



SOBA
SIERRA LEONE OPPORTUNITIES
FOR BUSINESS ACTION

THE STATE OF ENTREPRENEURSHIP IN SIERRA LEONE





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THE STATE OF ENTREPRENEURSHIP IN SIERRA LEONE

Interlinked, vibrant entrepreneurial ecosystems help to accelerate private sector-led growth and widespread economic returns. Entrepreneurial ecosystems are characterized by information, talent, and funds that flow across eight key pillars, namely: Business Support, Finance, Human Capital, Culture, Policy, R&D, Infrastructure, and Markets. Sierra Leone is positioned at the bottom of global indices for the majority of these pillars.

SIERRA LEONE RANKING IN GLOBAL INDEXES

- Global Entrepreneurship Index: 135/137 Globally
28/30 in Sub-Saharan Africa
- Global Competitiveness Index: 132/138
Weakest area: Start-up skills

The rationale for investing in entrepreneurship has been demonstrated extensively by a number of international institutions whose global research and indices have shown the correlation between strong entrepreneurial ecosystems, GDP, and job

growth. In 2014, 10% of early stage companies in the world were responsible for 80% of job creation and 84% of revenue creation. Similarly in Africa, SeedStars World's index revealed the correlation between the strength of countries' entrepreneurial ecosystem and national GDP: The three countries with the highest scoring entrepreneurial ecosystems - South Africa, Kenya, and Rwanda - all exhibit higher than average GDP per capita.

The quality of entrepreneurs - above quantity - is paramount to achieving growth objectives. According to the Kenya National Bureau of Statistics, "SMEs in Kenya employ 7.5 million people, (...) account for 80% of employment and contribute over 92% of the new jobs created annually." The data available on these businesses reveal that most of the job creation is driven by a small segment of "ambitious", "growth-oriented" entrepreneurs. This realization shifts the focus away from increasing the quantity of entrepreneurship to the quality of entrepreneurship.

¹GEDI, The Global Entrepreneurship Index, 2017, <https://thegedi.org/downloads/>

GEM, Global Entrepreneurship Monitor, Global Report 2016 / 2017, <http://www.gemconsortium.org/report/49812>

OECD, <https://www.oecd.org/sti/outlook/e-outlook/stipolicyprofiles/competencestoinnovate/start-upandentrepreneurship.htm>

²WEF, "Entrepreneurial Ecosystems Around the Globe and Early-Stage Company Growth Dynamics" 2014

³<http://www.seedstarsworld.com/blog/2016/06/the-state-of-entrepreneurship-in-africa/>

⁴<http://digital4africa.com/index.php/2015/08/25/10-facts-and-figures-about-small-and-medium-size-enterprises-in-kenya/>

⁵Stam, Erik. "Entrepreneurial Ecosystems and Regional Policy: A Sympathetic Critique" 2015

Growth entrepreneurship typically refers to the trajectory of entrepreneurs and early-stage firms that scale within comparatively short time-frames, creating disproportionate value in the form of employment and incomes⁶. Growth-oriented entrepreneurs play a valuable role in stimulating innovation and competitiveness. Annex 1 maps out the business and psychographic characteristics that differentiate growth entrepreneurs from necessity-entrepreneurs in Sierra Leone.

**INSIGHTS FROM SOBA'S
ENTREPRENEURSHIP RESEARCH, 2017**
Successful growth entrepreneurs in Sierra Leone have been found to have higher levels of education and work experience, and are often midcareer professionals in their late 30s to early 40s. Certain psychological traits such as higher resilience and an internal locus of control, ability to set a vision for their business and to execute it, further differentiate growth-oriented entrepreneurs operating in Sierra Leone from their competitors.

Reinvesting in the pillars that drive entrepreneurial ecosystem performance and well-support ambitious entrepreneurs is vital for job and wealth creation in Sierra Leone. The 2014-2015 drop in mineral prices and Ebola epidemic interrupted double-digit GDP growth and post-war momentum in Sierra Leone. Many large and medium sized businesses were driven

out or forced to slow down operations. While GDP has now returned to slight positive growth, these shocks, coupled with the lingering effects of war, have left the systems and structures for supporting small and growing businesses in Sierra Leone underdeveloped, limiting private sector growth and hampering economic growth efforts.

While directional, international entrepreneurial rankings lack the nuance on what is happening in entrepreneurship in Sierra Leone and where the opportunities for action are. To provide this missing context, Sierra Leone Opportunities for Business Action (SOBA) conducted qualitative interviews with key stakeholders across the current ecosystem and quantitative surveys to understand what growth entrepreneurs and ecosystem stakeholders need most.

Human capital and access to finance were identified by local entrepreneurs as the most significant obstacles to running a business in Sierra Leone - these should be addressed as a priority. In the meantime, additional efforts and resources should be focused on leveraging existing initiatives across all pillars to accelerate the pace of enterprise creation and growth. This report maps out the initiatives that have successfully supported small and growing business (SGB) growth and provides recommendations on what specific players should consider towards bolstering the ecosystem.

⁶Growth Entrepreneurship in Developing Countries: A preliminary Literature Review, InfoDev 2016

⁷SOBA, Series of key informant stakeholders' interviews, 2017 - Analysis of entrepreneurs' psychological and behavioural traits and how those correlate with their ventures' trajectories.

REPORT OUTLINE & METHODOLOGY

This report is structured along the eight pillars of the entrepreneurial ecosystem outlined in the Aspen Network of Development Entrepreneurs Toolkit. These include Business Support, Finance, Human Capital, Culture, Policy, R&D, Markets, Infrastructure, and Markets. The report examines how each pillar supports growth entrepreneurs - defined as entrepreneurs who aim to create large, vibrant businesses that grow much beyond the scope of an individual's subsistence needs and provide jobs and income for others.

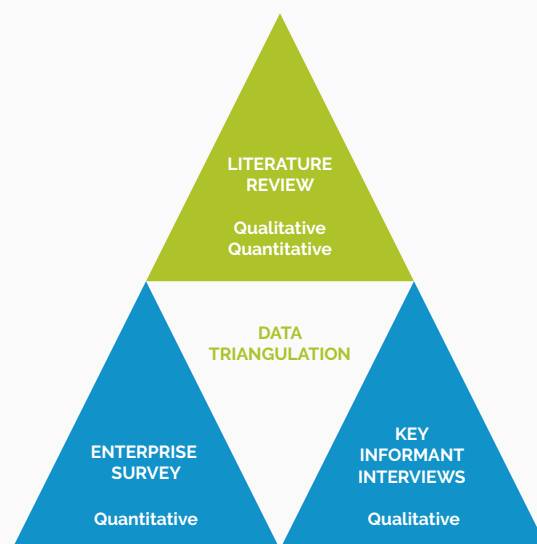
WHAT ARE SMALL AND GROWING BUSINESSES?

According to ANDE, SGBs are "commercially viable businesses with five to 250 employees that have significant potential, and ambition, for growth. Typically, SGBs seek growth capital from \$20,000 to \$2 million.

SGBs differ from the more traditional characterization of small and medium enterprises (SMEs) in two fundamental ways. First, SGBs are different from livelihood-sustaining small businesses, which start small and are designed to stay that way. Second, unlike many medium-sized companies, SGBs often lack access to the financial and knowledge resources required for growth."

Under each pillar, the report discusses core challenges facing entrepreneurs and recent developments introduced within the ecosystem to address those challenges, alongside the results these yielded. Lastly, the report offers recommendations on priority interventions to strengthen each pillar by leveraging the resources present in country.

The methodology adopted to develop this report involves the collection, analysis, and triangulation of secondary and primary quantitative and qualitative data around the eight pillars structuring Sierra Leone's entrepreneurial ecosystem. Secondary data collection consisted in an extensive review of available literature around entrepreneurship programs conducive to growth and jobs creation, global rankings on entrepreneurship and private



⁸Developed with support from DFID, the ANDE toolkit provides methodological guidance based on international best practices to assess the current state of entrepreneurial ecosystems using a set of tools and evaluative frameworks that can be used and adapted to fit various local and sectoral contexts.

⁹<http://www.andeglobal.org/?page=aboutandesgbs>

sector development, and specific data on growth and SGB development trends in Sierra Leone. The primary data collection combined mixed-methods including an enterprise survey and semi-structured key informant interviews (KII) with stakeholders from the entrepreneurial ecosystem.

A quantitative phone survey of a random sample of 114 businesses selected from a Ministry of Trade and Industry dataset of firms was conducted, representative at the 7.5% level of those listings with contact information who generated revenue in 2016 and qualified as SGBs with a staff of between 2 and 150. Due to the high-amount of informal businesses and un-registered businesses, which account for 35 percent of wage jobs in 2014 and over 88 percent of non-agricultural self-employment, the Ministry's dataset represents the most complete database of SGBs available. It is a compilation of 33 lists from official government sources, NGOs,

investors, business associations, and donors. The absence of centralized shared databases within the public administration means that most of the businesses that are solely registered with local City Councils and not with the Office of Administrator and Registrar General may not be represented in this sample. To mitigate for this, a sample of businesses belonging to the two latter categories was identified for which qualitative information was captured through key informant stakeholders' interviews.

Twenty-one key informant interviews were conducted with entrepreneurs, business services providers, regulators, government representatives, and academics who provided insights on each pillar of the entrepreneurial ecosystem. Key informant entrepreneurs were selected using the "snowball" sampling method, beginning with four key informants in different sectors.



¹⁰World Bank, Findings from the 2014 Labor Force Survey in Sierra Leone, 2016 <http://documents.worldbank.org/curated/en/806541468178774794/pdf/104269-PUB-PUBLIC.pdf>

PILLAR 1: BUSINESS SUPPORT SERVICES

"In reality we have zero support. Especially when trying something new. If you want to branch out to a new area there is no one to support" – Female entrepreneur, Freetown

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- 94% of entrepreneurs cannot afford to pay for the business support services they need.
- 51% of entrepreneurs seek business support from family or friends and 14% strictly rely on themselves.

