It is not when, where, how or why, but its ‘what’ it can do that matters. All is now set for what has been described as the Newest face in town (especially in the country’s banking sector) to be unveiled and ready to take its right position in the industry.

The Apex Bank-Sierra Leone limited, which metamorphosed from the funding and technical support of Ministry of Agriculture, Forestry and Food Security (MAFFS) International Fund for Agricultural Development (IFAD) Rural Finance and Community Improvement Programme’s (RFCIP) Technical Assistant Agency (TAA), now legally established and set to enter the market and to face the competition.

With its vision to improve the quality of life of the economically disadvantaged rural Sierra Leoneans mostly from the rural communities through the provision of inclusive and sustainable financial services (such as savings, credit, remittances, insurance and payment services) through the community banking system (the CBs & FSAs); the Bank is licensed primarily to provide financial services to a network of Rural Finance Institutions (RFIs) in Sierra Leone. The Apex Bank (SL) Ltd, is registered under the Sierra Leone Companies Act of 1989 and is subject to the regulation and oversight of the Bank of Sierra Leone (BSL) under the Other Financial Services (OFS) Act. The Apex Bank (SL) Ltd, is required to supervise the RFIs and ensure their growth and sustainability with the following three core service functions: Administration of an Agricultural Finance Facility (AFF) and the investment of capital into the CBs by outside shareholders to improve access to rural finance; Provision of inspection functions and limited supervisory duties to FSAs and CBs; and Provision of technical assistance / support (including training).

In a retreat ahead of the official opening of Apex Bank (SL) Ltd, the Programme Coordinator of the two IFAD funded projects in the MAFFS (RCPRP and RFCIP), Mohamed Tejan-Kella, revealed that nothing should stop the bank from becoming one of the leading Financial institutions in the country, pointing at its reach/geographical spread country-wide as being its greatest strength.

Contd. on page 2
“The Apex Bank-Sierra Leone limited is the biggest banking institution with over sixty eight (68) branches (these include Community Banks and Financial Services Associations) that cut across length and breadth of the country; with a portfolio that is second to none.” he said.

The Board Chairman of the Apex Bank-Sierra Leone limited, Salamu M. Koroma, on behalf of the Board expressed satisfaction over the credentials and works of the Management and staff of the Bank. He further pledged their supports and commitment to the Bank at always. “Like the NPCU, we would like to assure the Management and staff of the Apex Bank-Sierra Leone limited, that we would rally behind them to the end, knocking at doors and windows for the advancement of these institutions with one clear vision never to fail,” the Board Chairman affirmed.

Unassuming but result-oriented one time Rural Finance Officer turned Managing Director of the newly established Apex Bank-Sierra Leone Limited, Momodu Sesay, assured the board that, failure is not in his lexicon. “If after all the doubts and pseudo-predictions of our failure during the project phase, we were able to attain over a hundred per cent (100%) ahead of the project’s conclusion date, thus denying credence to our critics, surely, we have learnt enough, which has undoubtedly placed us in a better footing to face any competition” Sesay assured. The MAFFS, through it’s Chief Agriculture Officer pledged unshaken support to the Bank, “as we did to the RFCIP/project” he guaranteed. The Unique Selling Preposition (USP) of the Apex Bank-Sierra Leone limited is the administration of an Agricultural Finance Facility (AFF), which for the first time in the country’s history will bring the change which the Agricultural sector has ever been longing for.

It is no secret that, with this paradigm, you too can be a proud farmer.

**Mission:**
Provide vital banking and non-banking support services to the CBs and FSAs with the aim of improving their operational efficiency and effectiveness, and thereby transforming them into efficient financial intermediaries/ institutions capable of serving the communities in which they operate.

