that light and because this Bill is very important, we are no longer going to waste time. In fact, this Bill should have come together with last year's budget. I want to remind this House that we are four months into the financial year, which is almost the end of the first quarter. This is the Bill that is going to generate the revenue we need to run the state. As a Parliament, therefore, we are working for our people; even when the Executive sometimes makes mistakes, it is Members of Parliament who are usually bashed by the people.

Therefore, Mr Speaker, Honourable members, I am humbly withdrawing the motion so that we can debate this important Bill and pass it into law for onward implementation. I thank you, Mr Speaker.

THE SPEAKER: Any seconder?

HON. SULAIMAN M. SISAY: Mr Speaker, I so second.

[Question Proposed, Put and Agreed to]

The motion moved by Honourable Dr Bernadette Lahai to insist on the coming of the substantive Minister of Finance and Economic Development has been withdrawn]

HON. CLAUDE D. M. KAMANDA: Mr Speaker, Honourable Members, I stand on S.O. 82. As we await the memorandum and objects, I rise to suspend Standing Order 47[3].

THE SPEAKER: Honourable Members, the issue is that we are going to continue with this Bill because of the exigency of the situation. This Bill does not have memorandum of objects and reasons. As by law, every Bill should be accompanied by memorandum of objects and reasons. In that regard, it has been suggested by the Honourable Claude D.M. Kamanda that the relevant Standing Orders be suspended; i.e., S.O. 47[3]. So Honourable Members, we take it that we suspend S. O. 47[3], so that we would be able to go on with this Bill. Any seconder?

HON. SULAIMAN M. SESAY: Mr Speaker, I so second.

[Question Proposed, Put and Agreed to]

[Standing Orders 47[3] has been suspended to continue the debate on this Bill]

HON. KOMBA E. KOEDOYOMA: I am worried about the word used in 47[3] here. The word shall... - *[Interruption]*.

THE SPEAKER: It is mandatory, Honourable Member. That is why we are suspending it for the time being. It will be accompanied.

HON. FODAY RADO YOKIE: Mr Speaker, I have another observation that would help the debate. In as much as we are trying to help, but I am also very worried because in the course of the debate, there are lots of Acts we will have to make reference to.

THE SPEAKER: Honourable Member, when we come to that the memorandum of objects and reason will be provided. Mr Minister, do you have it here? Can you give us the memorandum of objects and reason verbally?

MR MOMOH VANDI *[Minister of State, Ministry of Finance and Economic Development]*: Mr Speaker, it will be providing during the second reading of this Bill. Having said that, Mr Speaker, Honourable members, I move that the Bill entitled 'The Finance Act, 2017 be read the first time.

[Question Proposed, Put and Agreed to]

[The Bill entitled 'the Finance Act, 2017' has been read the first time]

MR MOMOH VANDI: Mr Speaker, Honourable Members, I move that the Bill entitled 'The Finance Act, 2017' be read the second time. Mr Speaker, the objectives of the Finance Act, 2017 are:

1. to continue to improve on tax and other domestic revenue collection;
2. to ensure complete removal of technical and administrative difficulties in the implementation of tax legislation;
3. to strengthen and make enforcement more robust with a view to minimising tax invasion and tax avoidance by tax payers, and consequently expand the tax base;
4. to ensure that foreign workers are fully accounted for the payment of payroll tax and work permit through the issuance of tax clearance certificate;

5. to ensure that the Bill includes a national free health care levied of **0.5%** on all payment made to contractors, both local and foreign for supply of goods and services;
6. to provide requirement for the effective administration of foreign tickets travel tax with the view to avoiding abuse;
7. to ensure that all institutions register as non-governmental organisations pay duty on their import and subsequently reclaim on proof of exemption from import duty under the third schedule of the Custom Tariff Act, 1978; and
8. to empower the Minister of Finance and Economic Development to make regulations in order to give effective effect to investment incentive legislative.

Mr Speaker, Honourable Members, the Finance Bill, 2017 covers the following areas:

- [i] definitions and applications;
- [ii] new issues, and
- [iii] other issues.

[I] DEFINITIONS AND APPLICATIONS

[a] Excise services: excisable services means all services prescribed in the Third Schedule of a Custom and Tariff Act, 1978.

[b] Loss: Loss is a term used when for a given year of assessment, the amount for which the tax payer allows deductions exceeds the tax payers' accessible income for that year of assessment.

[c] Donation to good cause: This refers to all donations made in respect of community development programmes, a sponsorship of sport, education, and health programmes.

[d] Chargeable Assets: This means land and sea in Sierra Leone, including Sierra Leone territorial waters which includes but not limited to any property attached to it, any improvement to the land and sea, and any fixtures and fittings thereon and anything growing on the land and sea.

[e] Shares: For the purpose of this Bill, shares means shares held by a resident in a company resident in Sierra Leone, including holding company, subsidiary and affiliate.

[f] Turn-Over: This refers to all sums paid by telecommunication service users to telecommunication service operators for good supply and services rendered by the operators, including moneys received or receivable during the normal course of their business operation. The suggested provision to be introduced in the Income Tax, 2000, which includes the following:

[II] NEW ISSUES.

[a] Finance List: Finance List or often refers to just a list is a contractual agreement in which the company identified on the contract on the lessor grant the individual or groups of individuals listing the product and equipment identified on the contract as a list. The ability to operate the equipment for a given amount of time identifies as the term of leasing while making specific monthly payment to the lessor or leasing company. The new provision will help to capture all leasing transactions, including sale back options.

[b] Private Ruling: To include private rulings for all revenue collected by the NRA. This is the ruling granted by the tax authorities to a single tax payer in respect to a single transaction or series of transactions. Normally, the ruling can be relied upon only by the tax payers and it is binding upon tax authorities providing all relevant facts have been disclosed.

[III] OTHER ISSUES

[a] Electronics Cash Register: This system allows all transactions to be remotely recorded at the NRA main server and has an indelible memory. This will improve domestic GST compliance as it is currently posing series of challenges. Once the system is installed, it would require all registered GST to acquire such machines whereby all transactions are inputted and receipts are generated instantly.

[b] Zero Rate Mineral Export: In line with international best practices, whereby businesses can pay GST and claim back at the end of production process. The Finance Bill 2017 suggests the elimination of export duty on mineral export as a means of addressing cross boarder smuggling of our precious minerals.

[c] Promotion of investment in refinery: The Finance Bill, 2017 makes provisions for import duty exemptions for new businesses wishing to invest in the oil and gas

sectors. This will encourage businesses to construct refinery facilities and boost the oil and gas sectors.

[d] Promotion of the investment in manufacturing. The Finance Bill, 2017 also makes similar provisions for businesses wishing to invest and existing businesses wishing to expand in manufacturing sectors. This will enhance local production and boost export.

[e] Promotion of the Investment in Agricultural tree crop and poultry to be specific. By granting duty free waiver on all agricultural import as well as vaccines for poultry and livestock and **3%** import duty on poultry feeds. The Bill also makes provisions for requirements for investors before accessing the investment intensives. That is minimum investment capital as well as the employments of some instances, work permit and tax certificate. The need to strengthen compliance whereby all foreign workers will be required to produce a tax clearance certificate before work permit are renewed.

[f] Small medium enterprise taxation is simplified and the regime aimed at capturing the hard to tax sector bars on turnover as opposed to traditional presumptive regime so as to improve compliance and expand the tax base.

Mr Speaker, Honourable Members, there are two silent justifications as to why the Bill should be enacted. These justifications are as follows:

- the Finance Bill 2017 provides for the upward revision in rate of taxes to be applied for selected commodities and it is also suggested that an excise tax regime on cigarette as well as alcohol and non-alcoholic beverages. This Bill will no doubt enhance domestic revenue mobilisation, so as to finance government finances and improve on social service delivery;
- in advance to the ECOWAS common external tariff that is due to come in effect some time in 2017, some tariff changes, as suggested in the Finance Bill, 2017 so as to enhance revenue and provide advance protection for domestic production.

Mr Speaker, Honourable Members, all of the amendments suggested in the Finance Bill, 2017 has the potential of enhancing revenue mobilisation. Currently, there is no

limit or loss carry forward. This has negative implications on future cooperate tax revenue and also renders future collection unpredictable.

Mr Speaker, Honourable Members, the Finance Bill, 2017 suggests a period of ten years for loss carry forward since it is prudent for a business to continue to operate when it is not making profit. The current provision for capital gain tax has narrower definition for chargeable assets which have been clearly defined in the Finance Bill, 2017. This will make it impossible for tax payers to hide under the current provision in order not to pay capital gains tax.

Again, Mr Speaker, Honourable Members, there used to be inconsistencies in respect of filing income tax returns in audited financial statements by tax payers at the end of the tax year. The current changes suggested in the Finance Bill, 2017 have harmonised this provision, so as to avoid inconsistencies in the implementations and to improve on compliance. The suggested rate increases in the Finance Bill, 2017 for commercial vehicles and motor bikes and for alluvial and small scale was to account for inflation and changes in economic circumstances over time.

Mr Speaker, Honourable Members, I move that the Bill entitled 'the Finance Act, 2017 be read the second time.

[Question Proposed]

HON. HASSAN B. SHERIFF [Deputy Majority Leader of the House]: Thank you, Mr Speaker. Mr Speaker, Honourable Members, I do realise the importance of this Bill before us. I also understand and realise that this Bill is intended to raise revenue to meet government expenditures. I believe that we as Members of Parliament have to look at this Bill page by page and line by line to see what revenue Government will raise for the interest of the programmes we intend to implement. Though this Bill came late, but I want to thank the Minister and his team for putting this Bill together. Like the Minister has said, this Bill captures almost every aspect of revenue that Government intends to raise in this country. We cannot do without looking at the excise tax rate and we cannot be over ambitious to raise revenue, especially when it is going to hurt the common man out there. We cannot also be over ambitious to the extent of hurting the business people out there. So, I

believe we should look at this Bill in order to ensure that the necessary amendments are made.

Mr Speaker, Honourable Members, I do agree with the area that has to do with the betting companies. However, the lottery companies we have in this country are the same in any part of the world; i.e., the winners must pay tax to Government. It goes without saying that you pay tax on your income. Winning an amount is considered as part of your income. Therefore, there must be some amount of tax to be collected on the winning of lotteries because it is international best practice.

Mr Speaker, Honourable Members, I have to be frank in telling this House that the Committee on Finance sat about four days together with the officials of the National Revenue Authority [NRA] and the Minister of Finance when this Bill was first presented to us as a Committee. We looked at the Bill page by page and we agreed in principle that some changes have to be made. These changes we proposed as a Committee were made on the new Bill, dated March 2017. However, my only disappointment here is that new insertion was made without making reference to the Committee on Finance and I consider that act to be very deliberate.