There is a salient mismatch between the supply and the demand for business support services within Sierra Leone's private sector.

Business support services traditionally available to SGBs in mature entrepreneurial ecosystems range from financial services, to human resources, legal, training, mentoring, and space renting services. These are mostly delivered by for-profit business support service providers such as incubators, accelerators, legal consultancies, accounting firms, and other providers with specialized expertise. In the context of Sierra Leone's nascent entrepreneurial ecosystem, the provision of business support services is mostly dominated by NGOs, multilateral agencies, government agencies, and private sector organizations, with a smaller role played by for profit organizations. Table 1 summarizes the feedback from entrepreneurs on the support services category of provider and Annex 2 provides an overview of the organizations offering business support services in Sierra Leone, broken down by services and stakeholder categories. While a range of for profit business support services providers endeavor to serve the local market, a number of challenges prevent SGBs from leveraging these services.

TYPES OF BUSINESS SUPPORT SERVICES

- Financial and tax services: Help SGBs to get investment ready, prepare their financial statements, tax returns, audits, and calculate the taxes they owe
- Human resource services: Help SGBs to identify, hire, and retain skilled and motivated employees
- Network development services: Help SGBs to connect with new business partners and investors
- Training services: Build SGB's managers and employees' capacity, business, and technical skills
- Mentoring services: Provide one-on-one advice on addressing the specific challenges that SGBs are facing
- Legal Services: Assist SGBs in dealing with any legal matters

- Poor visibility. Primarily, the lack of visibility of service providers' offerings means that most entrepreneurs are unaware of the support available to them and do not know where to access information or advice to address the challenges they face.
- High cost. Most SGBs cannot afford the services offered by for-profit business providers, which remain de facto restricted to medium and large businesses.
- Limited to Freetown. While broad in scope, the business support services available in

Sierra Leone are centralized in Freetown and inaccessible to ventures operating outside of the capital.

• Unproven value. Entrepreneurs are reluctant to invest in trialing services where the added value to the business hasn't been proven or demonstrated to them.

TABLE 1 - SYNTHESIS: STAKEHOLDERS' FEEDBACK ON BUSINESS SUPPORT SERVICES AVAILABLE IN SIERRA LEONE

SERVICE PROVIDER CATEGORY	+/-	ENTREPRENEUR FEEDBACK
For profit business support services providers	+	• Expensive services - unaffordable for most SGBs
		• Entrepreneurs have limited willingness to pay for these services
	-	• Inaccessible to SGBs outside of Freetown
		• Lack of visibility: Most entrepreneurs are unaware of their existence
Private sector associations		• Fairly small membership fee
	+	• Match-making along the value chain, local and international trade fairs
		• Provide reputability and credibility to their members
	-	• Financial and human resources constraints – low capacity
Non-profit business enablers Government agencies Bilateral agencies		• Very narrow scope of services available to SGBs
		• No lobbying power and absence of dialogue with the government
		• Access to free, quality training and capacity building support
	+	• Good networking opportunities
		• Irregular and unsustainable services provision
	-	• Creates market distortion

¹¹GEI, 2016-2017

As a result of these challenges, most SGBs gave up on seeking support from for-profit-business support services providers and rely instead on their own resources to address obstacles to doing business in Sierra Leone.

Business support services providers' failure to reach out to the entrepreneurs they serve is paradoxical as most businesses are desperate for support in an ecosystem where start-up

skills are crucially lacking : Entrepreneurs' limited financial management skills, challenges to identify and recruit skilled labor, and lack of understanding of the market in which they operate - including consumer behavior, potential investors' expectations, legal requirements, and management procedures – lead them to identify these areas as priority needs. Table 2 ranks the services most sought for by local entrepreneurs.

TABLE 2: INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

Business support services most sought for by entrepreneurs operating in Sierra Leone

RANKING	SERVICES	SPECIFICATIONS
#1	Financial	<ul style="list-style-type: none"> • Bookkeeping - Support towards preparing financial statements • Numeracy and financial skills training
#2	Marketing	<ul style="list-style-type: none"> • Mass media and awareness campaigns (billboards) • Market analysis and customer acquisition: Increasing sales and market shares • Value addition through packaging and branding
#3	Logistics	<ul style="list-style-type: none"> • Logistics support to move goods throughout the country and outside • Fleet management and maintenance services
#4	Coaching	<ul style="list-style-type: none"> • Management support – Insight from peers • On demand support to address business operations challenges
#5	HR	<ul style="list-style-type: none"> • Support to identify and hire skilled and motivated employees • Workforce skills upgrading
#6	Legal	<ul style="list-style-type: none"> • Business registration • Contract negotiation and enforcement
#7	IT	<ul style="list-style-type: none"> • Websites design • Online payment facility

¹²Source: SOBA, Enterprise survey and key informant interviews, 2017

This market failure is however increasingly recognized within the entrepreneurial ecosystem and a number of stakeholders have started to modify their offering to meet the needs of SGBs.

These include multilateral agencies, government agencies, NGOs, private sector associations, and business incubators that recently emerged in the entrepreneurial landscape. The business plan competitions organized over the past few years to stimulate entrepreneurial activity in Sierra Leone and identify high-potential entrepreneurs have yielded results in terms of raising awareness on entrepreneurship through strong marketing campaigns with penetration in all regions, and in kick-starting promising SGBs through the provision of venture capital. The Bomba I and II (BBC) initiatives led in 2009 and 2010 by the Ministry of Trade & Industry (MTI) with support from DFIDSL, the IFC, GTZ, and the Soros Economic Development Fund (SEDF) count among the most salient success examples.

*"I participated to the Business Bomba competition. I was one of the 20 finalists and I got 5000 \$. That was our start-up capital." **Female entrepreneur, Food processing***

Additionally, a handful of business incubators supporting growth entrepreneurs have emerged in the recent years. These include Sensi Tech Hub, Innovate Salone, and the Impact

Hub, which provide technical tools, research and development support, and training and mentorship services to entrepreneurs with the objective of building interconnected youth and tech communities.

Private sector associations are progressively structuring the ecosystem along industry segments to better communicate on businesses' specific needs in each sector. This process of professionalization of the ecosystem is catalyzed by the emergence of entrepreneur-led industry networks within the formal and the informal sectors such as the hospitality association, the petty traders association, and the Okada drivers association.

*"We have to stop saying government, government, government – why don't we do something about it? We can get a lot done on our own." **Female entrepreneur, Hospitality sector***

Growth-oriented entrepreneurs are increasingly connected with one another through the intermediary of closed networks such as Women Mean Business (WMB), Power Women 232, or CTI's Breakfast Club which aim to enhance entrepreneurs' leadership and capacity through mentoring, peer-to-peer learning, and mutual support.

RECOMMENDATIONS

1- Build self-sufficient professional services industries that are well-aligned to small and growing business needs.

- Direct support to business enablers to help them to better align their service offerings to entrepreneurs' needs. This would help to address the current disconnect between the supply and the demand for business support services. Such interventions could include support towards streamlining the range of services provided by business enablers, identifying opportunities for cross-collaboration and synergies across business enablers, adjusting the pricing of business support services to match entrepreneurs' willingness to pay, improving communications and outreach, and building capacity within business support organizations.
- Improve awareness of the business support services present in Sierra Leone. This should include the provision of transparent information on the price for such services as it would help to increase demand for these services among SGBs.
- Tie fee structures to company performance as an incentive for entrepreneurs to trial new practices. This would help to increase entrepreneurs' willingness to pay for business support services and to get a better sense of the benefits they can get from these.
- Build conviction among entrepreneurs that assessing and prioritizing their business

needs early on would achieve growth faster. Expert support in core business needs is an important step towards enabling businesses to scale up and to accelerate their growth.

2- Assist business support organizations to play a visible role toward celebrating and contributing to growth entrepreneurship.

- Organizations can build understanding and conviction for their role in boosting SGB performance. Innovation labs can play a key role towards helping entrepreneurs' to better understand the notion of growth entrepreneurship and the value that the business support organizations can themselves play towards facilitating this.
- Organizations can also play a central role toward developing a pipeline of vibrant SGBs. Supporting the organization of yearly business plan competitions in association with local stakeholders would help to durably systematize the process of identifying and kick-starting growth entrepreneurs in Sierra Leone. The Makeni Business Idea Competition organized by the University of Makeni, Edulink, and E4Impact, and the Unreasonable Labs organized by SOBA, DFID and Sensi Tech Hub are good initiatives to leverage.

SOBA SUPPORT

SOBA has worked to facilitate the emergence of a self-sustaining and profitable professional services sector that actively targets and partners with SMEs in Sierra Leone. To this extent, roundtable events were held with both marketing and financial service providers to ideate on potential business models for servicing small and growing businesses (SGBs). Following events, SOBA launched partnerships and trials in both sectors. Additionally, SOBA launched bi-weekly Business Clinics to directly connect businesses to professional service providers in HR, Marketing, and Finance.

SOBA led two innovation labs in collaboration with Unreasonable Institute. The labs focus on customer validation and improved product-market fit. After a social media, radio, print, and PR outreach campaign, 11 teams were selected to participate in each Lab. The 5-day curriculum includes trainings in customer discovery, rapid prototyping, relationship building, budgeting, and strategic planning. The teams also met with 15 volunteer mentors who have all started businesses in Sierra Leone. From the first lab in November 2016, improvements included: up to 50% increase in sales, new contacts with customers, use of new marketing tactics, and setup of financial tracking tools. For the second lab in May 2017, participants also received \$1000 seed funding to accelerate the growth of their business using the techniques learned in the lab.