**Ownership and Governance Structure**
The Authorized Share Capital of AB is Le 30 billion ($6 million) divided into 6,000 shares of Le 5 million each with the following subscribers/shareholders:

13 CBs- holding 1% each totaling - 13%
37 FSAs holding 1% each totaling - 37%

Total 50%

RFIs own 50% of AB while 50% shares are still left outstanding for institutional and individual investors. The ownership structures of the AB should reinforce a strong governance structure that ensures effective board and senior management oversight of the capital planning processes.

**Board of Directors**
The Board of Directors of AB is representative of various shareholders and stakeholders from RFIs, MAFFS and BSL. The Board of Directors, which is already in place, is expected to provide oversight and technical support to the management team. As per BSL Revised Prudential Guidelines (2012), the Board of Directors shall be responsible for establishing and maintaining, at all times, an adequate level of capital for the AB. The Board has ultimate oversight responsibility and accountability for capital planning and should be in a position to make informed decisions on capital adequacy and capital actions.

**Management Team**
The management team is headed by the Managing Director/CEO supported by various line managers, officers, technical advisors and consultants and by an advisor from the BSL. Senior management, amongst others, is responsible for ensuring that capital planning activities authorized by the Board are implemented in a satisfactory manner and is accountable to the board for the effectiveness of those activities.
Ing. Melvin Koroma made this confession when speaking about the RCPRP feeder road impact in his operational district.

“For this year alone in Kono district, I am pleased to inform you that, the project has succeeded in rehabilitating over 89.3km of feeder roads, 4 bridges and a number of culverts, all of which has helped to change the socioeconomic standard of the district. However let me hasten to tell you that, among all these works the most tangible interventions are the bridges and other structural works like culverts, that would stand the sand of time” he highlighted. “I am saying this, because rehabilitated roads require routine, recurrent and periodic maintenance, but where as these structures would last decades,” Koroma further reiterated.

Ing. Koroma’s assertion could lend credence, if one had known these terrains sometimes back before the RCPRP intervention in Kono district. Thus, a reminiscence to the days of the then Governor of Kono (now Ambassador to Russia), John Yambasu, when in a meeting with IFAD (the donor) once lamented that roads were their (the people of Kono district) first, second, third, fourth, and fifth priorities. “If you could ask me what is our need as a district, I will tell you that our first priority is road! Our second priority is road! Our third, fourth and fifth are all roads,” the then Governor lamented.

While all eyes on the roads, the structure including bridges and culverts were the center of the problem. This was the case, as while the roads were physically characterized by erosion and over hanging /bushes, linkages were challenged by dilapidated colonial structures including narrow table bridges and corrugated culverts, thus serving as militating factors against the movement of people and their produce within the district.

In totality, the RCPRP, one of the two IFAD projects in the MAFFS has over its five years of operation in Kono district been able to rehabilitate a total of 210.8 km of feeder roads and it’s related structures including a 40 mater span bridge at CH 33+100 along the Wordu-Krubonla road, linking Kono and Koinadugu Districts.
"We have been able to take the youths from the ghettos to our modernized state-of-the-art youth centres." This was what Patrick Komba had to say when asked what the RCPRP has done for the youth of Kono district?

Despite the youth making the bulk of the workforce of this project, the project has over the years been noted for its youth-friendliness in all its interventions. This cuts across the use of youth contractors in its flagship Inland Valley Swamps (IVS) component; establishment of youth farms in Kono (on mechanical rice cultivation) and Kailahun (oil palm plantation for youth); and support to youth with different ability to name a few. Notable among these, is what the programme’s youngest District Coordinator, Patrick Komba disclosed as the ability to get the youth who over the period had used to be in the ghettos, palm wine bars or attaya bases to befitting state-of-the-art complex furnished with modern technological gadgets that had put them at par with their city counterparts. The RCPRP funded Youth centres were first constructed in Kono and Kailahun Districts and later in Koinadugu “Komba noted. “They are not ordinary structures. They are well-furnished with modern technologies to educate and entertain the youth. They are provided with DSTV and internet facilities; and public address system for meetings and socializing. They have plastic chairs for sitting and they could be rented for special occasions and the money generated could be used for the welfare of the youths in the district,” Komba concluded.