Mr Speaker, Honourable Members, myself, the Leader of the House who is also a member of Finance Committee and colleagues on the other side; i.e., Honourable Helen Kuyembeh, Honourable Sidi M. Tunis and our own side, Honourable Amadu Fofanah sat with the Ministry and NRA officials and made some suggestions. We did that because we are the representatives of the people and we should be seen seeking the interest of the people first before all other interests. I know, under the present situation, which is the economic measures, something has to be done to raise revenue, but we should also have to be careful on how we expend the moneys we generate, otherwise at the end of the day, it is Government that will run out of funds. In that respect, I must make myself very clear that I am not happy with the officials of the Ministry of Finance because they failed to update us on the changes they have made on this Bill. Therefore, the lotteries companies and winners must pay taxes because it is an acceptable practise everywhere. Again, pay roll taxes are common all over the world because it is a standard practice.

Mr Speaker, Honourable Members, when we go to the area that has to do with excise duty, certain sections of the Excise Duty Act of 1982 has been amended, but I want to draw your attention to Section 14 of the Excise Duty Act of 1982, which has to do with luxury vehicles. The excise duty proposed rate is **20%** on luxury vehicles, but the cost on luxury vehicles should be **\$25,000 to \$30,000**. I believe when we get to that stage, we would do the necessary adjustment. With the leave of Mr Speaker, I want to read Page 10, Section 14. The Excise Duty Act of 1982 is amended by inserting the following new section. Under luxury vehicles, Section 3[a] reads: "An excise duty rate of **20%** shall be imposed on luxury vehicle value at least **\$30,000** or its equivalent. It is a misprint because it should read **\$25,000**. The rate we are looking at in terms of the excise duty rate is **20%**. This will enable the Government to raise revenue, so that the Minister and his team will support the various Government's programmes for 2017. This is one area I would like to bring to the attention of Members of Parliament.

Mr Speaker, Honourable Members, the Minister also spoke about taxes on alcohol beverages. We all know that we passed the 2016 Finance Act in this House, which also addressed the issue of alcohol beverages. The increase we made last year on beer, stout and of course spirit, which we pegged specific rate on beer at four dollars per litre, while Spirit is **6 Dollar** per litre]. Now, the experience we have had on the 2016 Finance would not be repeated. It was a very bad experience and if the intention of this Bill is to raise revenue whilst we are currently losing revenue, the question is, are we progressing as a nation? Sometimes we think we are progressing, but we are not. I will tell you for free the major importer of beer. Choithram, for instance, I have the report before me that Choithram is the highest importer of beer and they were paying **Le3.5bln** per month on imported beer before the Bill was passed into law in 2016. Merani was paying about **Le 1.5bln** per month. If you calculate what those two companies were paying as taxes, we are talking about **Le 6 to Le 8bln** per month. Again, if you add the other importers to that list, we were getting close to **Le120bln** per month.

Mr Speaker, Honourable Members, when we passed the 2016 Finance Bill, we realised that as of August to December last year, we were losing a lot of revenue.

When I looked at Choithram's books for 2017, Choithram couldn't import any beer so it was zero. If we have nothing on imported beer, we will have no taxes. In February and March, 2017, nothing was realised as taxes from the importation of beer and other alcohol beverages. Therefore, the Government has been losing close to **Le 36bln** on a monthly basis, whilst the intention of this Bill is to raise **Le 40bln** per annum.

Mr Speaker, Honourable Members, I like one portion of the Minister's presentation where he spoke about excise duty levied on natural minerals to discourage smuggling. It is a good intention because we have to go all out to discourage smuggling in this country. I am saying this because when smuggling is increased, the tendency for a drop in revenue will be great. We must fight hard to discourage smuggling in this country. As in the case of our natural resources and alluvial diamond mining, we can increase taxes, but the taxes on beer should be reduced because beer and other alcohol beverages are frequently consumed by almost all of us and our youth. Muslims or Christians opt to choose what to drink.

Mr Speaker, Honourable Members, the current situation, in my opinion, is difficult for all of us because since the passage into law of the 2017 Budget, a lot of MDAs have still not received their allocations on time. I don't blame the Government for that because this is as a result of the low revenue collections. The NRA is trying its best, but again, it is not their fault at all. When the laws are not favourable for the business people, they tend to discontinue the importation of those goods that are highly taxed because they have been discouraged from doing that, Mr Speaker. I understand the intension of increasing the excise duty on imported beer as a way of encouraging our local industries. The prominent local industry we have in this country is Brewery. We all know that Brewery has not been reporting profit to Government; and if you are running a business, you are expected to make profit. It is out of that profit you are expected to pay cooperate taxes. Government is not getting anything from them; and according to the Minister's presentation, you can continue with a particular law up to ten years. In other words, you write off your loses for the past years, but still Government would not be able to collect anything from you as a local industry.

Therefore, Mr Speaker, Honourable Members, we cannot continue to protect a local industry and discourage those companies that are importing alcohol beverages that are paying huge amount of taxes to the Government. I want Brewery to grow, but Brewery is not helping the situation at all. In that regard, we have to do something to encourage companies that are importing foreign beer to this country. They are paying high excise duty to the state and their taxes have been helping Government to meet its programmes. So, I must bring that to the attention of my colleagues Honourable Members, so that when we come to that stage, we look at some of these areas with critical mind and make meaningful suggestions.

Mr Speaker, Honourable Members, I want to comment on transport service providers. Everybody pays registration fees at the Sierra Leone Roads Safety Authority [SLRSA], but this time Government is saying that the amounts are too low and we have to make some increments. If you have good roads, you will drive smoothly from your home to your office and you should be able to pay the price. It is a standard practice that when Government constructs new roads, we ask road users to pay more for the use of the roads in this country. There is road construction going on between Calaba Town and Masiaka. That is not going to be free because somebody has to pay for it; i.e., the users. The Minister of Finance thought it fit to make increment on the fees of transport service providers. I believe is going to affect all of us, not only the big trucks, but also taxi drivers, poda poda drivers, luxury vehicles etc. I want to commend the Minister for that fantastic decision he has taken.

Mr Speaker, Honourable Members, I want to talk about the Telecommunications. We have the pre-acting fees on turn overs, the Goods and Services Tax or the Saved Tax or Valued Added Tax as is called in other countries. We should pay save tax for every business that we operate in this country, whether for businesses out there or services that we provide we must pay the GST to Government. When there is an increase on excise duty, the GST tax would also increase simultaneously. I believe that this is a fine idea and we must applaud the efforts of the Ministry.

Mr Speaker, Honourable Members, this House has empowered the Commissioner General of the NRA to give approval on certain legislations. This is apt because in

case there are difficulties to decide the amount of tax to be levied, the Commissioner General should be given the leeway or the option to exercise her duty as head of that institution in terms of using her discretion to levy the amount of tax that is needed on certain commodities or services. It is a good idea.

Mr Speaker, Honourable Members, the GST also affects some of us who have businesses out there. The hospitality industry, for instance, if you have up to hundred rooms, it is also captured in this Bill. That is an encouragement for me to do more rooms for my guest house, even though I am far below that level. I believe taxes have to be collected for every business that you run in this country in order to help the Government to raise revenue. I want to thank you very much for presenting this Bill to us. However, we would still have to make some changes, so that the lives of the people of this country we are representing here are improved. As Members of Parliament, we have to be seen seeking their interests and the interest of the Government as well.

With those few words, Mr Speaker, Honourable Members, I want to thank you very much, and to encourage you to do likewise. I thank you very much.

HON. AJIBOLA E. MANLY-SPAIN: Thank you, Mr Speaker. Mr Speaker, Honourable Members, after the submissions of the Chairman of the Finance Committee, there is hardly anything one can say about this Bill. We want to thank the Minister for his presentation. His presentation has all the ingredients as you would expect in an ideal world, but we are not living in one. He has all the justifications for an increase in taxes, but the question we should ask ourselves is we have had experience in the increase in taxes, particularly last year when we had heated debate on the provision amending the Excise Act of 1982. We had a heated debate on that and we decided to make some increments. The question is, are they being beneficial to the economy of this country? From what we heard yesterday at the pre-legislative hearing, they have not been beneficial to the economy. In fact, they have created shortfall that we wonder how the economy is moving.

Mr Speaker, Honourable Members, we had representations from the various departments yesterday and there was a second person who spoke on behalf of the NRA. According to that presenter, he said that the NRA advised against those

increases last year, but to no avail. I want this Honourable House to take those pieces of advice into consideration. This is exactly what the Chairman of the Finance Committee has been saying. The figures that he has presented to us are very alarming. The dropped in revenue collection is as well alarming, Mr Speaker. Why should we continue to increase taxes? That is all I wish to say and when we come to the Committee Stage, we would make suggestions. I think it would be good for this country if we go back to where we were. Thank you very much.

THE SPEAKER: Mr Minister, we want you to answer this question from what the Honourable Ajibola Manly-Spain has said. Is it true that the NRA advised you last year but failed to heed to that advice?

MR MOMOH VANDI [*Minister of State, Ministry of Finance and Economic Development*]: Mr Speaker, Honourable Members, I am not aware of that advice given by the NRA. Honestly, I was surprised to hear that yesterday, but the fact of the matter is that in as much as the focus is to mobilise revenue, we looked at the other side of protecting our local industries. For example, we realised that Brewery was almost dying and we thought it fit to protect that industry.

Mr Speaker, Honourable Members, if we have to weigh the two and if we think that protecting the local industries is an advantage to the country, I think we would go with that. However, if we believe that the revenue lost is so significant, then obviously we would revisit those areas. We believe that protecting the local industries is more significant. I do not have the figures which the Honourable Hassan B. Sheriff has quoted, but I would love to see those figures and do an independent investigation on them and we will take it from there.

HON. FODAY RADO YOKIE: Thank you, Mr Speaker. I am very happy because the Chairman of the Finance Committee said exactly what I have said many years ago. Mr Speaker, when the very Chairman of Finance Committee was supporting the increments of those taxes last, I was against them. I said that those increments would make things very difficult for the people of this country. During those debates, I did say that if you increase those taxes, you would increase seepages in the system but nobody listened to me. For instance, he has given us some statistics I would rely on. He did say that Choithram and companies are leading importers of

beer and other beverages; and that they pay billions of Leones to Government per month. If you increase those taxes what would happen? The cost of production is going to increase, thereby discouraging further importation of those goods. What has happened is that the importers have now reverted to an 'illicit method of importation of those goods.' In other words, they are still importing those goods through the back door, instead of the legal means. This is denying the Government the much needed revenue that could be used to development this nation. You are now enriching the smugglers.