PILLAR 2: FINANCE

"We operate in a shallow market with no venture capital or crowdfunding mechanism and lots of rules and regulations." **Executive Director, Banking Sector**

SIERRA LEONE RANKING IN GLOBAL INDEXES

Doing Business 2017

- Investor protection: 87/190
- Access to credit: 157/190
Global Competitiveness Index 2016-17
- Financial market development: 123/138

WEF Executive Opinion Survey 2016

- Access to Financing is ranked as top problematic factor for doing business in Sierra Leone

SGB financing in Sierra Leone is constrained by the scarcity of capital options available locally.

Options for SGBs to access debt financing, equity investment, or grants in Sierra Leone are scarce.

Access to credit is limited by high interest rates and collateral requirements. Taking bank loans is seen by most entrepreneurs as too risky and is avoided to the extent possible unless SGBs are able to repay their loan on the short term or are making an investment with guaranteed profits.

Sierra Leone's commercial bank interest rates average 22% for first time clients, driven upwards by the risk of not recovering loans in case of default and by local banks' high operating costs. High interest rates almost always surpass profit margins, especially for new businesses.

Banks also demand high collateral requirements often based on land or property rather than moveable assets. The massive loan repayment defaults that transpired during the iron ore commodity price decline of 2014-2015 resulted

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- 64% percent of entrepreneurs reported access to finance as the biggest obstacle they are facing
- 49% of entrepreneurs self-funded their business, 35% took a loan, 11% received a grant, and 4% are funded through equity
- Aside from personal capital, local SMEs are mostly funded by commercial banks and family and friends

in stark losses for commercial banks. As a result, financial institutions responded with far more rigid collateral requirements moving ahead. Some, as a rule, no longer lend to SGBs.

"Whenever I take the loan I cannot sleep until I pay it back, the rates are so high! We only use loans for short term finance and we pay back as soon as possible. If we could access loans with 10% interest rates then we could do such incredible things!"

Male entrepreneur, Transportation sector

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- Interest rates are noted as the major barrier to accessing finance according to 54% of surveyed entrepreneurs
- 32% of surveyed entrepreneurs ranked collateral and administrative requirements for accessing money as their main challenge to accessing finance

In the meantime, microfinance institutions and community banks operating in various districts throughout the country are yet to recover from the losses incurred during Ebola period and drop in commodity prices, thus further limiting the financing options available to SGBs.

Credit and investment in SGBs is limited to the capital invested by the diaspora and high net worth individuals present in country. While according to international indicators, investor protection may seem higher in Sierra Leone than other Sub-Saharan countries, the perceived weakness of contract enforcement in Sierra Leone limits high net worth individuals' appetite to invest in SGBs. Where these investors do invest, investments are most often made through informal agreements where both investors and entrepreneurs are poorly protected.

In the absence of any credit rating system, entrepreneurs' trustworthiness is assessed by investors through personal and professional networks and guarantors, adding challenges for those without social capital or personal links to high net worth individuals.

"Credit networks are all about interactions and are a massive barrier to entry"

Private Equity Firm, Freetown

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- Investors lack of confidence is cited by 11% of entrepreneurs as their top difficulty in accessing finance
- Of the 76% of surveyed businesses that record revenue and expenses, most keep a physical ledger (71%), while a smaller proportion use Excel (16%) or other digitized solutions

SGB financing in Sierra Leone is also constrained by SGBs' poor investment readiness. The poor financial management characterizing most local SGBs as well as their inability to demonstrate the viability of their business models, limit investors' appetite for SGB lending. Most businesses are not investment ready and do not use the financial services available within their ecosystem (financial statements preparation services, accounting services, audits, and financial literacy training provided by accounting firms and independent business support service providers), either because they lack information about those or because they can't afford these services. Traditional financial support and audit services are expensive and the guidance on business planning provided by some incubators, discount houses, and the IFC are insufficient.

To mitigate for the scarcity of SGB financing available in Sierra Leone, growth entrepreneurs are leveraging their own resources and those of the organizations supporting them. Many growth entrepreneurs present in Sierra Leone have self-financed their businesses and grown those successfully by reinvesting profits in the company, carefully managing risks, and giving

the preference to slower and safer growth over capital intensive, risky investments.

Some businesses benefited from the capital made available by "benevolent" investors attached to the country and more interested in Sierra Leone's development than in maximizing return on their investment.

"Our initial investment was from four friends and business partners (...) they mostly invested to support the country and want all the profits to be put back in the business". **Female Entrepreneur, Freetown**

An increasing number of these types of SGB finance sources are emerging within the entrepreneurial ecosystem. The IFC, Cordaid, and the West Africa Venture Fund have made a small number of investments across Sierra Leone and Liberia. Incubators and business competitions have begun to provide some start-up capital and business support for promising entrepreneurs. Moreover, new business networks and professional associations are helping entrepreneurs link up with local and international investors. Still, these efforts are nascent and limited in reach.

From a policy perspective, some effort is being made to improve financial inclusion. The Bank of Sierra Leone has recently allowed commercial banks to accept moveable assets for smaller loans and has also introduced guidelines for mobile money, opening up the finance market

to a population that is largely unbanked. At the request of the central bank, discount houses have also taken a "microcredit" angle, beginning to provide collateral-free loans to trustworthy entrepreneurs. Concerns over the weaknesses in investor protection have led the newly established Corporate Affairs Commission to pay particular attention to protecting the rights of minority investors and enforcing this when necessary. Discount houses see potential in the nascent stock market, which gives investors an exit strategy, encourages transparency of financial records, and promotes local content. To address the issue of investor confidence and limited capital in-country, the Sierra Leone Investment and Export Promotion Agency (SLIEPA) attempts to attract foreign investment and facilitate opportunities for investment-ready businesses to be matched with investors. Identifying the need to help businesses become investment-ready in order to unlock sources of finance, the NRA is preparing the launch of a new initiative to provide financial accounting and audit services at a reduced cost for businesses with a turnover above SLL 10 million, both to increase the tax base and to reduce informality. The IFC also provides financial training coupled with loans at reasonable interest rates for SGBs. While heading in the right direction, these small-scale initiatives have not yet yielded the returns needed to accelerate Sierra Leone's ecosystem performance to support SGB growth effectively and sustainably. Additional efforts are required to leverage and to add to these initiatives and maximize their impact.

RECOMMENDATIONS

1- Improving SGBs investment readiness through affordable financial planning services could unlock SGBs' access to a broad scope of finance sources, including commercial loans and foreign investment. Supporting SGBs to access financial services, business planning services, and relevant accounting software, alongside information and skill development required to use these services well, would bolster SGB financial management. As referenced in the previous section, working with financial management firms to better meet SGB need is also critical. In the long term, the provision of sound business-related training within the educational system would help improve the perceived importance and adoption of sound financial accounting practices.

2- Strengthening incentives for sound financial planning could increase entrepreneurs' willingness to pay for financial support services and entice them to put a greater onus on transparent financial management. This could be done by facilitating the introduction of SGBs who can demonstrate sound financial planning to investors and commercial banks and then showcasing their success to other SGBs. Additionally, investors could partner with certified bookkeeping and auditing firms to pre-approve businesses, which would increase the value-add of proper record keeping. In this option, rates and collateral requirements become more relaxed after a repeated successful interaction with

commercial banks. As such, SGBs would come to see the value of having their relationships with commercial bank facilitated by a third party. Combining the publication of success stories around businesses who accessed additional sources of finance and increased profits through better financial management would also entice SGBs to improve their financial readiness.

"[One entrepreneur] recognized the need for financial accounting [to access formal finance] and started using accounting software for stocks, projections, everything... Now he can access finance because of that. We gave him a small loan initially and now he's successful."

Executive Director, Banking Sector

3- Improving the policy environment for SGB financing would entice stakeholders from the entrepreneurial ecosystem to lend to SGBs. Such developments could be supported by the Chamber of Commerce and other business associations that are positioned to facilitate public-private dialogue to inform the public sector of the challenges faced by businesses in accessing finance. Challenges that could be dialogued include lending in foreign currency, supporting collateral free loans, and/or encouraging commercial banks to reduce barriers for SGBs in accessing loans.

PILLAR 3: HUMAN CAPITAL

"Problem number one is human capital. Access to finance is always a problem but how do you convince investors if you don't have a dream team?" Female entrepreneur, Freetown

SIERRA LEONE RANKING IN GLOBAL INDEXES

Global Competitiveness Index 2016-2017

- Quality of Primary Education: 119/138
- Access and quality of higher education and training: 133/138

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- 38% of entrepreneurs rank staff behavior and lack of integrity as the major human capital obstacle
- Finding skilled staff comes second (31%)

Inadequately educated workforce and limited workforce willingness to work at pace and time required are classified by entrepreneurs among the top five obstacles to doing business in Sierra Leone. Tertiary education enrollment rate averages at 2.2% of the population, one of the lowest in the world, and the literacy and numeracy skills of secondary and tertiary education graduates proves generally low. Years of missed schooling during the decade-long civil war left a large part of the adult population illiterate and damaged the quality of education services within academia where the teachers themselves have limited education or vocational skill levels. Sierra Leone's leading university, Fourah Bay College, used to be a magnet school for West Africa, earning Freetown the nickname – "Athens of Africa". However, for businesses hiring out of the University, this is often a legacy in name only.

"Our education system used to be one of the best in West Africa. Over the years, it has downgraded to a level that is unacceptable" **Executive Director, Banking Sector**

This skills and education gap is a frustration point for business owners at all the levels of operation and management, from employees to managers to the owner's own capabilities. At the technical level, the disconnect between the skills

delivered in poorly perceived and obsolete TVET institutions and labor market demand results in both high unemployment rates as well as unfilled staffing requirements for businesses that are unable to source skilled workforce matching their needs. In turn, this impacts productivity and the pace of SGB growth.

At the managerial level, 'academic entrepreneurship' is taught in Sierra Leone's universities at the expense of practical skills, making entrepreneurs reluctant to hire young graduates to fill management positions. Generally, there is poor alignment between the education content delivered in schools and what the private sector is looking for.

