



ABSTRACTS OF RESEARCH AND POLICY PAPERS

Session 2. Strengthening domestic revenue mobilization and public financial management for sustainable development

Authors	Topic of the paper	Abstract
Ibrahim Mossaquoi	Determinants of Tax Revenue in Sierra Leone: An Empirical Approach to Strengthening Fiscal Space	<p>Sierra Leone is experiencing low domestic revenue mobilization and diminishing official development assistance, coupled with high public debts. Enhancing tax revenue mobilization is no longer an option but a priority for the country to achieve its development agenda and the global sustainable development goals (SDGs). The contributions of this study are twofold. Firstly, it provides an aggregate model of tax revenue determinants that consider macroeconomic, structural, and institutional variables. Secondly, using the Johansen cointegration error correction model, the long- and short-term determinants are also identified. The forecast error variance decomposition (FEVD) provides the short-, medium-, and long-term dominant factors and the impulse response function (IRF) shows the direction of shocks. While the informal sector is significant and detrimental to tax revenue in both the short and long term, human capital is significant and positively influences tax revenue in both the short and long run. Economic growth, composite tax rate, institutional quality, trade openness, and investment (capital formation) are all found to be significant positive long-run determinants of tax revenue. These findings have implications for enhancing and sustaining tax revenue mobilization in Sierra Leone.</p>

<p>Abu Bakarr Kamara</p>	<p>Tax Exemptions in Sierra Leone's Industry Sector: Who Wins, Who Loses?</p>	<p>This report, titled "Tax Exemption Report in the Industry Sector, Who Wins, Who Loses", was done by Budget Advocacy Network and Christian Aid Sierra Leone in partnership with the National Revenue Authority (NRA), presents an in-depth analysis of tax and duty exemptions in Sierra Leone from 2018 to 2023, with a specific focus on the industrial sectors. The objective is to assess the fiscal impact, governance frameworks, and beneficiaries of exemptions, while offering policy-oriented recommendations to improve transparency, equity, and efficiency in the management of tax incentives. Using a combination of desk reviews, administrative data, and key informant interviews, the report evaluates how exemptions have affected government revenue, sectoral performance, and the broader economy. It finds that the value of tax exemptions has significantly increased, reaching over NLe 3.5 billion in 2023, with the mining and construction sectors receiving the largest share. However, the report identifies weak institutional coordination, poor monitoring mechanisms, and a lack of transparency in the approval and tracking of exemptions. The report further reveals that exemptions are frequently granted without cost-benefit analysis, resulting in revenue losses without commensurate economic returns. The report also reveals discriminatory practices of granting tax incentives to certain businesses over others, thereby creating an unfair playing field for businesses. This report recommends the establishment of a central tax expenditure registry, mandatory performance reporting by beneficiaries, a review of existing laws and agreements, and strengthened oversight by Parliament and civil society. The report concludes by urging the Government of Sierra Leone to ensure that tax exemptions are guided by developmental priorities, grounded in fiscal accountability, and aligned with national revenue mobilization strategies.</p>
<p>Mr Saugata Mitra</p>	<p>Supporting Sierra Leone's efforts to revenue resilience</p>	<p>This presentation proposes a strategic framework for achieving revenue resilience in Sierra Leone by shifting focus to targeted, high-value enforcement. We argue for increasing state "visibility" into the quasi-formal economy through the integration of administrative data and cross-checks, rather than chasing the entirely invisible informal sector. Central to this approach is the development of strategic state capacity, which requires establishing "Centres of Excellence" for data analytics and adopting a Problem Driven Iterative Adaptation (PDIA) methodology to foster local, sustainable solutions for improving tax compliance and administration.</p>

Session 3. Designing systems and tools for local revenue mobilization, compliance and enforcement