A total of three Youth Centres have been constructed in three out of the four RCPRP operational districts, while the facilities in Kono and Kailahun have been completed, handed over and run by the youths of these districts. The one in Koinadugu is at its completion stage. However, Kenema district had one before the advent of the RCPRP. It is therefore expected that the RCPRP would use its support to improve upon the facilities of the existing Youth Centre in that district.

By the end of the project it is of no doubt that the lives of most of the youth in these districts could have been transformed through the good influence of these structures.
Though this is not the first of such support to the Central Bank from the Apex Bank (SL) Ltd, but the first since its transformation from its project phase, it could be noted that, the institution during the project phase has supported the Central Bank with various essential assistance including vehicle, IT equipment and the provision of special banking software.

In his statements, the Managing Director for the Apex Bank (SL) Ltd, Momodu Sesay disclosed that the donation came as a result of the impact created by the Governor’s last visit to the Community Banks and Financial Services Association. A visit that was lauded as the very first of its kind since the advent of the RFCIP.

The impact of this visit, Sesay disclosed had benefitted the institution in two-folds. At operational level, it has motivated staff to work harder. Internationally, it has added more value to the Sierra Leone portfolio at IFAD level. The donation could not have come at any better moment than this. The Managing Director for the Apex Bank (SL) Ltd revealed that two vehicles are earmarked to be handed over to BSL, but owing to procurement challenges, they are left with no option but to hand them over in bit.

Receiving the vehicle on behalf of the Management of the Bank of Sierra Leone, the Governor of the Central Bank, Dr. Momodu Kargbo, expressed his profound gratitude to the Apex Bank (SL) Ltd and the IFAD funded RFCIP for such support. He disclosed how prominent the Apex Bank (SL) Ltd has become in all their deliberations and assured the institution of their judicious use of the vehicle for its desired purpose.

The Governor reminded all about their rural roots and encouraged all to be sensitive of that and help in making these institutions succeed.

According to the new arrangement, the MAFFS is still the lead implementing agency with overall responsibility for the second phase of the Rural Finance and Community Improvement Programme (RFCIP2), while the MOFED will be a critical and key strategic partner considering the nature of the activities in this phase. As it has been, the MAFFS will continue to delegate the functional and day-to-day Management and Coordination responsibilities for the overall programme Implementation to NPCU.

However, according to the same document, the BSL will license, supervise and regulate the Apex and CBs, delegating the first tier supervision of CBs to the Apex Bank through a MoU and the BSL will allow FSAs to mobilize deposits under an agency relationship.
DFI's objective is two fold; they seek to maximise profit and make impact on development at the same time. DFIs provide loans, share risks, take minority equity investment, support emerging markets and offer advice to government in developing economies. Example of institutions providing development finance includes: International Finance Organization (IFC), European Bank for Reconstruction and Development, the Overseas Private Investment Corporation (OPIC), CDC Group to name a few.

Half a decade ago, most countries relied on the development assistance solely in the form of foreign aid – loans and grants – given to governments and NGOs. Overseas Development Assistance (ODA) had dominated financial flows to the developing world for a better part of the 20th century. In recent times, however, support from foreign Direct Investments (FDIs) had taken the lead and captured the interest of more developing economies including those in Africa.

DFIs have become increasingly relevant and extensively evolved overtime focusing on several areas ranging from provider of political risk assurance to capitalising agriculture programmes with majority portfolios in Africa. DFIs make investments, operate on market principles and mostly invest in sectors or countries that would otherwise be unable to attract capital. One of such sectors in Sierra Leone is the agricultural sector where commercial banks survive on apparent myth that investing in this sector carries intolerable risk not commensurate to potential returns.