"We are teaching our students to be academics instead of successful real-life entrepreneurs. That is wrong". **Senior executive, Private sector association**

The absence of life skills training within educational institutions alongside students lack of exposure to professional environments prior to graduating, means that young graduates are not equipped with the awareness and understanding of professional behavior and ethics standards required within the workplace when entering the labor market.

"It is emotionally draining to have to explain to my employees everything, including how they should behave. They need soft skills training and so do I because I shout a lot!"

Female entrepreneur, fashion industry

"We provide a lot of training to our staff. It works for now because we only have a few employees but if we wanted to scale and hire more skilled staff, it would be a big problem."

Male CEO, hospitality sector

Labor-market laws leave little room for mistakes and flexibility, further challenging SGBs. As an example, Sierra Leone has the third highest redundancy costs globally¹³. Additionally, nepotism and corruption within the labor market leads recruiters and managers to hire relatives or bribers regardless of the fitness of their skills for the position advertised.

"People bribe HRs to get hired in positions they are not skilled for. We need to change people's mindset and the way they look at things" **Human Resources Consultant, Freetown**

To cross the skills gap, growth-oriented businesses in Sierra Leone are investing in training directly which they see as a competitive advantage. Many entrepreneurs provide on-the-job training and mentorship to their employees. While effective in mitigating risks, such strategies tend to slow down the pace of business growth and find their limits as the business scales up: Cumulating the role of trainer, mentor, CEO, and temporary manager becomes unsustainable for individual entrepreneurs as the business grows.

In recognition of these challenges and the associated cost implications, several firms have emerged to meet demand:

- Freetown Business School founded in February 2017 offers Continuous Professional Development (CPD) training to professional and senior executives as well as exposure and opportunity to network. The school's medium-term goal is to provide academic and accredited courses in the areas of accounting, finance, marketing, management, entrepreneurship, leadership, human resources, business information technology and languages.
- Started with the aim to deliver "industry-ready" graduates, Malaysia's Limkokwing University School of Creative Technology recently launched a campus in Freetown. It aims to foster synergies between industry and Academia and quickly fill critical skill gaps in by leveraging a strong network of industry partners present in Sierra Leone and internationally.

¹³Expressed as a percentage of employee's weekly salary. World Bank, Doing Business 2016

The competition for trained professionals is high. To find staff, SGBs rely on word of mouth referrals for new employees, conducting in depth background checks on new staff, and strictly hiring entry-level staff who will graduate to more senior roles based on performance and loyalty to the business.

"I find it 110% difficult to find the right people. So I select based on recommendations. I use Facebook, Whatsapp, and other networks." **Female entrepreneur, Logistics sector**

To help businesses find professionals, online services and placement agencies have also emerged in the past several years including jobsearchsl.com, careers.sl, and jobs.sl. However,

few businesses have reported successfully using these services to find new employees.

The diaspora is also progressively returning to Sierra Leone to help rebuild the country and to take advantage of unmet opportunity. They are taking up positions across industries filling key manager, trainer, and service provider roles.

"Medium and large businesses seek to attract experienced and educated Sierra Leoneans. A way of doing so is to improve incentives for the skilled diaspora to come back" **Human resources consultant, Freetown**



RECOMMENDATIONS

The gap in human capital availability expressed by Sierra Leonean entrepreneurs despite high unemployment suggests that these issues could be addressed as a priority intervention within the entrepreneurial ecosystem to accelerate performance.

Insights from WEF's Entrepreneurial Ecosystems around the Globe and Country Growth Dynamics Survey, 2014
Entrepreneurs consider human capital as one of the top three pillars that matter the most to their success.

1- In the short term, improving the professionalization and fit of training and human resources service providers for Sierra Leone market would help to address the skills gap within businesses' existing workforce. This could be done by working with training providers to test and market solutions fit for small businesses such as rapid skill development and talent selection programs like Andela or regular low-cost large attendee customer service training programs across the country.

2- Stimulating dialogue between employers, skills institutions and job seekers would also help to fast-track the process of matching workforce supply and demand by helping entrepreneurs to communicate their workforce needs and job seekers to better understand the opportunity.

3- In the medium to long term, strengthening labor market-driven educational and skill

development systems will improve the supply of a young, skilled workforce that well-matches SGB needs.

This could be done by encouraging the introduction within the education system of TVET subjects matching with employers' demand for technical skills.

"One of the key things we are lacking here is TVET. Our TVET are obsolete and very poorly perceived. There is a big stigma around them". **Human resources consultant, Freetown**

At university level the introduction of practical entrepreneurship training curricula would increase youth graduate employability within SGBs.

Both interventions could be paired with the introduction of apprenticeships and internships schemes within secondary and tertiary education institutions to help youth accessing practical business skills and behavioral skills at an early stage.

"The catering schools send me kids for internships this way I can train them and identify the talents – I have three people that I hired from internships." **Female entrepreneur, Food processing sector**

Systemizing the provision of life skills and business skills training within the education system would help address the behavioral issues characterizing most inexperienced youth entering the labor market.

SOBA ACTIVITY:

In collaboration with privately-run incubation and innovation support players in Freetown (SENSI Hub, GEN, & Impact Hub), SOBA sponsored the launch of Freetown Pitch Night starting in February 2017. The monthly event showcases 3-5 entrepreneurs and a keynote speaker on topic of entrepreneurship.

Pitch Night aims to:

- Increase desirability and confidence in pursuing entrepreneurship;
- Provide pitch practice to growth entrepreneurs;
- Role-model pitching and entrepreneurship to others;
- Foster networks and linkages to markets, investors, support providers, and capacity developers.
- The first three sessions focused on Food Processing, Women Entrepreneurs, and Renewable Energy. Attendance at the events were at capacity and included marketing experts, consultants, investors, bankers, and other entrepreneurs.

SOBA led two innovation labs in collaboration with Unreasonable Institute. The labs focus on customer validation and improved product-market fit. After a social media, radio, print, and PR outreach campaign, 11 teams were selected to participate each Lab. The 5 day curriculum includes trainings in customer discovery, rapid prototyping, relationship building, budgeting, and strategic planning. The teams also met with 15 volunteer mentors who have all started businesses in Sierra Leone. From the first lab in November 2016, improvements included: up to 50% increase in sales, new contacts with customers, use of new marketing tactics, and setup of financial tracking tools. For the second lab in May 2016, participants also received \$1000 seed funding to accelerate the growth of their business using the techniques learned in the lab.

PILLAR 4: CULTURE

"People here do not collaborate with style. If you have a good idea they will steal it from you. If you have a big problem with a partner you cannot easily get protection from the justice and people know that – so they bully you and delay you."

Female entrepreneur, Freetown

The cost of doing business in an unstable environment that has experienced many internal and external shocks has resulted in an entrepreneurial culture that is highly risk averse and discourages sharing between business owners. Culture is an important component of the entrepreneurial ecosystem. It covers the entrepreneurial motivation of people, the proclivity for risk, the social and cultural norms, values, attitudes, and beliefs of entrepreneurship, and how entrepreneurship is presented by leaders, organizations, and media. Cultures with high amounts of growth entrepreneurs celebrate entrepreneurial achievement, value professionals with entrepreneurial experience, and view failure positively. Culture in a given environment can be positive or negative to the ecosystem, either serving to foster collaboration and innovation or preventing knowledge sharing. In Sierra Leone, negative entrepreneurial culture is reflected at all levels of the ecosystem, from students' career choices to entrepreneurs' approach to collaboration and investment.

Most students do not consider entrepreneurship as a viable career choice. Instead, students prefer to undertake positions that they perceive as more stable, such as accountants, lawyers, and doctors. Additionally, for experienced professionals, there is fear that undertaking a start-up and being "out of the workforce" may look poorly on their resume if they decide to pursue a position with a company in the future.

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- **75% of entrepreneurs surveyed consider the lack of trust within their business environment as a challenge to running their business successfully.**

The intensity of the shocks experienced by Sierra Leoneans and caused by the civil war, Ebola, the fall of commodity prices, and uncontrolled inflation, lead many entrepreneurs to focus on short term profits. Unfortunately, this comes at the expense of long term benefits that can be associated with trustful collaborations and investments. Market players' tendency to choose short term returns can come at the expense of loyalty to their business partners. Collectively, this approach has resulted in a low trust climate within Sierra Leone's entrepreneurial ecosystem. This is reflected in the limited interactions between founders, financiers, suppliers, and collaborators.

"The problem is that people here have the 'get rich fast' mentality and they are not ready to put in the amount of work it requires". **Founder of a Tech Startup**

"The 'crab in a barrel mentality' prevails in Sierra Leone: if one business is about to make it to the top, another catches it and takes it back down to the bottom"

Male entrepreneur, Freetown

"As far as the Lebanese are concerned they only take family businesses and they don't mix with others." **Lebanese entrepreneur, Freetown**

While the absence of strong legal, identity, and credit systems within Sierra Leone's entrepreneurial ecosystem mean that almost all business dealings are based on trust and personal relationships, most entrepreneurs are reluctant to share information on their business due to fear of intellectual property theft or someone taking a share of their business and changing its very nature.

"If I don't trust you, I don't deal with you" **Executive Director, Banking Sector**

"It is quite hard here to find people you can trust. The first time I tried to partner with someone it failed. The person had a big network; we had completely different visions. At the time I was a bit naive and too trusting, so I didn't do my legal due diligence and they took the business away from me." **Founder of a Tech Startup**

Numerous entrepreneurs have experienced highly damaging breach of trust with previous partnerships and became more risk-averse in venturing into business collaborations. Generally, there are limited fora for business collaboration within Sierra Leone's entrepreneurial ecosystem and existing social networks and groupings prevail over open access to shared knowledge and successes across groups. This is especially visible throughout the structuration of specific niche markets such as hospitality, construction, retail, and mining which are segmented across ethnic and diaspora groups and dominated by

Lebanese, Indian, Krio, and Fula businesses.