	Topic of the paper	Abstract
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<p>Dr. Sumanta Bhattacharya & Bhavneet Kaur Sachdev</p>	<p>Tax, Tech, and Transformation: From Revenue Reform to Innovative Financing for Sustainable Development Goals</p>	<p>There lies a dual imperative of strengthening domestic revenue mobilization as well as tapping into emerging financial innovations to fill the sustainable development financing gap in developing economies. And looking at countries such as Sierra Leone, it discusses critically the current issues which exist in the field of tax administration, tax policy design and implementation, and compliance, and urges that all these should be thoroughly overhauled and be digitalized, expanding the scope of tax base, enhancing the aspects of tax transparency, etc . The paper explores how new financial instruments, including blockchain-based instruments of public finance, carbon markets, green bonds, and decentralized finance platforms, could transform the world by increasing access to capital, enhancing financial inclusion and encouraging the alignment of fiscal policy with environmental and social objectives. With the analysis of global trends and case studies, a synergistic framework that studies a combination of tax reform and financial technology is introduced into the study to increase efficiency, equity, and resilience of the public finance systems. The regulatory risks, limitations, and governance issues presented by such innovations are also discussed in the paper, with the major problem being their adaptive policymaking and cross-border coordination. Finally, it provides a prospective vision of sustainable development financing, which is based on inclusive governance, the confidence of the population, and the investments in digital and institutional capacity building. Such an approach is pragmatic yet ambitious in supporting the low- and middle-income countries on a journey to meet the Sustainable Development Goals.</p>
<p>Dr. Niccolo Merrigi</p>	<p>Frugal enforcement, social acceptability and tax compliance: Evidence from a field experience in Kenema</p>	<p>Sierra Leone’s recent property tax reform demonstrates a clear and actionable lesson for governments seeking to raise domestic revenues: without credible enforcement, even the best-designed tax systems deliver only a fraction of their potential. But with the right foundations - modern technology, accurate data, and fair procedures - enforcement becomes feasible, low-cost, and highly effective. Using satellite imagery, GIS mapping, and a citywide property census, councils more than doubled the number of registered properties, introduced transparent formula-based valuations, and digitized payment systems through banks and mobile money. These reforms dramatically improved the accuracy of the tax roll and eliminated many sources of leakage. Yet, despite these gains, compliance remained below 30%, underscoring a central challenge seen across much of Africa: digitization alone is not enough, but enforcement is also required to step up revenue performance. Governments that invest in digitization but stop short of enforcing the rules will continue to collect only a small share of potential revenues. But when modern systems are paired with transparent and rules-based enforcement, compliance rises sharply, revenues increase sustainably, and the social contract is strengthened.</p>

), Dr. David Henning	Heavy burden of tax enforcement: Evidence from Uganda	<p>Tax audits are essential for governments to raise revenue, but they can create economic distortions. To avoid the financial burden of an audit, firms may remain small, move to the informal sector, or shut down. Leveraging detailed administrative tax data from the Ugandan Revenue Authority (URA), a novel linked survey, and a regression discontinuity design (RDD), we show that audits have a dual negative effect in our context: They reduce the tax liability of audited firms and impose large economic distortions. Audited firms are 11 percentage points (p.p.) likelier to shut down, and those that remain operational reduce their sales. The former result is driven by firms that must pay substantial back taxes and the latter by firms that believe they are likely to be audited again soon. Back-of-the-envelope calculations indicate that the overall revenue collected from audited firms declines. The total wage bill loss induced by the audits is equivalent to 0.2-0.6% of the total wage bill of the formal economy at baseline, suggesting that the auditing process potentially imposes a large distortion to the Ugandan economy.</p>
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Session 4. Financial inclusion practices and innovations for private sector investment and sustainable development: Global practices and local experiences

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Saffa Mossaqoi, et al	Credit Access and Agricultural Productivity: Quasi-Experimental Evidence of Heterogeneous Returns and Structural Barriers in Sierra Leone's Smallholder Rice Sector	Agriculture anchors Sierra Leone's economy, contributing 60.7% of GDP and employing 70% of the population, yet smallholder rice productivity remains critically low. Using primary data from 490 farmers and quasi-experimental methods, IV-Probit-2SLS (distance instrument, F-stat=12.7) and propensity score matching (standardized bias <5%)—this study establishes that credit access significantly boosts productivity by 22.7%. This gain operates through input intensification, with stark treatment-control gaps in fertilizer, herbicides, and certified seeds. Heterogeneous effects reveal critical disparities: productivity gains are strongest in the Northwest (38.5 %), among male farmers (28.4% vs. females' 16.1%), and on large holdings (>50ha; +31.2% vs. +8.9% for <10ha). Paradoxically, the credit-excluded control group exhibited higher education levels (+13.5%) yet near-zero credit access (1.54%), indicating institutional exclusion beyond individual capability. Policy implications demand land tenure reform for collateral expansion, region-specific credit packages (e.g., input subsidies for the Northwest, climate-resilient loans for the South), and gender-responsive designs paired with extension services. This research provides the first causal evidence of credit-driven productivity pathways in Sierra Leone's rice sector, highlighting how structural barriers perpetuate resilience divides.
Nse Ndohanya	Promoting access to finance and financial inclusion for effective private sector participation.”	This paper sets out a number of implementable policy options to relax Sierra Leone's binding constraints to access to finance and everyday financial inclusion, so that private firms can invest and grow. The argument is practical and sequenced. Banks' portfolios are tilted toward short-dated government paper; last-mile delivery outside Freetown and the Western Area is costly and unreliable; information and enforcement systems that should reduce screening and recovery risk are incomplete; women and youth face thin files that limit durable access. Each constraint is matched to a mechanism that changes the economics of intermediation. The analysis in this paper uses comparative experience for design rather than imitation. The paper explains how these mechanisms operate, what factors were at play in the reference countries, and which preconditions mattered. It turns that evidence into a feasibility and sequencing framework. This paper makes four contributions. First, it converts a broad constraint narrative into specific, testable mechanisms for each channel of failure, using comparative models as design archetypes rather than templates to copy. Second, it translates those mechanisms into a feasibility and sequencing framework with identified preconditions, responsible owners, short administrative instruments and decision rules that determine scale, hold or stop. Third, it embeds transparency and falsifiability by fixing a small set of quarterly indicators, published with disaggregation, so that progress is observable and claims can be confirmed or rejected. Fourth, it targets inclusion that is durable rather than episodic by requiring data portability to the credit bureau and the collateral registry, so that women and youth borrowers build histories that outlive any programme.