In that regard, programme directed at boosting the agricultural sector through access to finance by the rural communities has been left entirely in the hands of government supported by ODAs such as the International Fund for Agricultural Development (IFAD).

**DFIs lines of intervention**

**Moving into “Frontier Markets”** DFIs have increased focus on Africa and the poorest regions in places in the world; this a potential exploit for newly established institutions such as the rural finance establishments. Based on sound business plan, these institutions could attract funds from DFIs ready to break new grounds in frontier markets.

**Investments in conflict and post-conflict zones** DFIs have been active in promoting investments targeting conflict and post-conflict zones which has placed Sierra Leone in the line of potential beneficiaries.

**Establishing the Emerging Markets Private Equity Industry** DFIs helped establish private equity markets in the developing world and the Emerging Market Private Equity Association (EMPEA) set up by IFC.

**Outside Investors** Africa 50 initiative is a planned AfDB fund aimed at mobilizing private capital for infrastructure investment in Africa.
Potential DFIs for RFCIP

The rural finance institutions and the APEX bank have been recognized as the potential driver for tangible economic recovery and poverty alleviation in a nation that is afflicted by an Ebola pandemic after a destructive civil crisis. Institutions set to alleviate poverty such as the National Commission for Social Action (NaCSA) had earmarked funding through the Islamic Development to support the capitalization of the APEX Bank and RFIs. Similarly, the establishment of the rural finance institutions and APEX bank is likely to access direct foreign investments from funds established by the country’s membership of development finance institutions such as West Africa Venture Fund (WAVF), Africa Import and Export Bank (AFREXIM), Investment Bank for International Development (IBID).

Dilemmas and benefits of DFIs

However, as the activities of the DFIs have taken centre stage, some criticisms and likely benefits have emerged including:

A critical school of thought holds the view that as several developing countries have achieved investment grade, private banks or funds providers are available to capitalize institutions in emerging markets and therefore, the intervention of DFIs is unnecessary. However, this critique was curtailed by post-financial crisis regulations set by Basel III, etc on the extent to which investment bank can capitalize institutions;

There is the tension whether the DFIs should prioritize profits or development outcomes. It is widely held view that even by the DFIs that both should be emphasized. However, there is pending pressures on investment officers of DFIs as well as at the institutional level to prioritize profit by increasing investment volumes every year. In that regard, extending a low risk high return loan is always tempting;

Concern over investing in low income country and rewarding bad policy decisions by governments of developing countries looms large in the operations of DFIs. In handling this critique, the DFIs can wait for reforms or instigate reforms as precondition for investment in a country; and DFIs acquisition of ownership interest in business will imply participation in corporate governance bringing in valuable expertise that might add value to institutional performance.

Recommendations

There is need for initial loan capital from the GoSL or any other likely sources to meet the minimum funding requirement of the APEX while trying to attract external funding sources such as shareholders.

Support the APEX to provide loan products of the AFF at affordable rates of interest by subsidized government loan provided for capitalizing the APEX for on-lending to the FIs and farming communities. Identify relevant FDIs operating in Sierra Leone and develop business plans to attract the DFIs such as the IFC, WAVF, IBID at international level and other institutional investors such as NASSIT as local capital provider.

Resuscitate the operations of the agro-dealers by investing in the operations of APEX and the FIs to provide a financing window for agro-dealers operators. the produce (rice) processing infrastructure in the communities.

Continue to influence policy on reduction of import duties and taxes on agricultural inputs followed with MoUs with importers to transfer resulting benefits to the agro-dealers in the rural communities in order to make them viable. The APEX and RFIs should follow up and revive the legacy of agro dealer structures of the ASP SL by maintaining the established agricultural inputs distribution system through small agricultural input retailers at the village level and agricultural input supply companies.

The FIs should be proactively involved in the operations of the ABCs and FBOs to arrange them for management of agricultural loan products such as agricultural input and managing.
Kaitombo worked as Manager at the Pendembu Community Bank for over five years until this March, (2015) when he was recalled and promoted as the Refinance Officer at the APEX Bank (SL) Ltd. I caught up with him at his APEX Bank office in Kenema and engaged him in this interview; as he now gives his reflection as community bank manager for over five years.