Endemic corruption at all levels of the ecosystem – from public contract bidding and enforcement to employees bribing within the private sector – also affects trust among market players. A number of entrepreneurs reported having a policy of not being involved in kickbacks for NGOs or government procurement and refrain from bidding for government contracts due to previous negative experiences.

"Challenge number one is corruption. We would like to run a clean business and it is almost impossible in this country. A lot of people refuse to come here because I do not give them bribes. I lose business because I take stands. The middle man always takes 20 to 40%. It's an open secret – corruption is accepted" **Female entrepreneur, Freetown**

In spite of this challenging business environment, the entrepreneurial mindset is starting to grow among Sierra Leoneans, the diaspora, and foreign investors as success stories emerge within the entrepreneurial ecosystem. A rising trend is emerging around celebrating innovation and growth entrepreneurs who took risks, successfully entered untapped market niches, and brought new ideas and sophistication into the market.

Aside from catalyzing the shift away from necessity-entrepreneurship at the favor of innovation-driven start-up creation, this emerging trend acknowledges the merits of Sierra Leonean's entrepreneurs' unique approach to risks and business growth: In this challenging

environment, growth entrepreneurs succeeded to turn their aversion to risks and difficulty to access finance into a strength by focusing on building slow but stable-paced growth businesses funded independently and led by highly resilient individuals able to quickly respond to internal and external shocks through flexible operations and scaling models.

Sierra Leone's entrepreneurship space is becoming increasingly networked, with some spaces for collaboration provided by the Chamber of Commerce and Industry through trade fairs, joint venture and mergers meetings, by SLIEPA through encouraging investment and value addition, and by independent business networks promoting entrepreneur success stories.

Business networks built around a theme, collaborative workspaces, and professional associations are growing in number, membership, and reach. For example, Women Mean Business and other professional networks hold events to celebrate successful entrepreneurs and promote the reasons for their success. The media is starting to take note, for example with the establishment of Insight magazine to promote the culture of

entrepreneurship as a viable career choice.

'Insight Magazine celebrates entrepreneurship and excellence. We showcase the people who have done very good things. We look at role models and people developing new things in Sierra Leone. We promote the unusual ideas of those who are making the market more sophisticated. – Editor, Insight Magazine

Success stories of successful collaborations between innovative businesses are becoming more frequent as entrepreneurs come to understand and look for characteristics required for successful partnerships, such as shared social networks, proven professional experience, work ethic, "a win-win approach to conflicts", and innovative thinking. Businesses open to collaboration view constructive collaboration as a way to grow the market.'

"Energy, intellect, and integrity are the most important qualities"
Private Equity Fund

RECOMMENDATIONS

1- Catalyzing the emergence of information-rich entrepreneur communities could help address trust and risk tolerance challenges among entrepreneurs.

The development of small stakeholder groups centered on shared interests and involving businesses working at different points along supply chains could encourage product improvements and a positive sum approach to capturing market share. These groups could be reinforced through digital and social networks as well as scheduled joint initiatives to promote success and create links

across networks, such as co-working spaces. This cross-group learning also provides role-modeling for future entrepreneurs and facilitates the sharing of information and skills through networking.

2- Highlighting entrepreneurial success stories would help to change the conversations away from supporting necessity-driven entrepreneurs and toward growth entrepreneurs, serving as a driver of growth and as an inspiration for future generations.



PILLAR 5: POLICY

"[The government] gives us the cow but holds on to the rope"
Executive Director, Banking Sector

Constraining monetary and fiscal policies coupled to the rigidity of Sierra Leone's institutions prevent the emergence of a policy environment conducive to private sector growth. This in turn leads many SGBs to operate in semi-informality.

Corruption weakens contract enforcement to the point that market stakeholders tend to conclude the majority of deals through informal agreements rather than formal contracts. Bringing a case to court is perceived by most entrepreneurs as a "last resort" likely to cost them a lot of money with little or no prospects to see the law enforced. Entrepreneurs tend to overcome policy challenges by going through a personal contact. Government officials are also reported as sources of targeted angel investment for SGBs.

From a macro-economic perspective, fluctuations in exchange rates drive inflation due to Sierra Leone's high dependency on imports as inputs in production. While the Bank of Sierra Leone has taken steps towards currency stabilization, this has not been sufficient to offset inflation. Recent austerity measures have increased the costs of doing business.

At the company level, permits and tax waivers are geared toward large firms and are difficult for SGBs to acquire. The National Revenue Authority (NRA) offers tax-free imports for 5 years to companies investing more than \$5M USD in Sierra Leone. Taxes and fees on imports are constraining as the costs are unpredictable, with fees paid at different stages. Navigating the system and following up at multiple stages are challenges for SGBs.

SIERRA LEONE RANKING IN GLOBAL INDEXES

Doing Business 2017

- Contract enforcement :100/190

Global Competitiveness Index 2016-17

- Institutions: 121/138

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- **Inflation and exchange rate instability is the primary politico-economic obstacle as noted by 82% of entrepreneurs**
- **The lack of legal protection and corruption are considered as the number two politico-economic obstacles by 38% and 33% of entrepreneurs respectively**
- **Tax regulations were reported by 43% of businesses surveyed as the primary policy challenge**
- **This is followed by 21% reporting customs and trade regulations as the primary challenge**
- **76% keep records of their finances, with almost half being audited yearly.**

"Import duty and GST waivers are for big firms... [the policies] are not favourable to small firms"

Government Official

Corporate taxes are relatively high at 30%, above the continental average of 28.5%, applied even for small businesses with a profit of more than SLL 10 million per year. This system may create incentives for businesses to avoid taxation by remaining informal for as long as possible or

to under-report revenues – based on a survey they conducted, the NRA projects that nearly half of small businesses are not registered with them. While high, corporate tax for businesses registered as private limited companies comes with the benefits of legal protection and division between the entrepreneur's personal assets and those of the business, allowing greater flexibility.

Taxes and centralised registration promote informality, meaning that small businesses are unprotected and standards are difficult to monitor and to maintain. If the business is registered with the local council but not the national authorities, it is considered informal by the central government; businesses may have previously favoured this option in order to maintain a degree of legal cover locally without dealing with the taxes, fees, and challenges of the central government.

"For us it took a while to set up the business. We were partly shielded by working through a consultancy who registered us. It takes at least 1 or 2 months. And lot of people do not know what the requirements are." **Founder of a Tech Startup**

Additionally, businesses outside Freetown report challenges of registering centrally, including the cost of multiple trips to Freetown in order to follow up at various stages, increasing the incentive to limit their registration locally.

"The system is so corrupted, everybody wants to get something out of you. I had to come back and forth to Freetown many times and spend a lot of money between the ministry of agriculture and other institutions to get something done."

Business owner, poultry sector, District outside of Freetown

In order to address some of the policy obstacles to doing business in Sierra Leone, bodies that regulate the private sector have recently undergone a number of reforms.

These include the 2007 Financial Services Act, the 2009 Companies Act, the establishment of the Securities and Exchange Commission and the CAC, and most recently the SME Act establishing the SME agency this year. In addition, the Sierra Leone Investment and Export Promotion Agency, under the Ministry of Trade and Industry, has been focusing on attracting FDI and value addition specifically for agribusinesses through regional connections and encouraging improvements in technology.

Most notably, formal registration has been made far easier and more affordable. Since 2016, businesses may register with the Office of the Administrator and Registrar General (OARG) as a Sole Proprietorship or Partnership, at a modest cost of SLL 50,000 or SLL 55,000, respectively. Alternatively, businesses may also register with the newly established Corporate Affairs Commission (CAC) as a Limited Liability Company, at a cost of SLL 250,000. Registration processes have been streamlined, with information on costs and steps clearly available online and in print at the offices, and a promise of registration within 24 hours with the payment of a single fee. Registration can also be done through an online portal, making it

easier for entrepreneurs from outside Freetown, including the diaspora, to register a business. This "single window registration" is made possible with information sharing between the NRA, NASSIT, city council, and Ministry of Labour – by filling out one form and paying one centralised fee, a business will be given a tax number, a NASSIT registration number, automatic registration with the city council including deferral of municipality license fees for six months, and no additional requirements to obtain labour permits. The reforms and establishment of the CAC have worked to minimise informality by providing an incentive for businesses to register, with a more streamlined process and a promise of protection under the law. Since this process is still new, recently registered businesses occasionally report challenges, including lack of awareness of the new system, at times the need to employ a lawyer to determine the optimal registration status for their business, and limitations due to lack of internet access and low literacy. The

CAC is working to address these issues with regularly public awareness campaigns through popular media outlets and a friendly and efficient in-person information and registration service at their new offices.

The NRA has also instituted a number of promising reforms, among them making it possible for businesses to pay taxes through any bank in the country, rendering the process easier and more transparent. The Agency has made an effort to communicate with the public by dedicating a team of staff to this function, including using regular radio, TV, and print media to provide information about tax regulations, a complaints hotline, an informative website, and customer satisfaction surveys. They are exploring new strategies including SMS with support from OSIWA. They have also become more credible on enforcing compliance, publicly sealing large non-complying companies.



RECOMMENDATIONS

1- Business associations, such as the Chamber of Commerce, could play an intermediary role between the private sector and the government to help their members navigate policies. This could involve facilitating public private dialogue and reviewing policies and laws governing the private sector that may at times be duplicative or contradictory, and where the mandates of the various agencies may overlap, and suggest policy changes. In demonstrating an ability to play a central, pro-industry advocacy role, business associations are likely to foster increased business participation and improve associations' capacity. Networks also facilitate information-sharing between members that can improve policy and regulatory navigation.

2- Increased collaboration between government agencies around establishing single window registration would help to streamline SGB procedures, data gathering,

and access to information. A common platform for registered entities across OARG, CAC, NRA, NASSIT, city council, Ministry of Labour, and others would be valuable.

