

Survey insights from sustainable finance seminar in Sierra Leone

In a continued effort to promote sustainable finance practices in Sierra Leone, Invest Salone recently conducted a series of seminars in Sierra Leone from May to September 2024. These sessions gathered 28 financial professionals and regulators, providing insights into the alignment of the financial sector with sustainability goals. The series culminated in a broader financial sector event and survey that was designed to capture the perspectives of senior financial sector stakeholders on sustainable finance in the country.

Organisational representation showed that participants hailed from a diverse range of institutions. Out of the 28 respondents, 11 represented financial regulators, 12 came from commercial banks, and four from non-bank financial institutions, while one respondent worked for an organisation outside these categories. This mix of respondents offered a broad perspective on the role of different financial actors in advancing sustainable finance in Sierra Leone.

When asked about the alignment of Sierra Leone's financial system with the sustainability goals outlined in the 2024 Medium-Term National Development Plan, the responses indicated varied perceptions. A majority of 19 respondents felt that the system was only somewhat aligned with the plan's sustainability goals, while six respondents believed it was very much aligned. On the other hand, two participants felt there was no alignment, and one was unsure, suggesting there is a strong need for integration of sustainability into financial frameworks.

Key drivers for developing sustainable finance in Sierra Leone were also explored, with respondents highlighting several factors. Access to concessional loans or green bonds was seen as the primary driver by 19 respondents, closely followed by the alignment with evolving international trends selected by 11 respondents. Additionally, drivers such as improving the financial performance of borrowers, enhancing brand reputation and protecting the environment for future generations were seen as important motivators for adopting sustainable finance practices.

Borrowers most likely to need financing for green projects were identified, with a strong focus on industrial and manufacturing small and medium-sized enterprises, selected by 20 respondents. Agricultural processors (17 respondents) and smallholder farmers (13 respondents) were also noted as key beneficiaries of green finance. This reflects the importance of agriculture and small businesses in Sierra Leone's economy and their role in driving sustainability. There was comparatively less interest in financing technology firms, tourism-related businesses and construction industries.

When considering green transport ventures, respondents indicated that electric vehicles, particularly motorbikes (17), buses (13) and light trucks (13), would be the most attractive to lenders and investors. Additionally, electric vehicle charging networks and green logistics initiatives drew attention, showing the growing interest in transforming Sierra Leone's transport sector towards



sustainability. This aligns with broader global trends toward greener, more efficient transport solutions.

In the industrial and manufacturing sectors, the focus was on ventures such as commercial waste management and industrial energy efficiency, each selected by 14 respondents. Eco-friendly mining and minerals processing also stood out, with 15 respondents expressing interest. These sectors present significant opportunities for lenders and investors, given their potential to reduce environmental impact while enhancing efficiency and sustainability.

Green energy projects attracted considerable interest as well, particularly large-scale solar farms, which 22 respondents considered the most promising venture for lenders and investors. Waste-to-energy plants and hydropower also emerged as key areas of interest, each garnering support from 17 respondents. This strong interest in renewable energy solutions highlights the potential for green energy to drive Sierra Leone's transition to a more sustainable economy.

On the consumer front, energy-efficient homes and household solar systems were identified by 18 respondents as attractive green consumer ventures. Eco-friendly waste management services and eco-friendly cooking solutions also drew interest, suggesting a growing awareness of sustainability at the household level and the role of consumers in promoting environmental responsibility.

In green agriculture and forestry, sustainable agriculture was the top priority, with 21 respondents identifying it as the most attractive venture for lenders and investors. Farm-based solar projects (13 respondents) and irrigation (eight respondents) were also seen as important areas for investment, reflecting the significance of agriculture in Sierra Leone's economy and its potential for sustainable transformation.

Tourism also plays a role in sustainable finance, with eco-lodges and sustainable resorts leading the way as investment opportunities, selected by 20 respondents. Energy-efficient hotel accommodations and coastal conservation projects were similarly highlighted, signalling a growing interest in eco-tourism and the potential for sustainability in this sector.

Looking ahead

Looking ahead, respondents expressed a range of expectations regarding how much of their portfolios could be classified as "green" over the next five years. While eight respondents anticipated that 6–10% of their portfolio would be green, another eight foresaw a more ambitious 26–50% green portfolio. Only one respondent expected more than 50% of their portfolio to qualify as green, while four estimated a smaller percentage (0–5%), reflecting a mix of optimism and caution regarding green finance adoption.

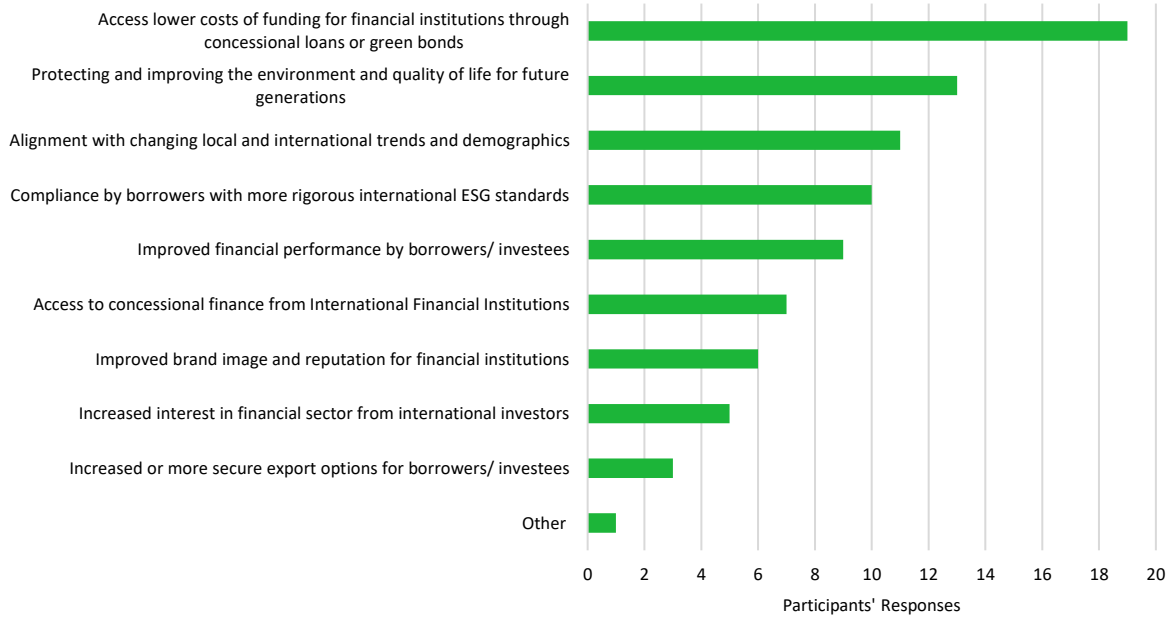
Finally, the survey identified several urgent policy priorities for fostering the development of a green financial sector in Sierra Leone. Most respondents highlighted the need for a national green finance roadmap and capacity building for lenders and investors. Regulatory guidance on environmental and climate risk management, along with the development of capital markets and a green finance



taxonomy, were also seen as essential steps in creating a supportive policy environment for green finance.

These survey results provide a clear indication of the areas in which Sierra Leone’s financial sector can make strides toward sustainability. By aligning with global trends, enhancing local capacities, and investing in key sectors, the country is well-positioned to foster a green financial ecosystem that supports both economic growth and environmental protection.

Key drivers for developing sustainable finance in Sierra Leone



Urgent policy priorities identified for developing a green finance sector in Sierra Leone