Mr Speaker, Honourable Members, let me give you one classical example again. The Chairman of the Finance Committee said that we have to speak on behalf of the people of this country. We should be improving the lots of the people and not to compound their problems. I think we are here because they voted us to represent their interests. What I noticed in this Bill is the issue of inconsistency with the 2017 Budget Speech. This Bill is expected to finance the 2017 Budget but there are considerable inconsistencies. Let me give you one practical example, Mr Speaker. If you look on Page 10, Section 3[a], under the Excise Act, for instance, 'an excise duty rate of **20%** shall be imposed on luxury vehicles value at USD 30,000 or its equivalence in Leones.' This is economical and there are lots of theories to support it. I am merely saying that if you impose taxes on luxury vehicles, you are encouraging the importation of scrap vehicles into this country. I am calling the attention of this Honourable House that I cannot specifically remember the year that this House enacted into law the importation of brand new vehicle. Do you know why? The rationale was to encourage the importation of good vehicles and discourage the importation of scrap vehicles. I am seeing the reverse in this case because when you impose more taxes on the importation of luxury vehicles, you are indirectly encouraging the importation of scrap vehicles into the country.

Mr Speaker, Honourable Members, for those who love driving luxury vehicles could not afford to bring those vehicles because they are expensive. So, what I would do now is to go back to the drawing board. This has economic ramification because people would bring scrap vehicles for three to four thousand dollars, thereby the rate of breakdown and blockage of traffic would increase. Those are the

inconsistences I have noticed in this Bill. I want to reiterate here that whatever we are doing is for the interest of the people who voted for us to represent them. If you are raising revenue and at the same time those taxes are negatively affecting the general population of this country, then what is the rationale?

Mr Speaker, Honourable Members, I want to look at the argument for and against the protection of the local content policies. I would say it is good to encourage our local industries to grow because they do not have the capacity to compete against the foreign companies. However, we have to study the market in that respect. Again, I did say here that if you are encouraging the local content policies, I said that when you increase taxation on the importation of mineral water. What would happen? If, for instance, Grafton Water is at a very cheaper rate compared to imported water, the demand for Grafton Water would increase and when the demand for Grafton Water increases, the price of Grafton Water would also increase. When last year's budget was approved, the cost of Grafton Water per bundle was **Le 40,000**. What is the price now today? In spite of the fact that you are protecting it, the price is now **Le 45,000**. This means that an increase of **Le 5,000** was made. The increment was not because the people wanted to increase the price, but it is as a result of the increase in the demand of that particular commodity. These are some of the things we have to observe when increasing taxes. What would happen if we increase the price of this commodity? What would happen to the demand aspect? This country is operating a free market economy. When prices increase, people would tend to move from that commodity and go for the substitute. We have to be very careful with this local content policy.

Having said that, Mr Speaker, Honourable Members, I would rest my case for now.

THE SPEAKER: Honourable Foday Rado Yokie that is a very good economics.

HON. AMADU FOFANAH: Thank you, Mr Speaker for giving me this opportunity. Mr Speaker, the essence of this Bill, as the Minister mentioned earlier, is to increase revenue. The end result for increasing revenue would be to stabilise the economy. What we are seeing now this would not eventually happen at the end of the day because the revenue that he said would increase in future would not increase to meet the expenses expected. So, in my opinion, why are you not looking at the

expenses? I think we should cut down some of the expenses and maintain the taxes because if you increase tax, the burden would be on the business people and they would do otherwise. They would either close their businesses or reduce their operations and this will increase the level of unemployment and at the end of the day, the burden would be on Government. In fact, smuggling would also increase and Government will lose more revenue.

Mr Speaker, Honourable Members, the National Revenue Authority is charged with the responsibility to collect tax on behalf of Government. My problem is with the staff of Ministry of Finance. What are they doing in that Ministry? I am asking this question because as far as I am concerned the Ministry of Finance should initiate activities that will revive the economy of this country. These activities should not mean increasing taxes. For example, looking at other tariffs in West Africa in respect of wheat flour and other commodities, what they are doing presently is to encourage local industries. What they have done is that they have increased taxes on those who import the flour into their countries. This is because when you do that, you are encouraging the local industries to grow and they will employ more people. Those employees pay their PAYE and other taxes. If this is done in this country, I am sure you would realise more revenue than before. What you are doing now is that you are killing the local industries. If you want to help our local industries, as you have mentioned Brewery, please you have to encourage them. Year in year out we have been talking about the interest rate in this Parliament. If you want to encourage local business, you have to look at the interest rate charged by the banks in this country. I am saying this because if you look at Brewery's bank statement, you will see what they are paying as interest to those banks. That is killing them slowly, Mr Speaker.

THE SPEAKER: Mr Minister, in elementary economics, we learnt about the infant industry argument. In this case, you are still talking about supporting Brewery and Brewery is now an adult industry. So, why should we still continue to support it? It is no longer in the infant stage.

HON. AMADU FOFANAH: Mr Speaker, I want both the Ministry of Finance and the NRA to engage themselves in the policy aspect, so that they will be able to provide

better policy that will revive the economy of this country. If better policy is put in place, I think we can collect more revenue without raising taxes. According to the NRA, there are many taxes that are not collected and the Minister knows what I am talking about. Many organisations have come and gone without paying taxes because nobody goes to them to collect those taxes. In fact, we do not have any regulatory mechanism to monitor them properly.

Mr Speaker, Honourable Members, during the Minister's presentation, he did talk about inconsistencies in submitting financial records to the NRA. I want to state here that it is their faults because in other countries, if you do not submit those records to the authority responsible, you would be charged to pay a fine or they will close your business. This is because compliance is key in terms of tax collection and if the person does not comply, you will not be able to know the tax liability. Therefore, I want the Ministry of Finance to heed to this clarion call and revive this country's economy. We have people with PhDs in Economics and Accounting and I think they are qualified to handle issues of such nature. I want to encourage the Ministry of Finance to do more, so that the ordinary people would feel the growth of the economy. Officials of the Ministry should not be sitting there without doing anything. Those officials are using tax payers moneys to attend conferences and courses without any positive impact on this country. They are not bringing any positive changes but they are spending millions of dollars to attend those international conferences. The question is why do we keep them there and continue to waste money on them? I want the officials of that Ministry to know that they are using the tax payers money and that should be reflected on the growth and development of this country. Those officials are provided with fuel, top-up cards, housing allowances, etc. Therefore, they should be seen doing their work. Thank you, Mr Speaker.

HON. KOMBA E. KOEDOYOMA: Thank you, Mr Speaker. The Economists and the Accountants have spoken. I am not rounding up anything, but to add a layman's voice on what the experts have said on this Finance Bill. In the first place, I want to inform this House that this Finance Bill is coming late. The question is, are they applying it now? If not, they are late and it is not going to be useful any longer,

even if we pass it into law. Initially, we did say that all necessary documentations relating to the 2017 Budget should have been presented together. In other words, this Bill should have accompanied the 2017 Budget that was presented to this Honourable House. It is over four months now when the 2017 Budget was presented here. Are we going to make the NRA more proactive in putting the issues we are now discussing here into active practice? The answer is no. The NRA is there to generate more funds for the running of this Government, but it has been useless over for the past four months because this thing is not in use... - *[Interruption]*.

THE SPEAKER: Honourable Komba E. Koedoyoma, what you have said is so important about the NRA. Honourable Members, what I find quite incomprehensible is why is it that when they advised the Minister of Finance to do certain things he could not listen to the advice? I really don't understand at all.

HON. KOMBA E. KOEDOYOMA: Thank you, Mr Speaker. The two institutions are not working in unison to help the Government run and generate more income. The Ministry has its own policies, the NRA is doing the correct thing and the Ministry is not listening and this explains the lateness of this Bill coming to us here. My young Member of Parliament from the Western area has said it all. All the blame for the inconsistencies and the late coming of this Bill should be attributed to Ministry of Finance and Economic Development.

Mr Speaker, Honourable Members, those who have studied in America must have read a little bit of the American History. If you have read American History, you would agree with me that one of the causes of the America War of Independence was taxation without consultation. I am of the opinion that more discussions should have been held with the various betting companies before arriving at this conclusion the Minister has just presented to this House. It is good for the country because we need money to undertake development, but the various betting companies must be involved. I am sure the discussion they held was with only one betting company that goes without any doubt. I am sure the Sierra Leone State Lottery was not consulted in this exercise and we are saying we have local content policy that is meant to encourage our local institutions to grow. If we leave these institutions without

consulting them and impose taxes on them, we are killing them. This is one area I have always questioned.

Again, Mr Speaker, Honourable Members, the Minister said that in order for the various policies to help this country generate more funds, we need security and the basis of this security is to have the institutions being protected. For example, they must be catered for, so that they would be able to provide the security that we need to help these industries and institutions to grow and help generate more funds. The police are now trying to generate some funds and you know you are starving almost all institutions because of the austerity measures you introduced.

[Suspension of S.O. 5[2] being 12:00 noon]

HON. KOMBA E. KOEDOYOMA: Thank you, Mr Speaker. Like I was saying, the Ministry of Finance is making the work of the police very difficult in terms of providing the needed security in this country. However, the police is now trying to help the Ministry of Finance by generating revenue that would help them in their operations. The effective operation of the Sierra Leone Police has been scuffled by the Ministry of Finance over the years. I want to appeal to the Ministry of Finance to ensure that since they do not have enough funds to provide for these institutions, they should allow the police, for example, to generate some funds, so that they would be able to fund its operations, particularly when we are about to move into the elections year. They need a lot of work to ensure that security is maintained within the country.

Mr Speaker, Honourable members, if we want this vision to be properly implemented and give us result, we have to make adequate provisions for the police in terms of allowing them to generate their funds. They now want to produce their own uniforms and they want to go into bricks production. For example, the police in Makeni are trying to engage themselves in bricks making for sale to those who would want to put up new buildings. So, they should be allowed to generate funds and those funds should stay with the police, so that they can provide the necessary security that we need.

Mr Speaker, Honourable Members, the vision of the Bill is good, but my appeal to the Ministry of Finance is that they should ensure that in future, they bring a Bill of

this nature along with the national budget. This is because the Finance Bill would enable the budget to function well. If you fail to do so, the NRA would not be able to generate the required funds. Thank you, Mr Speaker.

HON. AMADU M. KANU: Thank you, Mr Speaker. Mr Speaker, Honourable Members, the Minister's presentation was comprehensive and he wanted this House to approve what he has just presented to us as the representatives of the people. Most importantly, we have also listened to the Deputy Majority Leader and the Chairman of the Committee on Finance... - *[Interruption]*.

THE SPEAKER: Honourable Amadu Kanu, please go straight to your point.

HON. AMADU M. KANU: That is the point I am trying to build up, Mr Speaker. We have listened to what have been said by those who have spoken before me, especially the statements made by colleague Honourable Member on the other side and the Honourable Member from Kono. In his contribution, the Honourable Member spoke about issues relating to the welfare of the people whom we are representing in this House. That brings me to the undeniable fact that Sierra Leoneans, both at home and abroad, supported and voted us for diverse reasons. Some people gave us their support probably for political gains and others for other reasons. This Honourable House would agree with me that majority of the people of this country gave us their support for a positive change. That is the change we are discussing here today.

