

# Clean Rivers Trust.

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## Agricultural Investment In Sierra Leone;

Stable Yields or Rich Pickings.

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## Introduction.

Clean Rivers Trust has looked at the country of Sierra Leone; a country located on the West African coast as a possible opportune location for investment; particularly in the agricultural sector. The country is now opening up to capital development in the sector; particularly from outside the country on a shared ownership basis: in some cases 100% outside owned and controlled operations are acceptable; both to the national and regional governments.

The country has a need for outside sources of fiscal stimulus; the development of agribusiness has been found attractive, both with organisations from other African countries; also from Asia and Europe. This form of investment is still at a rudimentary stage, though tempting investors, who perceive that the Sierra Leone government is considered safe; at the present time, at least, with security and stability underwritten by HM Government (UK).

These brief pages are focused on a few issues that need to be considered critical in any ethical, though hard headed investment in the country.

Today there are several investment opportunities available in the country as there are in Niger, Mauritania, Cote d'Ivoire, and other west and central African and sub-Saharan states. There are potential sound investments that may be considered; but at all times there needs to be a considered evaluation of the people that are going to pay the price of the crops that may be sponsored for production. In the case of Sierra Leone that crop is the national staple; rice.

Other crops that may be considered in the context of Sierra Leone and popular with the population, would include sorghum, wheat, some oil producer (both bio-fuel and specialist; cosmetic, pharmaceutical etc.) shrubs. The list is growing by the month and as both local and world prices continues to grow so may the possibilities.

[This paper will not mention olives or derivatives of it or its oil; this tree is being planted across the Middle East, Asia, the Far East and Australia. the main and controlling nations (Spain and Italy) in this market are pushing EU research funding into bio-ethanol production grants for third world and small scale producers.]

Sierra Leone.

This is a country that has never courts the headlines; but has regularly found it self on the front pages of the worlds press inadvertently. The latest story being the bazaar appearance of a 'super model' at the trial of a former head of state and the presentation; to her, of raw diamonds; euphemistically known as 'blood diamonds'. Though those days are supposedly and hopefully over, there is always a concern that such dealings continue at the periphery of any state with the troubled history that Sierra Leone has undergone.

The country is a very underdeveloped nation, the potential to develop wealth creating potential are evident, but ethical considerations have to hold sway due to the ease of exploitation of, particularly, the rural population.

The country has a population of 5.6 million, a GDP of \$2.0 billion. GNI per capita of \$320.0, with an urban population of 38% and growing at 2.5% pa which is around 0.75% more than the national population growth.

Agricultural land is about 44% of the national area of 72,000 square kilometres; forestry is estimated at 38% with deforestation (1990-2007) of 0.7%.

Water available per head of population (cu. M) is 29,500, actually used is 0.2%, 92% of that is used for agricultural purposes.

'Improved' water is supplied to 30% of the rural population and nearly 90% of the urban.

Sanitation is poor across the country; 5% of rural and 20% of urban dwellers have 'improved' sanitation.

Biodiversity figures for the country show there to be 16 mammals, 10 birds, 16 fish and 47 higher plants at risk.

Politics/stability.

The country is as stable as any in the immediate West African region; this being due to several factors, national weariness of insurrection [this, though can change as has been proven else where], democracy has still a novelty

value and international attention. This latter aspect of security is encouraging the government to follow a middle line which allows a fair proportion of positions to be shared amongst different ethnic groups.

The government is further buoyed by the fiscal situation.

#### Fiscal Security.

The fiscal stability of the country has at present more to do with the political intentions in London rather than in Freetown. The various aid organisations; agricultural and humanitarian, EU agencies and World Bank all also have an involvement.

Since the UK general election of 2010 HMG has vacillated as to targeted investment; except in the security field.

#### Geology and Soils.

Sierra Leone is divisible in two distinct tectonic units. The eastern is part of the stable Precambrian West African Craton and consists of metamorphic rocks and granitic gneisses. The western unit contains the elements of an orogenic belt known as Rokelides; deformed during the Pan-African tectothermal event. A 20-40 km wide coastal strip is made up of Pleistocene to Recent sediments.

The soils of much of the country are extremely fertile though where agriculture has been established for any time returns are poor due to lax husbandry and the ease of moving on to 'pastures new'.

The major exportable minerals before the conflagration of the mid 1990 were, apart from the ubiquitous gold and diamonds, rutile, bauxite and ilmenite.

#### Water.

Sierra Leone has an abundance of water resources; though there is evidence of increasing periods of draught. This wealth has yet to be exploited profitably.

The quality of drinking water is highly variable and child mortality is high due to water bourn gastro-intestinal conditions.

The country's river systems are assigned to twelve basins; of which 5 are shared with Guinea and 2 with Liberia.

## Agriculture

Agriculture is vitally important to the economy of Sierra Leone, contributing to the GDP nearly 50%. The need to develop a secure agricultural base for food security is at the heart of government policy. It appears to be prioritised above most other areas for investment or is responsible for the development of strategic compromises.

The development of two and even three crop rice production is being encouraged in the swamp and lower lying land inland from the coast and into the higher lands to the east.

Other crop developments are aimed at internal food security, so cutting reliance on imported staples that are at risk from market fluctuation on the world markets. Cereal production is being encouraged due to high world prices as are vegetables due to the high domestic demand.

Meat production is small, but there is a potential for development of ruminant production in the highland areas; this allied with an expanding home and embryonic export market to neighbouring countries.

Fish production, an area at present totally under developed, with a potential for all aspects to be considered. Sea fishing is at a low level, with much of the territorial waters unprotected and exploited by the European based industry; notably Spain and Portugal. Fresh water fish are much in demand but with a rudimentary transport system supplies are only servicing local markets. Farming fish and crustaceans are an area that has a potential to develop.

## Other Investment Areas.

The major area of investment is partnering the National Power Authority in development of hydro projects, these, allied to farming either terrestrially

or/and aquatically could demonstrate ecological and sustainable best practice.

At present Sierra Leone has six donors looking to invest in the power generation aspect, all looking at the agricultural considerations as well. These donors are national governments, but private enterprise will be encouraged to exploit these opportunities. The need for environmental reports on such developments needs to be required by the state authorities; as should statements of ethical undertaking.

#### Investment Potential.

The state of Sierra Leone has huge potential to develop as a regional food hamper and dynamo. The present abundance of water and land, the government's promotional attitude to foreign fiscal involvement are promising.

Further research on the ground would be a wise consideration and meetings with staff at the Ministries of agriculture, power and foreign relations would be recommended.

#### Ethics.

Any partnership undertaken in the country needs to be founded on probity; all partners would need checking with regard to background going back fifteen years or more. The need to avoid taint from Sierra Leone's troubled past is both important to the fiscal provider and to the nation itself.

#### In Conclusion.

The findings are that if ethical and fiscal security can be viewed in a positive light and avoiding the 'Naomi Campbell' headlines there is potential for sound investment opportunities in the country.

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