3- Communication of policies and new operating procedures to the general public and responses to queries could be enhanced. One avenue through which to facilitate this could be government agencies' increased use of media, particularly outside Freetown and in the diaspora, to inform potential entrepreneurs about the merits of the "one stop shop", the processes involved in its use, and where to go to begin. Sharing success stories of entrepreneurs using the new process will help build confidence in the system over time. Similarly, the legal protection offered by registering with the central government should be both publicised and demonstrated.



PILLAR 6: RESEARCH AND DEVELOPMENT

"As there is no solution in country to protect innovation, we always factor Intellectual Property and replicability in our risks assessment. What protects us is that our solutions are not easy to replicate: We think about Cloud in a very unique way." **Founder of a tech start-up, Freetown.**

SIERRA LEONE RANKING IN GLOBAL INDEX Global Competitiveness Index 2016-2017

- Innovation and R&D Capacity: 130/138
- Firm-level technology absorption: 123/138
- Availability of latest technologies: 135/138
- Businesses spending on R&D: 128/138
- PCT patent applications: 106/138
- Property rights regulations (121/138)

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- **38% of entrepreneurs rank the lack of legal protection as the second most important politico-economic obstacle to doing business in Sierra Leone**
- **12% of businesses surveyed have patents**

The development and utilization of innovation in Sierra Leone is hindered by the challenges of accessing new knowledge and technologies, financing investments in R&D, and protecting innovation. Both public and private sector organizations struggle to access the knowledge and technologies they need to develop and apply innovation to their activities. The low level of cross-collaboration in R&D between the academia and the industry prevent these organizations from achieving economies of scale by co-investing in research or sharing resources.

Due to the lack of accessible information and communications around the IP laws in place in Sierra Leone, most entrepreneurs are unfamiliar with patent application and trademark registration processes.

Additionally, the banalization of corruption affecting judicial independence add to the price businesses need to pay to enforce IP laws, creating a disincentive for entrepreneurs to invest in patents and property rights in the first place.

"The best tech University we have so far is Njala University, in Bo. Kids are amazing there because they get to learn about tech without having access to a computer!"
Founder of a tech start-up, Freetown

"The trademark and patent policy is another shelved document – no one uses it and no one is aware of it." **Senior executive, private sector association**

"We put a lot of hard work into having a specific design and then there aren't any trademark in Sierra Leone. So nothing is protected" **Female entrepreneur, Fashion industry**

Over time, the lack of options available to entrepreneurs to protect their assets discourages innovation.

The recent rise in international investments in Sierra Leone is showing technology and knowledge transfer within the Academia and the private sector. As an example, the Dutch technology broker and waste solution provider

Waste Transformers BV signed an agreement in July 2015 with the Sierra Leonean business Masada Waste Management to upgrade the multiple waste management streams available in Sierra Leone. Waste Transformers BV is transferring technologies that enable Masada to convert waste into energy and new products.

Within the entrepreneurial ecosystem, a handful of private sector organizations such as Sensi Tech Hub and iDT Labs invest in R&D and mobilize local and foreign knowledge to accelerate innovation

and the provision of tech solutions to local businesses. These organizations also contribute to the development of interconnected networks of innovators in Sierra Leone.

"Some of the tech skills we need are not present in country so we bring in expats from Kenya and Pakistan to team up with our local staff and transfer knowledge".

Founder of a tech start-up

RECOMMENDATIONS

1- Improving entrepreneurs' awareness and understanding of existing property rights regulations, intellectual property protection, and related laws may encourage SGBs to innovate more freely and help them to protect their innovations. Awareness raising strategies could include the provision of clear and easily accessible information on relevant government institutions' websites, Q&A hours on the radio, and workshops around those themes.

In the long term, facilitating the transition to simplified patent regulations and IP protection laws enforceable in Sierra Leone and abroad would further support innovations and products crafted in Sierra Leone. So, too, would a strengthened judicial system.

2- Fostering cross-collaboration on R&D among universities, businesses, and tech hubs locally and internationally may enable local SGBs

to leverage the technologies and knowledge present in Sierra Leone. Supporting SGBs in the process of identifying and connecting with large businesses that are able and willing to invest in technology transfer is a core element of such an intervention.

SIERRA LEONE'S INTELLECTUAL PROPERTY LAWS

- PATENTS AND INDUSTRIAL DESIGN ACT (2012)
- Copyright Act (2011)
- Broadcasting Corporation Act (2010)

3- Supporting tech hubs to lead ideation challenges may help to foster a culture of innovation among youth and throughout the country.

PILLAR 7: INFRASTRUCTURE

"The core challenge in Sierra Leone is not the policy – it is the cost of operations. The cost of doing business. Fuel, vehicles maintenance, communications, (...) power is very expensive, unreliable and unequally distributed. The key two challenges to taking my business to its full potential are infrastructure and personnel" **Construction business owner**

GLOBAL COMPETITIVENESS INDEX 2016-2017

- Quality, accessibility, and cost of infrastructure: 127/138
- Quality of electricity supply: 133/138

Affordability Drivers Index (ADI) 201

- Telecommunications affordability: 56/58

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- **Inadequate supply of infrastructure is seen by entrepreneurs as the third biggest obstacle to doing business in Sierra Leone.**
- **The three most significant infrastructure challenges affecting SMEs in Sierra Leone are Energy access (48%), Poor road network (36%), and water access (9%)**

Sierra Leone lags far behind other West African countries in terms of energy access, quality of road networks and cost of telecommunications.

The extent to which each infrastructure challenge affects local entrepreneurs is inherent to the nature of the sector in which these SGBs operate.

"IT is the number two problem in Sierra Leone after human capital, you pay and you don't get anything. Customer service for internet is zero - It took three weeks to sort out my hotel's connection issues and they didn't even do it in a nice way."

CEO, Hospitality sector

As an example, the hospitality sector and most services providers are heavily affected by the cost and deficiencies of telecommunications services. The price of a 1 GB mobile prepaid plan in Sierra Leone averages 50% of Sierra Leoneans average monthly income - ten times more than in Ghana, five more than in Senegal, Nigeria, Ivory Coast and the Gambia . The lack of skilled IT professionals available for the maintenance of telecommunications networks means that

not only do periodic telecommunications costs weigh on SGBs' bills but also the money and time invested in trying to access communications and information infrastructure result in delays in business operations.

Logistics services providers and businesses distributing goods are particularly affected by the poor quality of the road networks, resulting in higher cost of moving goods across the country, equipment damages and high vehicle maintenance costs.

"Access to energy is a real challenge. No business can run here without a generator"

CEO of a car rental company

Among all infrastructure challenges, **unreliable and expensive energy access is identified by entrepreneurs across all sectors as the biggest infrastructure obstacle to doing business in Sierra Leone.** Electricity supply in Sierra Leone is among the lowest in Africa and fewer than 10% of the population have access to electricity. Public electricity services are limited to selected areas

¹⁴Alliance for Affordable Internet, Affordability Drivers Index (ADI), 2017

and electricity tariffs remain among the highest in Africa at 28 USD cents/kWh, twice as much as the continental average. To overcome this problem, entrepreneurs who can afford it, own private generators to power their manufacturing operations, thus increasing production costs and making their products less competitive. More than 35,000 generators are currently in

use throughout the country, absorbing SGBs resources in fuel purchases and fuel transport costs. The government's decision to end the subsidy of petroleum products in 2016 caused fuel prices to double with drastic implications for SGBs energy expenditures.

RECOMMENDATIONS

Aside from affecting SGBs ability to service their customers in Sierra Leone, poor infrastructure network, unreliable power, and low connectivity prevents Sierra Leonean entrepreneurs from participating to the international flows of information, goods, and resources that they could leverage to gain competitive advantage and to scale-up. While these obstacles take time to overcome, they should be addressed by the government as a priority need to achieve macro-economic growth.

1- Entice entrepreneurs to take advantage of the benefits that could be derived from public and private sector initiatives targeted to improve energy access. In particular, increasing solar technologies uptake among small businesses could reduce the cost of doing business associated with unreliable power supply.

2- Private sector associations could play a role in echoing entrepreneurs' negative perception of the telecommunications services currently available in country and facilitating public-private dialogue around this challenge. The development of public-private

partnerships between the government and private telecommunications operators to lower the cost of telecommunications weighing on SGBs could help address the challenges facing entrepreneurs in terms of accessing information and communications networks.

"I can't see any exciting plans for the SL economy. The government still hasn't identified core pillars for growth. We need a more structured plan as to what this country will develop into." CEO of a Vehicle rental business

3- In the long run, encouraging the government's investments in economic infrastructure and supporting the development of an infrastructure strategy that bolsters economic investments through improved electricity and water supply, roads, and information technology (IT) services is vital. These plans should also be developed in collaboration with the private sector, helping to prioritize investments that yield job and wealth creation dividends.

¹⁵ODI, Off-grid solar country briefing: Sierra Leone, 2016

PILLAR 8: ACCESS TO MARKETS

"Access to markets is the biggest challenge for SMEs in Sierra Leone. We have a fragmented and disorganized market." Senior executive, private sector association

SIERRA LEONE RANKING IN GLOBAL INDEXES

Global Competitiveness Index 2016-2017

- Goods market efficiency: 123/138
- Customs procedures: 122/138
- Domestic market size: 130/138
- Inflation: 124/138

Most SGBs in Sierra Leone are challenged to adequately target a fragmented, complex and poorly understood domestic market with limited prospects for significant scale-up and growth.

SGBs producing and distributing goods are confronted by numerous challenges ranging from the costs and logistics of packaging and spare part importation, unstable inflation figures impacting production costs, the lack of raw resources available in country, and availability of market information that would help them to target and to better value growth markets. The high cost of local inputs make it difficult for entrepreneurs to achieve return on their investments. To mitigate against this issue, larger businesses tend to import furniture and production means from abroad.