Inside De Farm: Hello and welcome to Inside De Farm. Your name and designation?

Sahr Noah Kaitombo: My name is Sahr Noah Kaitombo and I am the Refinance Officer for the APEX Bank (SL) Ltd.

Inside De Farm: Tell me who is Sahr Noah Kaitombo and what has he been doing during for the past five years?

Sahr Noah Kaitombo: Five years ago I started my first appointment with the IFAD RFCIP. To be precise on the 2nd November, 2009, I was employed as Branch Manager for the Pendembu Community Bank. In which capacity I had served until 31st March, 2015. I was again transferred and employed by the APEX Bank (SL) Ltd as the Refinance Officer.

Inside De Farm: How life like working as Manager at the Pendembu Community Bank?

Sahr Noah Kaitombo: You want me to be very honest. My days at Pendembu Community Bank have been very challenging. I got a wealth of experience at my job in Pendembu Community Bank and I learnt a lot on the job there. I have never, ever, in my tenure as manager in Pendembu Community Bank enjoyed the job. It was a tasking job for me. It was very challenging, considering the nature of the rough, tough, hazardous and accident-prone on motorbikes, financial pressure from customers, managing fund, etc. I mean a lot of challenges.

Inside De Farm: But by the end, what legacies did you leave behind at Pendembu Community Bank?

Sahr Noah Kaitombo: Behind in Pendembu? I could proudly boast today that Pendembu Community Bank is one among the 17 Community Banks that every manager would like to emulate.
In the area of success stories, a Bank that started with a very small capital has now reached an Operational Self Sufficiency (OSS) state, is a worth writing home about. This, I mean that the Pendembu Community Bank is very strong and its clientele base is stronger and large. Again, before I left, the Pendembu Community Bank had trained and developed most of its staff, as a result the other Community Banks are all looking up for staff support form the Pendembu Community Bank. It is interesting to let you know that, Pendembu Community Bank has produced four (4) Managers and over a dozen of essential staff currently serving the other Community Banks in the country. All of them, exhibiting good performance at their various attachments.

Inside De Farm: How many people do you think really impacted on their lives during your stay at Pendembu Community Bank?

Sahr Noah Kaitombo: There are many, if my mind can serve me well. During my days at Pendembu Community Bank, we were able to organize some groups of people or customers to put it right. These include youth, women and you name them. Outstanding among these, were a group of market women called ‘Malana’. Initially they were few in number and later grew in number. 25 of them in all, but one left and they became 24. Because their size was so huge, we advised them to split into two groups, which they did. So they had Malana 1 and Malana 2. After this, they approached the Bank and requested for a loan of Six Million Leones (L6,000,000.00) per member for all twenty-four of them. We watched their request and advised them to reduce that to Five Hundred Thousand Leone (Le 500,000.00). At first, they were not pleased with that but we educated them on the need to start small and expand gradually. However, we agreed on making it Six Hundred Thousand Leones (Le 600,000.00) per member, which they accepted and started their business with. As we always put, start small and grow strong. You can’t believe how I left this group. As, I have mentioned, from the Six Hundred Thousand Leones (Le 600,000.00), they paid back and we raised it to One Million Leone on the second cycle. They paid again and we made it One Million Five Hundred Thousand Leones (Le 1,500,000.00) on their third cycle, then Three Million Leones (Le 3,000,000.00) and before I left Pendembu Community Bank, each member of the group was receiving not less than Seven Million Leone (Le 7,000,000.00) and paying back his/her loan in time. This is just one of the several stories of the impact I created in the lives of the rural poor while serving as Manager at the Pendembu Community Bank. On the clientele base, before I left Pendembu Community Bank, there were One Thousand One Hundred and Seventy Six (1,176) customers (groups and individuals combined).