Mr Speaker, Honourable Members, I hold the view that change is a gradual process. I will not waste any more time on the relevance of revenue in running the affairs of the state because almost all those who spoke before me have underscored that revenue is key in terms of managing the affairs of the state. No government can function effectively without revenue. We should not be doing anything that would negatively affect the people of this country. We are here to represent their interests and not to add more burdens on them. That is why I will wholeheartedly support what have been said by the previous speakers that whilst adopting this Bill, we have to ensure that some of the clauses that are problematic should be carefully looked into and make the necessary amendments. We have to do that in the interest of the people of this country.

Having said that, Mr Speaker, Honourable Members, I want to refer the House to the 2017 Budget. I am referring the House to the 2017 Budget we have passed into law because I am in support of what the Honourable Member from Bo has said that some of the issues raised in this Finance Bill are not consistent with the 2017 Budget. With your leave, Mr Speaker, I want to refer the House to Page 19, under the rubrics, 'Revenue Proposals' in the Budget Speech.' If you go to Paragraph 94 [1], it talks about the increase of tariff rates on importation of cigarettes and tobacco products from **10%** to **20%**. This is not the same in the Finance Bill, Mr Speaker. If you go further to the reintroduction of excise duty on cigarettes and tobacco products, it is stated here **35%**. There is complete disparity in terms of the figures between the 2017 Budget and the Finance Bill. The point I wanted to make here is that whatever we are doing today, should be done in the best interest of the people that supported and voted us into the various elected positions we now occupy *[Applause]*.

Mr Speaker, Honourable Members, I want to briefly look at the tax increment on commercial vehicles and motor bikes, and my presentation is going to be slightly different from the submission made by the Chairman of the Finance Committee. I will give you detailed figures of the exact cost of license. The cost of licensing a motor bike is now **Le 510, 000**; taxi, **Le 845, 000**; van, **Le 1, 090,000**; truck, **Le 1, 140,000**; trailer, **Le 1, 770,000**. Let us take the point that has just been made by the erudite Economist, Honourable Foday Rado Yokie that whenever there is an increase in the cost of production, there must be a corresponding increase in prices. I want to state here that the final consumer is always responsible to pay the cost of production. We need revenue to ensure that Government activities are properly implemented. I would want to advise that it has to be a gradual process. Change itself is a gradual process. We should not take a decision that is detrimental to the people of this country.

Having said that, Mr Speaker, Honourable Members, you would agree with me that since 2007 to 2017, the issue of generating income in this country is from the mineral sector. If that belief is anything to go by, it is advisable to treat those people that are charged with the responsibility of collecting revenue on behalf of the people

to ensure due diligence in discharging their responsibilities. In other words, like what the experienced teacher has been advising about the police, I want to make similar submission on behalf of the National Minerals Agency. My advice is going to be in the form of a motion. If we believe that the mineral sector is the principal revenue generating entity in this country, we have to provide the enabling environment, so that they live up to expectation.

Mr Speaker, Honourable Members, if you look at Section 18 of the National Mineral Agency Act of 2012, the Agency solely depends on what this Parliament usually approves for them. If we believe that that the Agency is charged with the responsibility of generating funds to run the affairs of this country, we must provide them with the enabling environment. In that regard, I would like to move a motion wherein Section 18 of the National Minerals Act of 2012 be amended to read, 'all revenue collected from or due to the Agency shall be paid into a special Treasury Account of the Consolidated Fund except for the following:

- moneys accruing to the Agency in the course of its operation;
- minerals and trading rights application fees. These are fees that would not affect the discussion, especially the one that is ongoing.
- it has been the practice that they pay **10%** of the normal charges to the National Mineral Agency for them to undertake monitoring activities;
- Precious Minerals Valuation Fee. The Agency should be allowed to evaluate precious minerals and charge a minimal fee, so that they will use those funds for their operational activities; and
- retain the regulatory fee fines and other monitoring sanctions imposed by the Agency.

Mr Speaker, Honourable Members, I am moving this motion because this is the only way we can use to capacitate the National Mineral Agency to enable them live up to expectations. With those few words, Mr Speaker, Honourable Members, I rest my case.

THE SPEAKER: What is the purpose of your motion, Honourable Member? You want the Amendment to be captured in the Finance Bill.

HON. AMADU KANU: Mr Speaker, I want Section 18 of the National Minerals Act of 2012 to be inserted into the general provisions of the Finance Bill.

THE SPEAKER: Any seconder to that motion?

HON. HASSAN B. SHERIFF: I second the motion, Mr Speaker.

THE SPEAKER: Mr Minister, would you like to react to what has been proposed? Sorry, Mr Minister. I think the Minority Leader wants to say something.

HON. DR BERNADETTE LAHAI: Mr Speaker, Honourable Members, we are still debating the Bill. We have the opportunity to do that when we come to the Committee Stage and make whatever amendment that we think is necessary. I think the Committee Stage is the most appropriate time to move an amendment and ask the Minister's opinion. If the Minister agrees, it is okay, but if he does not, then the mover of the motion can stand and somebody else could even come up with a counter motion. I think at this material moment, we are discussing the import of the Bill. Therefore, we have to leave that suggestion till we come to the Committee Stage.

THE SPEAKER: I agree with you, Honourable Member. Honourable Amadu Kanu, you hold on to your motion till we come to the Committee Stage.

HON. UMAR PARAN TARAWALLY: Thank you very much, Mr Speaker. In fact, I will take two minutes... - *[Interruption]*.

THE SPEAKER: Mr Chairman of the Committee on Finance, there is something that is tormenting me. I want the Committee on Finance to engage the Ministry of Finance on why they failed to heed to the NRA's advice.

HON. HASSAN B. SHERIFF: Mr Speaker, with all due respect, we will look into the issue and the Committee on Finance will engage the Minister of Finance on that particular issue. I will get back to you.

HON. UMAR PARAN TARAWALLY: Thank you very much, Mr Speaker. I am also very concerned with the same issue. However, I want to state here that today's debate is a clear testimony that the elected representatives of the people are always very concerned when it comes to the maximisation of their people welfare.

Mr Speaker, Honourable Members we love the people of Sierra Leone, but I love the young people most. I love them most because when it comes to sharing the burden of the state, they share the most parts of that burden. Looking at the current economic trend in the country, we are supposed to be looking at diverse ways of livelihood and sustenance. The young people of this country have many, but one livelihood and sustenance mechanism which has to do with issues relating to lottery. I am so passionate and so strong about this because their sustenance, even though hinge on a lot of things, but they have looked for ways of avoiding criminal activities or issues relating to hooliganism, petty thieving or larcenous activities, etc. These are young people who come out to play lottery games, be it football betting or otherwise. I am very sure that if we want to support them, as they have already defined the path to growth, we should ensure that betting companies are not over-taxed. In this particular Finance Bill, there are clauses that make provision for additional taxes to be levied on gaming and betting companies. If that proposal goes through, the end result will be on the young people of this country. If you levy additional taxes on the betting and lottery companies, those companies would shift that burden to the end users, who for me are the young people.

Therefore, Mr Speaker, Honourable Members, I see the change, for example in the percentage of interest paid on winning ticket from **10%** to **20%**, which for me is burdensome. I would want us to maintain the existing status quo; i.e., maintaining **10%**. In other words, if somebody wins above **Le 10, 000,000** that individual should pay more than the person who wins **Le 1, 000,000**. I know the Minister is going to accept what I am saying because I know him to be a lover of young people.

Mr Speaker, Honourable Members, when the Minister was making his presentation, he spoke about 'duty-free concession' on gas and oil companies. I have my fears on that, Mr Speaker. It sends a bad signal within my spine. I still have a very bad experience with the mining companies. I am saying this because when Government gave them concessions, instead of using those concessions to their advantage to develop this nation, they closed down their operations. London Mining Company Ltd, for instance, has closed down. Again, Koidu Holdings and African Minerals had their own problems. In other words, instead of making good use of those concessions,

they misused them and this country lost a lot of revenue. If the Minister is making another statement to give more concessions to oil and gas companies that are trading in this country, which is another very fertile sector for the growth of this country's economy, I am very much concerned.

Also, Mr Speaker, Honourable Members, I am concerned about foreign travels. The tax levied on foreign travels is something that should attract the attention of this House. I am not against the tax, but I find it very difficult to understand that amount levied on foreign travel. How are we going to collect and ensure that what has been collected is remitted to the Consolidated Revenue Fund [CRF] in a transparent manner? Let me set a simple scenario and I want the Minister to explain this for my understanding, so that my fears would be allayed. Assuming that I am going to buy my ticket online from an American Agent based in America. The question is how will the fifty-five dollars **[\$55.00]** tax be tracked and sent to the Government of Sierra Leone? Those are some of the fears I have and I want the Minister to explain to me.

Finally, Mr Speaker, Honourable Members, the Minister provided two reasons why Parliament should pass this Bill into law. I want to inform him that I am in agreement with his justifications, but I want to state here that there are a lot of other factors that we need to get rid of. I want the Minister to be well prepared to accept what the representatives of the people of Sierra Leone are going to say to him. As the representatives of the people, we are equally interested in raising revenue for Government.

With those few words, Mr Speaker, Honourable Members, I want to allow other Members of Parliament to contribute.

HON. IBRAHIM BEN KARGBO: Thank you, Mr Speaker. Mr Speaker, Honourable Members, let me preface this brief presentation by stating here that I do not believe that Brewery falls under the Local Contents concept of the Government. Mr Speaker, some of us were in school here when the Sierra Leone Brewery was established and was officially opened by the Prime Minister and it has lasted for a very long time. I sincerely believe that the Sierra Leone Brewery should have expanded in such a way that we should not even be thinking of including it as part of Government's Local Content Policy.

Mr Speaker, Honourable Members, I want to state here that I have worked in almost all the three arms of Government and I am here again as Member of Parliament for the last time. The whole idea was to beef up the capacity of our ordinary people to make their living. When you look at the Sierra Leone Brewery, you would begin to ask the question, who are the shareholders? These are Dutch and Irish people plus one or two Sierra Leoneans with about five **5%** shares. Why should we give them special treatment when in fact they are an International Organisation operating in Sierra Leone? I believe they do not belong to that category of Local Content Policy of the State.

Mr Speaker, Honourable Members, I want to send special congratulatory message to NRA. Under very difficult circumstance in Sierra Leone, the NRA has worked very hard to meet the demands of the people. This is a country where the economy and the fiscal capacity collapsed because of things like Ebola, but the NRA in Sierra Leone performed remarkably well as compared to other countries that had the same challenge. We should congratulate them for their forbearance and fortitude. What is beginning to emerge is that the Ministry of Finance and Economic Development has problems due to inability to communicate issues to other stakeholders.