"While some of the corn that we buy is sourced locally, most people don't see that there is a market for it so they don't go into production and we have to import extra corn from Guinea. The high prices resulting from high demand and low supply capacity really affect our margins."

CEO of a poultry farm, Makeni

INSIGHTS FROM SOBA'S ENTERPRISE SURVEY, 2017

- 90% of the entrepreneurs surveyed recognize that there are a lot of companies with similar business activities to theirs in Sierra Leone.
- This suggests that only 10% of local entrepreneurs believe that they have a unique offer
- Only 12% of the businesses surveyed export products.
- Finding reliable supplier is perceived as the most challenging market access obstacle by 44% of entrepreneurs
- 82% of entrepreneurs perceive inflation and unstable exchange rates as the major macro-economic

"I import 80% of my material – mostly from European countries such as Austria, France, but also in the Middle East because the local market is very expensive"
CEO of a construction business

Finding adequate suppliers is seen by entrepreneurs as the second most important market access obstacle to doing business in Sierra Leone. This obstacle is grounded in the education system's deficiencies and the industry's lack of professionalization discussed in in this report under the Human Resources and the Culture pillars.

*"Sierra Leone is having a very hard time producing a lot of things and when the raw materials are here it is never in big quantities. So I have to import." **Female entrepreneur, cosmetics sector***

Reaching domestic customers is also a challenge for most entrepreneurs, often due to spatial, economic and capability constraints: Damaged road networks and connectivity challenges make it difficult for SGBs to serve customers outside of Freetown.

Weak start-up skills inhibit entrepreneurs' ability to adequately segment, target, and reach their consumer base. The lack of product differentiation among competitors and the excess of supply of similar goods affects sales and market prices while a wide range of market niches remain untapped. When an offering is differentiated, businesses struggle to make the offer aware to its target market. A reliance on word of mouth through family and friends versus visible advertising such as websites, billboards and other promotional activities slows product adoption.

*"People do not know how to differentiate themselves from competitors and to complement one another. There is a misunderstanding of the concept of opportunity: People keep on copying their neighbors instead of trying and identifying something no one does and doing it" **Female entrepreneur, Freetown***

Businesses endeavoring to export goods beyond Sierra Leone's borders are struggling to comply with product norms and foreign markets' entry requirements. This obstacle is exacerbated by difficulties in accessing international market information and the lack of skills and resources

available in country to develop production processes that comply with international norms and standards. The cost of custom duties and exchange rate pressures are further obstacles for small businesses to export.

*"Universities only started teaching entrepreneurship over the past two to three years so the skills gap is a huge problem. In particular, the lack of technical skills and expertise makes it difficult for businesses to meet the right standards to export" **Senior executive, private sector association***

*"Large businesses present in Sierra Leone are targeting the external market and their products do meet the international standards. For others, 80 or 90 % of the goods sold come from small farms whose owners are not trained on producing certified products. These struggle to export." **Senior executive, private sector association***

While a small market, Sierra Leone lies in the geographic center of the Mano River Union of Sierra Leone, Liberia, Guinea, and Cote D'Ivoire. This union amplifies the potential reach of investments in the country to a total market of over 40 million people. There is a lot of work to do to leverage this investment potential. As a start, SLIEPA provides support and capacity building services to export-oriented businesses with the aim to help develop SGBs up to the level of export. Concurrently, it might be valuable to also focus on underserved domestic opportunities – which often serve as precursors or secondary markets to export-oriented companies.

RECOMMENDATIONS

1- Increasing entrepreneurs' access to market information by making this information available and visible on private sector organizations' and government agencies' websites would help entrepreneurs to better understand domestic and international market opportunities and requirements.

2- Working with business support services and entrepreneurs to strengthen their acumen to better serve their target customers. Improved practices include: product differentiation, unique

selling proposition development, market research, etc. On the medium term, the professionalization of marketing service providers should put them in a position to provide such assistance to entrepreneurs on a sustainable basis.

3- Supporting the long-term development of packaging and processing facilities in Sierra Leone would reduce SGB's production and logistics costs, thus accelerating profit margins and the pace of business growth.



CONCLUSION

While Sierra Leone is characterized by one of the most nascent and challenging entrepreneurial ecosystems in the world, progress is being made. Those that have built businesses in the country are resilient and innovative. The lessons they have learned through practice are valuable to consider as international organizations, foreign governments, the government of Sierra Leone, investors, and prospective new entrepreneurs look to build upon the work that has already been done. While the recommendations in this report are focused on what specific players should consider towards bolstering the ecosystem, all members of the ecosystem have the opportunity to influence, to enable, and/or to fund these developments for a better Sierra Leone.



GLOSSARY

BBC	Business Bomba Competition
BPC	Business Plan Competition
DFID	Department for International Development
FBC	Fourah Bay College
GEDI	Global Entrepreneurship Development Institute
GEM	Global Entrepreneurship Monitor
GEN	Global Entrepreneurship Network
GTZ	German Technical Cooperation Agency
IFC	International Finance Corporation
MFIs	Micro-finance institutions
MTI	Ministry of Trade & Industry
NRA	National Revenue Agency
OARG	Office of Administrator and Registrar General
OECD	Organisation for Economic Cooperation and Development
SLIEPA	Sierra Leone Investment and Export Promotion Agency
SEDF	Soros Economic Development Fund
SGB	Small and Growing Business
R&D	Research and Development
UNIMAK	University of Makeni
WB	World Bank
WEF	World Economic Forum

ANNEX 1 – SIERRA LEONE SUCCESSFUL GROWTH ENTREPRENEURS CHARACTERISTICS AND STORIES

Growth entrepreneurs present in Sierra Leone

Other entrepreneurs present in Sierra Leone

BUSINESS CHARACTERISTICS

Innovation	<ul style="list-style-type: none"> • Able to identify and explore untapped niche opportunities • Understand the concept of value creation and addition 	<ul style="list-style-type: none"> • Tendency to copy their neighbor • Lack of focus on value addition
Vision	<ul style="list-style-type: none"> • Set a long term vision for their business and execute it • Articulate a strategy and objectives to achieve it 	<ul style="list-style-type: none"> • Focus on day-to-day operations • No (realistic) medium or long term plans
Execution	<ul style="list-style-type: none"> • Able to operate and generate revenue in a challenging ecosystem • Tend to invest their own capital to grow their business • Understand the necessity to validate their business model and achieve sales to attract investors. • Steady scale-up 	<ul style="list-style-type: none"> • Attribute their difficulty to grow their business to a challenging ecosystem, challenging access to finance and to business support services. • Tend to grow their business through grants and external financing sources • Stagnation and unstable revenue
Differentiation	<ul style="list-style-type: none"> • Develop a USP around their offer • Invest in branding • Stand out from competitors • Value and leverage local talents: Made in S.L. 	<ul style="list-style-type: none"> • Struggle to differentiate from competitors
Growth Trajectory	<ul style="list-style-type: none"> • Slow but steady pace of business growth (see risk appetite section) 	<ul style="list-style-type: none"> • Unstable and irregular revenue or quick 'superficial' growth and failure (Government funded businesses)

PSYCHOLOGICAL AND BEHAVIORAL TRAITS

Resilience	<ul style="list-style-type: none"> • Business survives over three years • Flexible business model and ability to quickly scale down and adapt to externalities (civil war, Ebola) • Strong leadership 	<ul style="list-style-type: none"> • Lack of flexibility of the business model, vulnerability to externalities and dependency to external stakeholders (government, NGOs) • Business fails after two years of operations
Education	<ul style="list-style-type: none"> • Completed tertiary education • Exposure to international businesses, mentors, or investors (US, UK) • Received management and business skills training • Appetite for training and mentoring 	<ul style="list-style-type: none"> • Primary or secondary education • Struggle to access information on trainings available to entrepreneurs or can't afford it
Partnerships	<ul style="list-style-type: none"> • Value complementarity and seek opportunities for peer-to-peer learning and partnerships • Are involved in nascent entrepreneurs networks • Have built successful long term partnerships based on trust • Willingness to share information 	<ul style="list-style-type: none"> • Reluctant to share information with competitors and businesses along the value chain <p>Tend to grow their business in isolation or fail to build long term partnerships and focus on short term gains even if those involve breach of trust.</p>
Experience	<ul style="list-style-type: none"> • Had work experience prior to starting a business 	<ul style="list-style-type: none"> • Had little or no work experience prior to starting a business
Risk appetite	<p>Have limited risk appetite: Preference for small risks and small failures with contained costs (small investments, cautious approach to staff and business partners selection)</p>	<ul style="list-style-type: none"> • Have limited understanding of risks

NICHE IDENTIFICATION + VALUE ADDITION

"I invest in the gaps - Sierra Leone has so many untouched markets. Business men used to make fun of me when I started my furniture business, and then they copied me. At that time I was a pioneer in this space and it changed the face of merchandizing. I tend to do stuff that make people think 'how is this going to work? And then it ends up working! Most people open businesses here to survive and they always miss opportunities - they fail because they don't branch into new areas".

Female owner of a furniture business

"I saw the wastage of food and I started thinking about how I could add value. This is how I started the juice business. I add value by buying directly from the farmers in Moyamba district to reduce the fruits wastage. My original idea was a juice factory to produce sugar cane juice but such project is highly capital intensive and you need a huge amount of food for this. So we decided to start small. I am still thinking about the factory as I have a big piece of land where I could set up a farm and the factory".

Female owner of a Juice Bar

"We have so many issues with dispatch, road network, and internet here. One day I thought 'if someone could provide these services for me that would be amazing'. This was the starting point of my business idea".

Female founder of a logistics business

VISION + DIFFERENTIATION - UNIQUE OFFER

"What sets us aside is that we have a unique idea, we have a direction we want to go to and we have invested a lot in the brand through presence in international shows (UK, America, Nigeria) and featuring in international magazines. I don't think anyone has done that here. We have really unique designs. I always receive emails from people who want to sell our cloths on e-commerce sites but it doesn't work for me - I don't want to be in the middle of lot of people who do the same thing".