Inside De Farm: Did you get your objectives before leaving the Pendembu Community Bank?

Sahr Noah Kaitombo: Thanks be to God that I could proudly say that I was able to achieve all my objectives. I went there, resolved and by the end I was able to learn a lot added to several exposures within and out of the country. Even today when I am away from Pendembu, the Bank is still moving on, its doing fine and that was my dream and I am ever proud to have spent these days with them. I had no regret working there. That is my joy, seeing the bank continuing even at my exit.

Inside De Farm: Very emotional but what about the new job?

Sahr Noah Kaitombo: Challenging but much relax than that of the Pendembu Community Bank.
As part of the restructuring, the GEF was entrusted to become the financial mechanism for both the UN Convention on Biological Diversity and the UN Framework Convention on Climate Change. In 2002, the GEF was also selected to serve as financial mechanism for two additional international conventions: the Stockholm Convention on Persistent Organic Pollutants and the United Nations Convention to Combat Desertification.

In 1994, the Instrument for the Establishment of the Restructured Global Environment Facility was adopted, describing the governance, operational, financial and administrative oversight procedures for the GEF. The decision to make the GEF an independent organization enhanced the involvement of developing countries in the decision-making process — a unique feature among other financial institutions — and in the implementation of projects.

Integrating Adaptation to Climate Change into Agricultural Production and Food Security in Sierra Leone is a full-sized project that is implemented by the International Fund for Agricultural Development (IFAD) and jointly executed by the Ministry of Lands, Country Planning and Environment and the Ministry of Agriculture, Forestry and Food Security. With resources from the Least Developed Countries Fund (LDCF), this project’s global environmental objective is to lessen the impact of climate change on vulnerable rural communities, as well as on natural resources critical for sustaining agricultural production and increasing food security.

The IFAD/LDCF operation is focusing on investment and impact on the ground. As such, the project is aiming at an optimum level of investment that ensures maximum impact per LDCF dollar.

The project also works towards targeted capacity building and improving the necessary elements — i.e. data collection, impact mapping, and vulnerability assessment at key investment sites — to better focus the investment. The project uses proven mechanisms for community participation, farmer field schools and other capacity building, government’s involvement and technology transfer, particularly regarding meteorological stations. LDCF funding for Sierra Leone is designed to be catalytic for scaling up adaptation to climate change using sustainable land and natural resources management including reducing use of bush fallow systems, improving water management in uplands and Inland Valley Swamps, improving access to weather and climate information through targeted technical and institutional capacity development and on the ground activities (including demonstrations). The project works with existing community structures such as the Farmers Business Organizations and Farmer Field schools, which will be used to promote for community-based activities.

In Sierra Leone, the MAFFS/IFAD National Programme Coordination Unit (NPCU) oversees the day to day operations of Integrating Adaptation to Climate Change into Agricultural Production and Food Security in Sierra Leone.

Charcoal Burning is devastating the environment than it is expected...

"... this project’s global environmental objective is to lessen the impact of climate change on vulnerable rural communities, ..."
A busy day at the Tongo Field Community Bank
EBOLA EDUCATION

HOW TO PREVENT EBOLA FROM SPREADING

1. AVOID PHYSICAL CONTACT WITH PEOPLE SHOWING SIGNS AND SYMPTOMS SUCH AS CONTINUOUS HIGH FEVER, RED EYES, VOMITING AND STOMACH Ache.
2. WASH YOUR HANDS REGULARLY WITH SOAP AND CLEAN WATER.
3. DO NOT SHAKE HANDS WITH PERSONS SHOWING SIGNS OF EBOLA.
4. KEEP AWAY FROM BATS, MONKEYS, BABOONS AND DEAD ANIMALS.
5. AVOID EATING BUSH MEAT COOK ALL FOOD VERY WELL.

Avoid touching the Dead

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