Mr Speaker, Honourable Members, the Minister of Finance and Economic Development came here and told us that the economic measures would end in March, 2017. That was the deadline he told us, but as we speak, he has not come back to tell us what had gone wrong and what difficulties he was facing. The month of March has ended and today is the 25th April, 2017. Nobody has come to tell us whether the austerity measures have ended or not. He should come and inform the people's representatives that during the course of implementing the economic measures, these are the challenges we encountered and this is what we realised from that exercise. I am in support of what the Deputy Majority Leader has said that we cannot be seen making policies that are counterproductive.

Mr Speaker, Honourable Members, we have said that let us look at the beverages like beer, stout etc. I am a Muslim and I do not drink alcohol. Sometimes my friends drink heavily, but I accommodate them because they are my friends. I have discovered through my independent research that the Codys has not been imported

again into this country simply because the importers have found out that it is very expensive. If you see Codys in Sierra Leone, it must be smuggled from Guinea or Liberia. We will continue to advise the Ministry of Finance that when you come up with policies, those policies will be such that they cater for the interest of the ordinary citizen. I am particularly concerned about the fact that elections are around the corner and we cannot continue to implement some of these policies that have the tendency to anger the people of this country *[Applause]*.

Mr Speaker, Honourable Members, I was sent to Coventry by a very good friend of mine who told me that Sierra Leone undertook two policies that have destroyed our businesses. What we are saying is that in as much as it is the business of the state to collect taxes and to improve the economy, it is also important that we protect our people. We have come to a point whereby everybody is talking about hardship everywhere. Whether we like it or not, there is hardship in the country and people in Government should learn to listen to the people who are experts in their own field. I am not surprised that the Speaker keeps on asking the question why the Ministry of Finance did not listen to the NRA.

Mr Speaker, Honourable Members, when the Iron Ore got to the pitch point and after I have spoken to the Deputy Prime Minister in the United Kingdom, I came back to this country and advised that we should front-load and keep some money for times like these. We were making a lot of money from Iron Ore, but we failed to prepare for the unforeseen challenges. People started smiling and even said that more iron ore would be discovered. I advised them to front-load and keep the money for the rainy-day. Everybody was smiling, everybody was laughing and others were saying that I am not sympathetic to the African Minerals. The fact of the matter is they have come, mined our minerals and they have gone without anything to show from it. I am emphasising this point because I want to bring back the NRA into this picture. I want the people at the Ministry of Finance to know that whenever the experts advise you, you have to listen. If you fail to listen to them, you will run into serious trouble. We do not have much time to debate. I could have raised the issue of even the gambling, which is very important. We should be restricted just to Mercury and to lottery games. We also have betting games. Why are we focusing

on Lotto and Mercury? Mr Speaker, you have done well by giving me this opportunity to make a brief contribution, but the duty-free aspect that was mentioned has a history. Already, the Iranians and other people are on their way to come and reactivate the refinery, so that we address that issue. We should also put in place those structures that will make it easier for them to operate in this country. Possibly, that will be the good reason why the Ministry was talking about the duty-free for those people who want to come back and reactivate the refinery in this country.

On that note, Mr Speaker, Honourable Members, I thank you very much for giving me this opportunity.

HON. PATRICIA U. DANCAY-BANGURA: Mr Speaker, Honourable Members, I am going to limit my contribution to two areas. The first area has to do with foreign travel tax. I noticed that for some reasons 'tourism' is not mentioned in this Finance Bill. Besides the taxes that have been reduced, it is not enough to revive our tourism sector. We need to invest in tourism sector like what other countries are doing. A travelling ticket, for instance, does not only have one tax, as the Minister eloquently told us because every airport you land you are paying security taxes. Those taxes are being included in the amount you pay for your air ticket. You have passenger facility charges because when you arrive at an Airport, you have a free cart to pick you up and your baggage, and you are charged for those services. There are so many taxes in this country, and if we continue with them, we are going to lose revenue in the area of tourism. In most Airline tickets, there is what is known as Tourism Levy, even if it is **\$1.00**, that amount goes to the tourism sector for its development, and that one is missing here. Even if it is **0.1%**, we need it
[Applause].

Mr Speaker, Honourable Members, I want to talk briefly about the tariffs on alcohol and non-alcohol beverages. These days, our people want to be healthy and they are looking for ways to drink more juices and non-alcohol laced with sugar. Our people are shying away from energy drinks and want to drink more natural juices. The **30%** on juices and water is too much. People want to be healthy these days and we want to keep this at the back of our minds that the taxes for juices and water should

be reduced and should not be the same as alcohol. If you do that, then you are discouraging the people and making things more difficult for them.

Mr Speaker, Honourable Members, another thing I want to mention here is the blanket protection that I see in this Finance Bill on domestic manufacturing industries. We have already talked about Brewery and I want to emphasise here that Brewery cannot meet the current demands. I am saying this because since people do not drink foreign beer nowadays, they are drinking locally produced beer and stout, but Brewery cannot meet the demands at all. Therefore, the protection that is being given to them should be relaxed a bit. I am not saying it should be taken away completely, but it should be relaxed, so that other players can come into the field. I thank you, Mr Speaker.

HON. ANSUMANA J KAIKAI [*Deputy Minority Leader of the House*]: Mr Speaker, Honourable Members, I have been here for some time and I have never seen a Finance Bill that has endured such suffering on the Floor of this House as this one. I have to say this in a hurry that what we have seen today is actuality. The fact that they took so long for this Bill to be presented to this House is a sufficient reason for us to know that this Bill is not properly before the House. In fact, the Ministry of Finance is also bashful for bringing this Bill to this House. I can say that because I have noticed in previous years how proud the Ministers of Finance would come to this House to present Bills of this kind.

Mr Speaker, Honourable Members, I want to state here that this Bill should be properly looked into, especially when we come to the Committee Stage. When we come to that stage, I will recommend that the Trading and Business Houses should be engaged by the Finance and the Legislative Committees before this Bill is returned to this House, otherwise this Bill will be the last straw that will break the camel's back in 2018. I want to see a lot of my colleagues here, if not all of us, but most of us should come back. A Bill of this nature is not a good Bill for us at all, Mr Speaker. This reminds me of a warning the cat gave to all the domestic animals in the township that whilst sojourning in the township, he had met a trap that was there for the rats, i.e., 'a rat trap.' When he told the other animals, including the Bull, they all said that it was not meant for them. The Bull said such a trap is not for

me. Unfortunately, the snake got caught by the trap and the Chief's wife, who was 'bathe' [the favourite] of the town Chief died. Later, the funeral was arranged and an order was issued to get all the chickens before the funeral for the preparation of some food for the mourners. All the animals went the same direction.

Having said that, Mr Speaker, Honourable Members, I have seen Bills even before Dr James Jonah's time as Minister of Finance, this is the most unfavourable Bill ever in the history of this country. This Bill may see the second reading, but I am asking all of us to be prudent enough and not to be foolish because we have not been foolish today. There is enough amount of bad sense in this Bill; therefore, I want to warn this House to be very careful in seeing the final passage of this Bill in this House. I thank you very much, Mr Speaker.

HON. DR BERNADETTE LAHAI [*Minority Leader of the House and Leader of Government Business*]: I thank you very much, Mr Speaker. Mr Speaker, Honourable Members, I have listened carefully to the debate and to those that have spoken ahead of me. Some of you attended the pre-legislative hearing yesterday and a lot of issues came out on the Bill. Of course, we know that this Bill is coming very late to this House. If we go to the reason why we had the Finance Bill, it was to inform the budget itself because when you present a budget, you must also present how you are going to finance that budget. That was how we started having the Finance Bill when we came to this Parliament between 2002 and 2007. We are yet to really see in a sustained manner these two important documents coming to us. This is because when you look at the two documents together, you would be in a better position to see whether the two documents are properly aligned. In other words, the two would enable you to know how we hope to finance our projects and programmes and what those projects and programmes are. I am sure for some of us who were there yesterday, we did point out certain things in the Bill. We identified articles that were either asking for increase or decrease of taxes, or maybe introducing new taxes or maybe maintaining the existing taxes.

Mr Speaker, Honourable Members, if you look at this Bill, you will find out that a reference is made to the Parent Act or a reference is made to preceding Finance Acts for every article in this Bill, whether they are being deleted or replaced. The

first question I would like to ask is what do we want from this Bill? This question reminds me of the proverb, 'penny wise pound foolish.' Do we want to collect moneys/taxes every day and accumulate them in a way that it makes a difference? Should we keep our taxes low, but at the same time ensuring that with those low taxes people are collecting them every day or do we want to increase our taxes, but then we are collecting the taxes in a very sluggish and uncertain manner? As a Government and as a Parliament, as a Ministry and other MDAs, we all have a responsibility to perform. What do we actuality want? I am asking this question because we must be very clear. I think as a country, we are in a more comfortable position if we can, at a steady pace, collect revenue with some level of certainty or sustainability. Therefore, as we debate this Bill, we also as parliamentarians need to answer these questions.

Mr Speaker, Honourable Members, whether you increase or reduce tax, business people by nature do not want to pay tax. They want to maximise to the highest level so that they can profit more and they also want to minimise their spending. If you decide to increase taxes, the increase is on the consumers, but if you reduce tax, they would want it to stay where it is so that the consumer will not benefit in that reduction. My father always tells me that the human being is the most difficult subject to study. He likened the human being to a farmer who fences his farm. He said that no matter how you erect a high fence to prevent them from entering, they would go under and get their way. My father also said that if you erect a low fence, they would easily jump over it. If you put the fence big, they would find a way to go round it and eventually find their way. Therefore, I am sure this is the situation with business people; and in such situation, what do we do? If we increase tax, they will evade it.

Mr Speaker, Honourable Members, I don't want to believe that for the past four months, Choithram has not been importing Beer. I don't want to believe that on paper at all. In other words, I do not believe that because Choithram has been importing beer for the past four months the tax they pay to Government is zero. The question is where are all these beer coming from? What should we do in such a situation? Even if we increase or reduce our taxes, there are certain fundamental

things we have to do. For instance, we have to continuously man our borders because we have porous borders in this country. We have over a hundred borders that are unmanned and they are very porous. Those are areas where our goods are illegally taken out of this country. So, it is one thing to increase or reduce the taxes, but we also need to look at areas that are aiding seepages in this country. This is very important, Mr Speaker. We have passed the Public Financial Management [PFM] Bill into law and that Act has many relevant provisions. This country needs money to provide goods and services for the people of Sierra Leone. Huge sums of moneys are seated in almost all the commercial banks. When we passed the PFM Bill into law, the intention was to have a Single Treasury Account [STA], so that we know exactly where our moneys are located. We did that in order to enable us trap and monitor moneys meant for Government, and also use those moneys as and when we thought it fit to do so. The question is, how far has it been implemented? What is the relationship between that PFM Bill and the Finance Bill we are talking about? It is also very important that we look at that area, Mr Speaker.