Female founder of a fashion brand

"We are maintaining a special and unique line of business here - so we differentiate from competitors". **Owner of a construction business**

"We wanted to be unique - if you look at our menu it is completely different from competitors - it takes time to prepare but it is fresh and different. We give our juice interesting names and formulas (including Mende names). Also, we entered the market right at the time when our spot on the sea side go available."

Female owner of a Juice Bar

"Hell no! We don't have any competitors. No one does what we do at the same level and at the same intensity." **Male co-founder of a tech business**

ENTREPRENEURS AT HEART

"I am unconventional – I was a school dropout. I dropped out from technical engineering in the States. I came back home and didn't want to lose my time and do nothing and so I built a company from that. From the onset I was always into programming and technologies to solve the issue I see in the society, sort those out myself and use the potential of tech as a tool to scale businesses. (...) I started my first company when I was 19 – at the time no one wanted to give money to someone so young with no education, and with dreadlocks so I had to progress very slowly and stick to what we built."

Founder of a tech business

". My colleagues and friends kept on telling me: You should never work as an employee, you are a business women at heart. I have been into small ventures since I was in secondary school: UK fashion accessories retail in Sierra Leone, taxis fleet operations, and Canteen management. Before starting my business, I worked for a logistics company as business management executive in Sierra Leone."

Female founder of a logistics business

RESILIENCE + FLEXIBILITY

"You just have to try and make it work for yourself. You just keep pushing. Current times are good but when they aren't I call clients and I tell them about the new pieces I produced to entice them to buy".

Female founder of a fashion brand

"I survived all the wars in Sierra Leone. Then I started my own business"

Male owner of a construction business

"Ebola affected us a lot: I had to lay-off all of my staff – and I almost shut down. But then on a second though I kept the door open. During Ebola we had maybe one guest. People were going away. I was able to sustain because we always keep money for tough times. I called my staff back after Ebola" **Female owner of a guest house**

"The business has been extremely affected by Ebola but I succeeded to keep all my staff in and retain them." **Founder of a fashion brand**

LIMITED RISK APPETITE

"I don't like risky business. I prefer to go one step at a time and I hate failing. You have to have an open mind set and learn from your mistakes".

Female owner of a furniture business

"I am careful. I like to have an open mind but you can't trust everybody. I trust the business partners with whom I have built relationships over the past 7 years. (...) I do not mind people taking equity on my company but it is all about finding the right people at the right time. It hasn't worked out in the past".

Female founder of a fashion business

"I invest with care because it is not my money. I had requests for partnerships from Sierra Leoneans but I think about those very carefully. It is hard to find good people – those have not come across my path. Or we wouldn't be aligned in terms of objectives and vision"

Owner of a Juice Bar

"Our international staff work from their home country during the probation period. If they pass the probation period, we get them to come to Sierra Leone and we pay for their relocation costs. This enables us to get rid of those who are not capable to work with us."

Founder of a tech business

INTERNATIONAL CONNECTIONS + CONNECTION WITH EXPERIENCES PARTNERS AND ADVISORS

"I have four business partners: One is Scottish, one Sierra Leonean and the other two are Americans – they mostly invested to support the country and want all the profits to be put back in the business." **Owner of a Juice Bar**

"My dad got us to come to the UK when we were younger to get enough exposure outside of Sierra Leone. This is how my business idea grew. I am a very observant person, I see how things work". **Founder of a logistics business**

My partner has been working in the tech space for a while with his own business".

Founder of a tech business

ANNEX 2 - DATA BASE OF BUSINESS SUPPORT SERVICES AVAILABLE TO ENTREPRENEURS IN SIERRA LEONE

Name and type of organization	Activities relevant to the entrepreneurial ecosystem	Identify / Celebrate	Train / Mentor	Fund	Connect to Market	Enable Policy	R&D	Accounting services	Marketing services	HR Services	IT Services	Legal Services	Regulate	Private for Profit	Private Non Profit	Government(s)	Academia
FOR-PROFIT BUSINESS SUPPORT ORGANIZATIONS																	
Innovation & Mentoring																	
Sensi Tech Hub	Tech innovation community, ICT Consultancy, Training	x	x		x					x				x			
iDT Labs	Tech R&D, Cloud computing and software services	x					x			x				x			
CTI – Breakfast Club 'Leadership Enhancement'	Mentoring, peer-to-peer learning, networking for CEOs	x	x		x									x			
Innovation Sierra Leone	Innovation and Entrepreneur support		x		x									x			
Frontier Research	Commercial market research, risks analysis				x									x			
HR Services																	
Afrecreuit	HR services		x							x				x			
The Village People Group	HR services		x							x				x			
Worksalone.org	Connect job seekers and businesses					x				x					x		
Management consulting																	
Ascendant & Co	Consultants – Big data, R&D, GR, Legal	x					x			x		x		x			
Rhoyalty Concepts	Business services, consulting, events	x															
Investors																	
First Discount House	Debt financing – Individual and corporate accounts			x										x			
A-Call-to-Business (AC2B)	2nd largest microfinance operation in SL - mentoring		x	x										x			
Manocap	Equity Fund Manager			x	x									x			
West Africa Venture Fund	Capital financing to SGBs in Liberia and Sierra Leone			x										x			
Salone MFI Trust	Micro-finance				x									x			
Ecobank	Debt financing				x									x			
Trustone Africa – A call to Business (ACTBT)	Impact Investment			x	x									x			
Airtel	Start-up Capital – mobile money - BPC	x		x	x									x			
Marketing & Media																	
Elixir Marketing & Media	Marketing service								x					x			
Insight Magazine	Celebrate SL entrepreneurs	x												x			

		Identify / Celebrate	Train / Mentor	Fund	Connect to Market	Enable Policy	R&D	Accounting services	Marketing services	HR Services	IT Services	Legal Services	Regulate	Private for Profit	Private Non Profit	Government(s)	Academia
Accounting & Financial																	
BDO	Accounting							x						x			
KPMG	Accounting							x						x			
James Accounting	Accounting – due diligence							x						x			
King Walker & Associates	Accounting – due diligence							x						x			
B&C	Accounting – due diligence							x						x			
Bertin & Bertin	Accounting – due diligence				x			x						x			

PRIVATE SECTOR ASSOCIATIONS

Chamber of Commerce	Trade Fairs	x			x											x	
Chamber of agribusiness	Trade Fairs and direct TA	x	x													x	
ICASL	Institute of Chartered Accountants		x			x		x								x	
SLAMFI	MFI Association				x	x										x	
Bike Riders Association	Federates Okada drivers				x											x	

ACADEMIA

Freetown Business School	Professional business courses		x											x			x
Limkokwing University School of Creative Technology	Tech solutions, programming, videos and sound production		x														x
IPAM – Institute of Public Administration	R&D		x				x										x
UNIMAK – University of Makeni	R&D – Entrepreneurship Training		x				x										x
Agricultural Research Institute (SLARI)	R&D, Technology transfer, capacity building		x				x										x
Institute of Research and Policy Management (IRMP)	Management skills training, workshops, R&D		x				x	x	x	x	x	x					x
Njala University	Tech, Social Science, Natural resources management		x				x										x
Fourah Bay College	Engineering; Pure, Applied & Social Sciences; Mass media		x				x										x

GOVERNMENT OF SIERRA LEONE

SGB Development Agency – Sits in Ministry of Trade	SGB Financing – Local content			x									x			x	
Corporate Affairs Office	Companies incorporation and regulation					x							x			x	
Office of Administrator & Registrar General OARG	Enterprise incorporation (sole proprietorship)					x							x			x	
NRA	National revenue authority	x				x							x			x	
SLIEPA	Investment promotion, market access & value chain training		x		x								x			x	
Central Bank of SL	Monetary policy and foreign exchange					x							x			x	
National Revenue Authority	NRA agents support SGBs in preparing financial accounts							x								x	

Identify / Celebrate
Train / Mentor
Fund
Connect to Market
Enable Policy
R&D
Accounting services
Marketing services
HR Services
IT Services
Legal Services
Regulate
Private for Profit
Private Non Profit
Government(s)
Academia

Non-profit organizations																			
GEN Sierra Leone	Global Entrepreneurship Network and GE Week	x			x												x		
Women Mean Business (WMB)	Entrepreneurial and leadership honors	x			x												x		
Power Women 232	Women entrepreneurs network in SL	x			x												x		
Impact Hub	Innovators Network, Incubation, Workshops		x		x												x		
Innovate Salone	Ideation challenge for students, Incubation Labs	x	x														x		
Lift Above Poverty Organization (LAPO)	Kiva: Fund raising and loans for SGBs			x													x		
AYM Business Incubator Center in Matru Jong	Eco-tourism & agribusiness training, business incubation		x														x		

ODA / Development programmes																			
SOBA – DFID	iLab, Pitch night, Coffee Hour, Unreasonable Labs, technical guidance, shared financial investment	x	x	x	x				x	x					x			x	
Cordaid	Microcredit loans, TA	x	x	x														x	
IFC	TA and SGB Finance		x	x														x	
GLZ Innovation Facility & B-loop	ICT for agriculture	x	x	x														x	
AgDevCo - DFID	Direct investment in agribusinesses		x	x														x	
BRAC	Microfinance, TA to agribusinesses		x	x														x	
AFFORD-SL African Foundation for Dev. in SL – Cherie Blair	Enhance diaspora contribution to Africa development, Training		x	x	x													x	
World Hope International	Food security – TA and financial support to Agribusiness		x	x	x													x	
CARE SL			x	x														x	
Concern Worldwide			x	x														x	
USAID – Feed the future	Support to agribusiness in Tonkilili (TA and funding)		x	x														x	
ReGrow	Activities: technical and financial support, investor marketplace	x	x	x														x	

