

**STATEMENT BY THE HONOURABLE MINISTER OF FINANCE
(GOVERNOR ISDB) DURING THE 2021 ANNUAL MEETINGS
OF ISLAMIC DEVELOPMENT BANK GROUP IN TASHKENT,
UZBEKISTAN: 1-4 SEPTEMBER, 2021**

Your Excellency

Chairman & President of the Islamic Development Bank Group

Esteemed Colleagues Governors of the IsDB Board

Distinguished Brothers and Sisters

I would like to take this opportunity on behalf of His Excellency the President, Rtd. Brigadier Dr. Julius Maada Bio, the people of the Republic of Sierra Leone and my humble self to sincerely thank you, Your Excellency, for inviting me as Governor of the Board of Governors of the Islamic Development Bank Group. I am delighted to convey His Excellency, Rtd. Brigadier Dr. Julius Maada Bio's warm and fraternal greetings to you and also to convey a hearty congratulatory message to you on your election as Chairman and President of the Islamic Development Bank Group.

Furthermore, I wish to extend our sincere thanks and appreciation to the management and staff of the Islamic Development Bank (IsDB) for the

timely intervention of providing resources to the Government of the Republic of Sierra Leone to fight the deadly Corona Virus (COVID-19) pandemic.

The Islamic Development Bank, as we all know, is an international development financing institution established in pursuance of the Declaration of Intent issued by the first conference held in Jeddah, Saudi Arabia in December, 1973. The cardinal purpose of the Bank is to foster economic development and social progress of member countries and Muslim communities individually, as well as jointly, in accordance with the principles of Shari'ah.

Starting its journey as a unique financial institution, IsDB has not only successfully attained a respectable position among the multilateral development financing institutions, but has also proved to be a model emulated by other Islamic Banks and an embodiment of financial solidarity of the Ummah.

In order to meet the growing and diverse needs of its member countries, the bank has established a number of institutions, schemes and initiatives with distinct administrative arrangements and operational rules. Sierra Leone already belongs to some of these schemes, institutions and initiatives and is also in the process of becoming a member to others like the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC).

These institutions, schemes and initiatives enable the Bank to mobilize supplementary financial resources and to focus on functions and activities which cannot be covered under its normal financing arrangements.

Your Excellency, the current IsDB portfolio in Sierra Leone stands at about US\$152,110,000 covering six projects and two programmes. Government has the obligation to provide essential services and sustainable infrastructure to its peoples within prudent fiscal and macroeconomic management. To achieve these, Government needs to

borrow to augment its resources within the prescribed macroeconomics environment.

However, borrowing has its challenges as usually reveals by national debt sustainability analysis frameworks. Sierra Leone, like most developing countries has debt distress and very mindful of contracting debts. To this end, may I appeal to Your Excellency to reconsider the following when extending debts facilities to Sierra Leone in particular and other developing member countries in general:

- i. To increase the annual Loan allocation of US\$10.0 million to Sierra Leone to US\$20.0 million or more on more favorable terms and conditions; and
- ii. To revise the terms and conditions of the Installment Sale facilities downwards.

The above, when implemented will enable Sierra Leone to meet the International Monetary Fund (IMF) grant element threshold of at least 35%.

As it can be recalled, Government recently wrote an appeal letter to the Bank for it to revise the terms and conditions downwards of the US\$40.0 million Installment Sale financing in respect of the Freetown WASH and Aquatic Environment Revamping Project as it did not meet the 35% grant element threshold. Also, this applies to the Integrated Roads Project that is currently under preparation by the Bank.

Your Excellency, it is an undeniable fact that the IsDB intervention in all sectors in Sierra Leone has impacted positively on its socio-economic development. For example, the construction and reconstruction of primary schools projects in 2003 just after the war in the education sector created a positive impact in post war rehabilitation and reconstruction. Also, the construction of the Kenema-Pendembu Road, co-financed with other Arab donors has facilitated the movement of goods and people in the Eastern Region of Sierra Leone and boosted trade in that part of the country. IDB's intervention in agriculture in Sierra Leone has also boosted food production in the project areas and provided agricultural

inputs like machinery, fertilizers, extension services to farmers and the construction of feeder roads for the farming communities.

Government therefor has a strong commitment to maintain this relationship with the Bank that has already occupied a chapter in our county's history.

Your Excellency, we hope as a nation that our request would be favorably considered for the sake of humanity that the Bank stands for.

Once more, I thank the Leadership, Management and Staff of the Islamic Development Bank for the positive contributions towards the development aspirations of Sierra Leone.