Mr Speaker, Honourable Members, strengthening the NRA is also very important. We may increase or reduce taxes, but those who are collecting these taxes should be strengthened in terms of motivating them financially. Their work environment should also be conducive to enable them go out and collect these taxes. If I am collecting huge amount of money in the form of taxes but I am struggling to get that which is due me, I have to fight and wriggle with whoever is supposed to give me that money. In the process, you will find out that my spirit and energy to do more is being dampened. In fact, it is a recipe for corruption because if somebody is going to a debtor to collect billions of taxes and he/she is getting pittance, the tax collector can be easily corrupted. Therefore, I want the Ministry of Finance to strengthen the NRA, both in terms of the financial motivation of its staff and in terms of ensuring an enabling environment.

Mr Speaker, Honourable Members, we have been talking about protecting the indigenous industries as against the foreign industries, i.e., protecting the infant industry as against mature industry. I want to state here when we talk about our own local industries, they are not 'one size fits all.' We should look at them in terms

of their age, how long they have been operating and how mature they are. If, for instance, a local industry has been operating for ten, fifteen and thirty years, it is no longer an infant industry and we are not expecting it to continue crawling like children. In fact, when a child is born, he/she will learn, crawl and later the child will start holding the parents feet to stand up, and eventually walks for him/herself. Therefore, we must compartmentalise and categorise our local industries based on their age and their maturity. At some point in time we tried to strengthen our local industries by protecting them, but we cannot continue to protect them at the detriment of losing revenue meant to run the affairs of the state. I am saying this because we also have a duty to look how beneficial the protection is towards the general good. We need to also look at this very keenly.

Mr Speaker, Honourable Members, let us take the cement industry in this country. Today, LEOCEM is selling a bag of cement at **Le 53,000** in Kenema District and the imported cement is **Le 58,000**. The question is what is the difference in terms of weight between these two bags of cements? Have we really also sit down to look at their weights? I think the local cement is 45kg and the imported is a bit higher in terms of weight. According to the business people, they said if you are transporting both the local and the imported from Freetown to Kenema, you would incur more loses for the local cement because the baggage are not strong enough to withstand too much pressure because they easily spoil and at the end of the day, you loses more.

THE SPEAKER: I do not understand, Honourable Member.

HON. DR BERNADETTE LAHAI: Mr Speaker, the bag packaging, where the imported local cement is being put is strong. If that is the case, you will end up incurring more loses because of the packaging of the local cement than the imported cement.

THE SPEAKER: Honourable Member, I want to believe that the two are of the same quality.

THE SPEAKER: Honourable Member, other school of thought is of the view that both are doing the same work. There is a mentality in Africa, not particularly in Sierra Leone that the imported materials are better than the locally produced ones.

HON. DR BERNADETTE LAHAI: Mr Speaker, I want to believe this is not about mentality because even when you are using the same quantity of sand, bricks made from imported cement are very strong and of quality than those made from locally produced cement. We are getting this information from people who are in the construction companies. What I am saying is not an assumption at all, Mr Speaker. What I am telling this House is something that people who are in construction work have experienced. They are using both the imported and the local cement and what I have said is what they have assessed. I may be wrong, but this is the assessment made by them.

Mr Speaker, Honourable Members, in as much as we want to protect the infant industry, we must also capacitate it, so that they improve on the quality of their product. Product quality is very key because at the end of the day, the people would want to get the maximum satisfaction from the money they are spending. I am not in any way against protecting the local industry. It is our responsibility to do so, but we should also have to look those constituting these local industries. We have to look at the composition of their employers. If we are talking of **100%** Sierra Leone owned, it is a different thing; and if we are talking about **50%** it is another thing. Therefore, we have to categorise and compartmentalise these businesses, so that we treat each business as an individual and tailor-made that group within a group for the type of business we want them to do.

Mr Speaker, Honourable Members, we have been talking about the flour and we know that in Nigeria, between **10%** to **20%** of all confectionaries are now composed of cassava flour. This has greatly reduced the need for wheat flour. In Sierra Leone, you can grow cassava anywhere with minimal agronomic practices. In fact, even a child can just drop a stem of cassava somewhere and it will grow. Therefore, we should also encourage the use of cassava flour. If this is done and with the wheat flour, we can generate income for our people and even create employments for them. This will enable us reduce the demand for some of these

imported goods, especially when we can complement them with our own locally produced goods. This is why we keep saying that we have to diversify the economy.

Mr Speaker, Honourable Members, I want to look at the fees on air ticket. Generally, our air travel is very expensive in Africa as compared to when you are moving from Africa to Europe. If you look at the cost of air ticket from here to South Africa, for example, it is not the same as compared to air ticket from America or France. We also need to look into this issue very seriously. Sierra Leone, we have just got the Sierra Leone Civil Aviation Authority Act [Statutory Instrument], but the issue is some countries have not signed as we speak. The import of some of those instruments is that if you have signed and ratified, then you stand to benefit from some of those provisions, like Yamasuko Decision. Sierra Leone has neither signed nor ratified the Yamasuko Decision. In fact, a lot of African countries have not signed and ratified the Yamasuko Decision. It is meant to open the sky and air space. There are lots lot of sharing of aircraft companies to reduce the airfare and other airfreight services, but we have not yet signed and ratified as a country. That is why we will continue to pay these extra charges for the tickets we buy.

Again, Mr Speaker, Honourable Members, for an aircraft to land at the Lungi International Airport, we are also charging them exorbitant taxes for using our airspace. Therefore, if we are using another country's airspace, we are also paying for that, Mr Speaker. So, we should also look at our domestic and external policies. Have we signed those policies? What is contained in those documents that are beneficial to us?

Mr Speaker, Honourable Members, most of the other issues were raised yesterday, and I am sure when we come to the Committee Stage, we will look at it line by line. If this Finance Bill had come together with the budget, then we would have been four months in the implementation process. If you have tuned to the radios and the TVs from yesterday, everybody has been talking about the budget because we have lost billions of Leones because of the absence of what we are debating now. But the question is, even without us passing this Bill into law, some people are saying that these taxes are already being imposed. Well, that statement could be true or false, but what is happening now is that we should have brought them together, so that

the implementation of this Bill would have already started since January, 2017. We should have been using this Finance Bill to collect more revenue for the Government. Maybe we would not have lost this huge amount of revenue.

Mr Speaker, Honourable Members, I want to state here that whoever is coming as Finance Minister, be it SLPP or APC, we hope to see a situation wherein Members of Parliament insist of having the budget and Finance Bill together. I know that not everybody will come back; we are praying that many more Members of the present Parliament come back for institutional memory [*Applause*]. This is because they will be in a better position to bring out some of these issues we have been discussing here. I may not be coming to Parliament again because I have said that I would not be available. In future, we hope that some of these issues, irrespective of whether you are in governance or in opposition, we must follow some of these rules. We hope that the 2018 or 2019 Finance Bill will not face the same challenge. The budget is expected to come with the Finance Bill, so that Members of Parliament can discuss them together. I want to thank you very much, Mr Speaker.

THE SPEAKER: Honourable Members, let us not forget that the principal generator of revenue is the NRA and they must be listened to at all times.

HON. LEONARD S. FOFANAH [*Majority Leader of the House and Leader of Government Business*]: Mr Speaker, Honourable Members, I hope the Minister listened very well to the comments made by the Minority Leader. A lot of job has to be done by the Ministry of Finance. In as much the Speaker has just said that the principal collector of revenue is the NRA does not in any way obviate the fact that there are certain institutional works and structures that have to be put in place for the NRA to be able to work effectively. I hope we will not get a reputation of this type of situation.

Mr Speaker, Honourable Members, I am happy because the Minority Leader explained to this House that there had not been a situation wherein a Bill was ratified in this Parliament without any contribution from Members of Parliament; and that this Finance Bill is no exception. The Chairman of the Committee on Finance spoke extensively on the origin and relevance of this Bill. According to him, they spent four days working on this Bill. What is now before this House is the product of

those consultations and discussions that followed or has ensued during the four days with the Finance Committee.

Additionally, Mr Speaker, Honourable Members, there was a pre-legislative hearing on this Bill yesterday. We are constantly fine-tuning this Bill that is before us today and I am happy today because those who have spoken about this Bill raised certain issues that we would have to take into consideration when we come to the Committee Stage. The Committee Stage is the stage that every Bill has to through when that Bill is brought to this House. The prophecy of the avenger of doom and gloom will not come to pass and we will not succumb to their prophecies. The process is ongoing and when we come to the third reading, every contribution or suggestion would be taken into good consideration for us to have a good Bill through this House.

Therefore, Mr Speaker, Honourable Members, I want to thank the various contributors who have eloquently spoken on the Bill and who have in fact made very salient suggestions in terms of ensuring that we have a very good Bill. If all those suggestions and comments are taken into consideration, I am very convinced that we will have a very good working document for both the Ministry of Finance and the NRA. There is no doubt in the minds of everybody here that the NRA is doing very good job in terms of revenue collection, notwithstanding the challenges they have been facing. We hope that as we continue, we would be able to enhance their capacity to do more for this country.

Finally, Mr Speaker, Honourable Members, having heard the contributions of various Members, I hope we would proceed to the next stage, so that when we come to the Third Reading and Committee Stage, we will be able to fine-tune this Bill, so that we have a better document for the enhancement of revenue mobilisation. I want to once again thank the various contributors and I hope that this Bill will have a safe passage into an Act that all of us will be proud of. I thank you very much, Mr Speaker.

MR MOMOH VANDI: Mr Speaker, Honourable Members, I want to thank the Honourable Members for their respective contributions. I have noted their concerns and they will be addressed accordingly. However, let me make one or two

clarifications on certain issues raised. Some Honourable Members blamed the Ministry of Finance for some of the challenges we are currently facing. I want to tell this Honourable House that the Ministry of Finance and Economic Development had at all times made policies in good faith and in the event some of these policies may not have yielded dividend, I want this House to know that it is not our intent to create such a situation. We don't intend to suffer our people as some Honourable Members alleged and we will not come up with any policy that will be a burden to the people of this country.

Mr Speaker, Honourable Members, I have already addressed the issue of the alcohol beverage and I still stand on my legs that we should protect our local industry. I want to believe that if, for instance, the Sierra Leone Brewery Limited would have been dead by now, I am sure all of you would have blamed the Ministry of Finance for not protecting that particular institution. Therefore, we thought it fit that we should protect that particular institution from extinction. Honourable Members were saying that the Sierra Leone Brewery is an old institution. I want to agree with them, but let us look at the events that have taken place in this country; i.e. the civil war and the Ebola epidemic. We should expect that some institutions, if not all, must have been affected by these crises. So, if we as a government fail to come up with policies that would protect some of these industries, I think we would not have done a good job.

Mr Speaker, Honourable Members, in as much as our focus is to collect revenue, we should not lose sight of the fact that we have to protect these industries. I want to clarify an issue raised by the Honourable Umar Paran Tarawally about the air ticket. I want to assure him that we can easily tract those tickets through the manifest.

Again, Mr Speaker, Honourable Members, somebody talked about the competence of our staff at the Ministry of Finance. I want to differ from that allegation because we have competent professionals in that Ministry and I can stand here with confidence to state here that we have done our job under the circumstance that we find ourselves.

Mr Speaker, Honourable Members, I want to look at the issue of the NRA. Majority of the speakers were praising the NRA for job well done. I do not want to say that

your praises are false, but what I can tell you for sure is that the Ministry of Finance has done its best to support the NRA. If we look at the records, you will find out that we have given them more than the **3%** you were talking about. That is why we have a pending reconciliation that will take place shortly and I will be ready to update this Honourable House when that process is completed.

Mr Speaker, Honourable Members, I did state earlier that I am not aware of the advice that the NRA gave the Ministry of Finance as purported. I want to inform this House that we do listen to our professionals, but at the same time we do our due diligence to ensure those pieces of advice are genuine. If we think that those pieces of advice do not meet what we think should be, we have every reason to question that advice. Therefore, whatever advice the NRA gave the Ministry of Finance at that material time, we thought it fit that protecting the local industry was of paramount importance.

Mr Speaker, Honourable Members, the Honourable Minority Leader spoke about the porosity of our borders. I want to state here that the Ministry of Finance is not responsible for the security of our borders but the security forces. In other words, I want to believe that our security apparatus should man our porous borders and not the Ministry of Finance. They should be very vigilant because whichever way you do it, whether you increase or reduce taxes, they will always smuggle their goods into this country. I am aware of that and it is not a problem for the Ministry of Finance.

Mr Speaker, Honourable Members, in my submission earlier, I wanted to mention something that I left out; i.e., the inclusion of excise duty on imported cement at the rate of **20%**. For those of you who were at the pre-legislative hearing yesterday, the NRA technical staff that presented the Bill did say that the betting companies were consulted accordingly and whatever that is in Finance Bill is in agreement with those institutions. I think that issue was resolved yesterday

Having said that, Mr Speaker, Honourable Members, I move that the Bill entitled the Finance Act, 2017 be read the second time.

[Question Proposed, Put and Agreed to]

[Bill the entitled, "The Finance Act, 2017 being an Act to provide for the imposition and alteration of taxes for the year 2017 and for other related matters has been read the second time]

[COMMITTEE STAGE]

THE SPEAKER: Honourable Members, Committee Stage would be tomorrow. However, we still have one or two items on the Order Paper to transact and will take place after lunch.

[The sitting was adjourned for lunch at 1.40 p.m. and resumed at 2.28 p.m.]

IV. GOVERNMENT MOTION

THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

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 the House on Thursday, 16th and Thursday, 20th March, 2017 respectively:

[A] Three Towns Water Supply and Sanitation Project [Additional Loan] Loan Agreement between the Republic of Sierra Leone and the OPEC Fund for International Development [OfID], Dated 22nd February, 2017; and

[B] Loan Agreement Tokeh-Lumley Road Improvement Project between the Republic of Sierra Leone and Kuwait Fund for Arab Economic Development, dated 22nd March, 2017.

Mr Speaker, Honourable Members, in an effort to save time, I wish to appeal to this Honourable House to move the motion for the ratification of the two agreements together. Mr Speaker, you would recall that the OPEC Fund for International Development co-financed the original 'Three Towns Water Supply and Sanitation Project to the tune of **\$19,000,000** and with the African Development Fund providing **\$41,000,000**. The overall objective of this project is to provide improved access to adequate, safe and reliable water supply and public sanitation services in Bo, Makeni and Kenema cities and to enhance the institutional, operational and management capacity of the executing agency, which is SALWACO. Despite early setbacks due to the outbreak of the Ebola virus disease, the projects have been successfully completed and the citizens of Bo, Makeni and Kenema are now enjoying pipe borne water. However, despite the attainment of about 184 kilometres of

distribution networks of water supply systems in the three cities, there are still large areas that are not covered by a distribution system due to the increase in population in those three cities. To extend the distribution network in the three cities, the Ministry of Finance and Economic Development approached the OPEC Fund for International Development to provide additional resources. The OPEC Fund for International Development accordingly responded to our request and they have provided **\$13, 150,000** at a highly concessional loan. This additional loan will specifically finance water supply infrastructure works that are necessary for reaching an optimal customer base, to put the utility in a better financial position and ensure the environmental sustainability and safety of the infrastructure.

Mr Speaker, Honourable Members, the recent 2016 census estimated a population growth rate of **3.2%** as against **2%** growth in the original project design. The population of these three cities is estimated at about 550,000 an increase of nearly 180 people over the original project design. Hence, the need for additional distribution network for the un-served areas of these three cities.

Mr Speaker, Honourable Members, the project's objectives will be achieved through the implementation of the following additional activities:

- expansion of 360 kilometre tertiary water distribution network in Bo, Makeni and Kenema;
- construction of two borstal pumping stations, 2 reservoirs and distribution network to cover high level areas in Bo and Kenema;
- development of the recently discovered additional water source in Makeni;
- mitigation of negative impacts to the physical environment caused by the project, including protection of natural slopes around newly constructed reservoirs, improvement of grades, access roads and provision of necessary facilities to protect remotely located water supply and sanitation infrastructure; and
- construction of two borstal pumping stations, two reservoirs and a distribution network to cover high level areas in Bo and Kenema.

Mr Speaker, Honourable Members, the principal of the loan will be repaid over a period of fifteen years in thirty semi-annual instalments after a grace period of five years, commencing from the date of this agreement. Government shall pay interest

at the rate of **1%** on the principal amount of loan withdrawn and outstanding. Also, Government shall pay a service charge at the rate of **1%** per annum on the principal amount of the loan withdrawn and outstanding. The interest and service charges shall be paid semi-annually on March 15th and September 15th each year into the OPEC account.

Mr Speaker, Honourable Members, you would recall that the Lumley/Tokeh Road Project was originally financed by the OPEC Fund for Economic Development, Kuwait Fund for Economic Development, the Abu Dhabi Fund and the Government of Sierra Leone. The overall purpose of the Tokeh/Lumley Road Project is to enhance the economic and social development of Sierra Leone by connecting the capital Freetown to other provincial towns through the peninsular. The Tokeh/Lumley Road Improvement Project is part of the third segment of the Goderich/Waterloo Rural Coastal Road Project. The improvement works include the reconstruction and expansion of the existing road at all weather aliphatic road cover, upgrading the road from a two lane road to a four lane road from Tokeh to Lumley, which is about 24 kilometres and reconstruction of about 11 kilometres of village access road along the Peninsula. The following are the main components of this project:

- cite preparation, and utilities reallocation;
- earth works;
- construction of drainage structures, service culverts, pipe and retaining walls;
- pavement works, including sub-base and base works;
- construction of two lane bridges at Sussex and Wilberforce, rehabilitation of the existing Wallace Johnson Bridge and the construction of a new 4 land bridge at No.2 River Crossing;
- improvement works to the existing village access across road of about 11 kilometres;
- provision and construction of road furniture and road markings;
- consultancy services for the supervision and construction; and
- land and property acquisition.

Mr Speaker, Honourable Members, the project is over **70%** complete. Pavement of the road has been completed up to River No.2 with an interruption due to the

construction of the bridge after Hamilton Village. The funds provided by the original financiers and Government have been exhausted. Like the three towns water supply and sanitation projects, the Ministry of Finance and Economic Development approached the Kuwait Fund again for additional resources to complete the construction of the road from River No.2 to Tokeh. Kuwait Fund agreed to our request and provided **\$17,000,000** at a highly concessional loan to Government. The project is strategically relevant as it is aligned to Pillar 2 of the Agenda for Prosperity with the overarching objective of promoting transformational and sustainable infrastructure development. The Lumley-Tokeh Road is upgraded to 4 lanes in order to create an arterial route to meet the increase transportation demand with corresponding increases in traffic volumes and rapid development of settlement in the Freetown Peninsula.

Mr Speaker, Honourable Members, with its completion, this segment will now connect to the already constructed two segments from Waterloo to Tokeh. It will therefore provide an alternate route out of the city of Freetown to the provinces with lesser time. It will also cater for the growing population and rapid development along the peninsula, connecting tourist centres and attracting more tourists to the country's unique tourists potentials. Other expected benefits include:

- enhanced potential for fisheries and agricultural development along the coastal communities, thereby contributing to poverty reduction along the road corridor;
- improve access to socio-economic services, including local markets, schools and health facilities; and
- improve road safety.

Mr Speaker, Honourable Members, the principal loan will be repaid over a period of two years in forty semi-annual instalments after a grace period of four years, commencing from the date the funds were paid, any amount from which the loan, pursuant to the first withdrawn application made by the Government of Sierra Leone. The interest rate on the loan is **1.5%** and an additional charge of **0.5%** on the amount withdrawn from the loan, an outstanding from the time shall be paid to meet the administrative expenses of implementing these agreements.

Mr Speaker, Honourable Members, in view of the importance of these two projects in providing reliable and safe drinking water to the cities of Bo, Makeni and Kenema wii create job opportunities through improvement in the transport sector of the Peninsula Road, I wish to appeal to this Honourable House of Parliament to ratify the following loan agreements that were laid on the Table of this Honourable House on Thursday, 16th March, 2017 and Thursday, 20th April, 2017 respectively.

[A] Three Towns Water Supply and Sanitation Project [Additional Loan] Loan Agreement Between the Republic of Sierra Leone and the OPEC Fund for International Development [OFID], Dated 22nd February, 2017; and

[B] Loan Agreement [Tokeh-Lumley Road Improvement Project] between the Republic of Sierra Leone and Kuwait Fund for Arab Economic Development, dated 22nd March, 2017. I thank you all for your attention.

[Question proposed]

HON. SUALIHO M. KOROMA: Thank you, Mr Speaker. Mr Speaker, Honourable Members, I rise to contribute to the ratification of the following loan agreements that are before us this afternoon.

Mr Speaker, Honourable Members, I want to start by congratulating the previous Government; i.e., the SLPP led Government and even the APC led government for this loan. Today, we are here talking about our three towns water project because of their efforts. I want to congratulate those who foresaw the need for the creation of this project. This project is a very old project because it has a very long history. I also want to congratulate the Ministry of Water Resources. It is a Ministry created through the wisdom of His Excellency the President.

Mr Speaker, Speaker, Honourable Members, I would also want to congratulate the Committee on Water Resources. We are here today to discuss this additional facility based on what the parliamentary Committee on Water Resources has been recommending to Government. We have also been interfacing with donor communities and during those discussions, salient recommendations were made to donors for their timely intervention. We had gone on several missions with the donor community and a lot of issues were raised during discussions. It is now my pleasure to believe that the executing agency; i.e., SALWACO, has been very strong in terms

of working closely with the Ministry of Water Resources. In other words, SALWACO has been working relentlessly to ensure that they secure additional funds, so that those issues that were raised at that level could be addressed. As the adage goes, 'you cannot live by a river and wash your hands with spittle.'

Mr Speaker, Honourable Members, during our oversight functions, we observed that most of the communities where these rivers are coming from to supply the cities could not benefit from these facilities. We raised this issue with the Ministry of Water Resources, the donor community and SALWACO on several occasions that we have to find ways for our local communities to benefit from these facilities. Therefore, I want to congratulate them and I also congratulate all of us as parliamentarians for raising some of these issues. I want to say thanks to DfID for given us this support as a country because it is most needed by our people.

Mr Speaker, Honourable Members, I also want to inform all Members of Parliament who are coming from these three cities; i.e., Bo, Kenema and Makeni that the water facility is now available and my house has already been connected. I am presently paying water rate in Bo and the metres are also available. I paid **Le380, 000** as connection fee. I am currently paying user charges. I want to inform all of you that water is not free. I am saying this because we all heard what the Minister said. The Minister said that this is a loan and we have to pay back. I want Members of Parliament, particularly those coming from Bo, Makeni and Kenema to encourage our constituents to pay for these facilities. If we fail to pay, it will be very difficult to maintain those facilities and at the end of the day, we would go without water.

Mr Speaker, Honourable Members, I want to briefly talk about the Lumley/Tokeh Road. I just want to re-echo what the Minister said that that road is not just a road that leads to the provinces, but a road that leads to many touristic areas within the Freetown Peninsula. I want to congratulate you also for securing this loan agreement with Kuwait. We want this road to be constructed to encourage tourists into the country. I also want to ask the Members of Parliament and even the local authorities living in those localities to use the facility for the purpose it is going to be designed. This is because we have seen beautiful roads being constructed in this country, but after one or two years, the communities were misusing those facilities.

With those few words, Mr Speaker, Honourable Members, I want to thank you very much and to encourage this Honourable House to quickly ratify these agreements. Thank you very much.

HON. DAUDA J. B. KALLON: Thank you, Mr Speaker. Mr Speaker, Honourable Members, I want to bring to this House greetings and the appreciations of my constituents, the people from Goderich, No. 2 River, Tokeh Village and beyond.

Mr Speaker, Honourable Members, I want to use this podium to thank His Excellency the President and the Ministry of Finance for making sure that we secure this loan for the completion of this road. When some of us were growing up in that community, we were deprived of wearing white because of the dustiness of the road. All those with the Peninsula and Goderich were deprived from wearing bright coloured materials because of the condition of the road. Again, we were deprived of better association because people from communities like Lumley and beyond could not associate with us because of the deplorable condition of our roads. Vehicles that were plying that road were vehicles that could not be entertained in modern society because of the nature of the road. As far as the present condition of the road is concerned, we have started seen some positive impacts on those communities living around the Peninsula and Goderich. Mr Speaker, if I am wearing a brighter colour today, it is as a result of the good work of this Government.

Mr Speaker, Honourable Members, I want to thank the Kuwait Government on behalf of my constituents for providing this fund for the completion of this road. This road has many economic benefits to our people and the country as a whole. If this road is constructed, the whole of Peninsula areas is going to attract tourists. Mr Speaker, even though the road is about **70%** complete, people from all over the country are visiting that area during weekends. They go to places like Tokeh, No. 2 River, Lakah Beach and other communities.

Mr Speaker, Honourable Members, I want to bring to the attention of the Ministry of Finance and the Sierra Leone Road Authority [SLRA] in particular that as we finance this road, let us also make sure that the Funkia/Goderich Road is included in this project. This is because the Funkia/Goderich Road is not only important, but

strategically located. If we fail to pay attention to that road, it will affect the good intention of Government in that area.

Mr Speaker, Honourable Members, I also want to use this opportunity to thank the company that is constructing this road; i.e., the CSE. Already, the CSE has started constructing the road from Femi Turner to Gbendebu Bar. I want to bring an issue to this Honourable House and the listening public that before this time, people used to call the Femi Turner Road as the Ernest Koroma Dan or Dauda Kallon Dam because of the water settlement along that road. Today, however, that mentality has changed completely. Just two months of work on that road, the Femi Turner areas have become so attractive that a lot of Members of Parliament from other communities are now moving to that community for settlement. That tells you how good and important the road is, Mr Speaker.

Mr Speaker, Honourable Members, let me take this opportunity to congratulate the government and the people of this country for making sure that we see the green, white and blue at Tokeh Beach. Mr Speaker, if you look down the sea, you will see the beautiful blue sea, if you look around the beach, you will see the white and beautiful sand and if you look up the hills, you will see the green vegetation. How wonderful it is to come to Goderich Peninsula. I want to invite all of you to come over and see how beautiful our environment is. I thank you very much.

Suspension of S.O 5[2]

HON. DR BERNADETTE LAHAI: Thank you, Mr Speaker. Mr Speaker, Honourable Members, water and road are two important utilities a country cannot afford to lose. What we are doing today is continuing with earlier projects of water and roads. The water in our three headquarter towns, Makeni, Bo and Kenema and then trying to complete the Waterloo/Lumley/Peninsular Road. The Waterloo Road has gone as far as Tokeh. What we are doing today is to ensure the completion of Lumley/Tokeh Road. Of course, once the Peninsula Road is complete, it is also going to reduce the traffic congestion because we expect people who are in that part of the country to go straight to Waterloo if they are going to the provinces. This road is also going to link and open up other towns and villages because there is also going to be about 11

kilometre village road construction that is going to link the main road. Therefore, I think we need not belabour ourselves on this Agreement.

Mr Speaker, Honourable Members, even though this is a loan and we have to pay back, but I think loans of this nature worth paying because we can only develop if we have good road network to take goods and services round the country. If you are using the road from Lumley to Regent Village, you will find your journey very interesting, easy and fast. For some of us who are always from the provinces to attend parliamentary sittings, the construction of the Lumley/Regent Road has made journey short and interesting because as soon as you get to Jui Junction, you will find yourselves here within the shortest period of time. I can even now leave Kenema in the morning and get to Parliament before 10: 00 a.m. Before this time, you would not be able to do that using the main road at all.

Mr Speaker, Honourable Members, these are welcome Agreements and I want to personally plead to the relevant parliamentary Committees to be very vigilant in terms of ensuring that the road work is done on time.

Mr Speaker, Honourable Members, I want to say again that water is life. The Three Township Water Programme Agreement is meant to expand the water facilities by 360 kilometres in Bo, Kenema and Makeni. It is also meant to install pipes and other water related materials. Therefore, there is no need for us to belabour on this Agreement. However, we know that the Water Committee in this Parliament is very vigilant and dynamic in terms of monitoring the implementation of certain water projects in this country. I am sure that the Committee on Water Resources will continue to provide the requisite oversight for this particular project.

Mr Speaker, Honourable Members, we want to thank the Ministry of Finance for bringing these two important loan Agreements for ratification. We hope that everybody who is going to use these facilities will own them and take care of them. We should not take these things for granted and I want to encourage our constituents in Kenema, Makeni and Bo to use these water facilities judiciously. They should not take it as a property of the Government because it is our property and we are the government. We pay our taxes; and even if we are not there, it is going to come from our natural resources. So, everybody who is using the road and the

water should see them as their own property. They should own them and safeguard them properly, so that we will continue to enjoy such facilities.

With those few words, I want to thank you very much and God bless us all.

HON. LEONARD S. FOFANAH: Mr Speaker, Honourable Members, there is a common characteristic between these two projects; i.e., the Lumley/Tokeh Road and the Three Township Water Programme. After the civil war, we have seen an upsurge in the populations of Makeni, Kenema and Bo. There has been an overwhelming movement of people from the rural areas into those cities. In fact, people have also been moving from Freetown Municipality to the river rain areas along the roads to Waterloo. This is good for the people, but then transportation in the rural area was extremely deplorable and discouraging. So, this will significantly increase the population and reduce the pressure from the municipality of Freetown. This is a very good move and I am not sure there is anybody who would want to criticise the intent of the loan for the construction of that road.

Mr Speaker, Honourable Members, speaking for the water programmes in the three cities, these are projects that have already started and we have seen the beneficial effects of water in Kenema town. It has not only given water to the people, but it has created employment and people are earning money. I have seen agents who are running those stand pipes and they are making over **Le75, 000** every day on their own as part of the commission that the water programme gives them. So, this is not only giving water to the people, but it is putting money into the pockets of people, creating employment, giving livelihood to youths in those three cities and again enhancing the prosperity of the people because as the saying goes, water is life.

Mr Speaker, Honourable Members, the road project, like the Honourable from that area has said, is a God sent opportunity and a blessing for the people. I am sure the Freetown municipality would bear evidence to that. A lot of people are going to be moving to do construction work along those roads because they have bought those lands long time ago; but because of the nature of the road, they had refused to go there and build their houses. This is now an open invitation for them to move and that will have an advantageous effect on the municipality.

Having said that, Mr Speaker, Honourable Members, I want to urge all the Honourable Members in this Well to rapidly ratify these two Agreements for the good of the country. I thank you, Mr Speaker *[Applause]*.

MR MOMOH VANDI: Mr Speaker, Honourable Members, let me thank you all for overwhelmingly supporting these two projects. I just want to clarify a concern raised by the Honourable Dauda J. B. Kallon that the Funkia/Goderich Road is already included in this project. In fact, it will start from Milton Margai to Funkia Village.

Having said that, Mr Speaker, Honourable Members, be it resolved that this Honourable House ratify the following Agreements which were laid on the Table of this House on Thursday, 16th March, 2017 and Thursday, 20th April, 2017 respectively.

[A] Three Towns Water Supply and Sanitation Project [Additional Loan] Loan Agreement Between the Republic of Sierra Leone and the OPEC Fund for International Development [OFID], Dated 22nd February, 2017; and

[B] Loan Agreement [Tokeh-Lumley Road Improvement Project] between the Republic of Sierra Leone and Kuwait Fund for Arab Economic Development, dated 22nd March, 2017. I thank you all for your attention.

[Question Proposed, Put and Agreed to]

[Government motion by the Minister of Finance and Economic Development has been ratified]

ADJOURNMENT

[The House rose at 3.30 p.m. and was adjourned to Wednesday, 26th April, 2017 at 10:00 a.m.]