Session 5. Financing Innovations and alternative instruments: Opportunities and Constraints for Sierra Leone

Authors	Topic of the paper	Abstract
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<p>Mohammed Turay</p>	<p>Beyond Aid: Green Financing and Domestic Resource Mobilization for Climate Action and Poverty Eradication in Sierra Leone</p>	<p>Sierra Leone continues to grapple with the twin challenges of high aid dependency and weak domestic revenue mobilization, which undermine fiscal sovereignty and long-term development prospects. These structural vulnerabilities are compounded by climate risks and persistent poverty, leaving the country heavily reliant on external assistance. This research investigates how green financing and innovative domestic resource mobilization strategies can provide sustainable pathways for economic resilience and self-reliance. The study employs empirical data analysis, comparative case studies, and conceptual modeling to examine international best practices in financing mechanisms such as green, blue, and diaspora bonds; impact investment funds; and debt-for-climate swaps and assesses their applicability in the Sierra Leonean context. It also explores the role of widening the tax base through informal sector integration, mobile-based microfinance, and progressive taxation, alongside governance reforms to curb waste and corruption. Findings suggest that a deliberate policy shift toward climate-linked financing, combined with strengthened domestic fiscal capacity, could reduce aid dependency while fostering inclusive, sustainable growth. The paper argues that rethinking donor relationships and prioritizing innovative financing instruments will position Sierra Leone not as a perpetual aid recipient but as a green growth leader in West Africa.</p>
<p>Gonzales Fernando</p>	<p>Debt Structure and inflation: Dynamics in Sierra Leone, Evidence, Channels and Policy Challenges</p>	<p>Despite recent progress in reducing headline inflation, Sierra Leone remains exposed to significant inflationary and macroeconomic risks. These vulnerabilities stem from a persistent reliance on costly, short-term domestic debt, limited foreign reserves, and a fiscal and financial system highly sensitive to shifts in policy credibility. Domestic debt—short-term, costly, and largely held by local banks—is consistently and significantly associated with inflation: a one-percentage-point rise in the domestic debt-to-GDP ratio is associated with roughly a two-percentage-point increase in annual inflation. By contrast, external debt—largely concessional—has not directly fueled inflation, though debt service continues to pressure reserves and heighten external vulnerability. The core inflationary risk arises from the structure and management of domestic debt rather than the overall debt level. Addressing these vulnerabilities requires credible, sequenced reforms: (i) strengthen the monetary anchor and protect reserves, (ii) limit new short-term borrowing and lengthen maturities, (iii) safeguard central bank independence by prohibiting monetary financing, and (iv) enhance transparency, coordination, and data quality to sustain policy credibility. In summary, Sierra Leone’s macroeconomic stability depends less on total debt levels than on fiscal and monetary discipline, prudent domestic debt management, and stronger reserve buffers. Without decisive reforms, the country remains vulnerable to renewed cycles of inflation and instability.</p>

Session 6. Bridging financing and development goals through fiscal efficiency and accountability

Authors	Topic of the paper	Abstract
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<p>Foday Daboh</p>	<p>Financing the Bridge: A Policy and Investment Strategy to Close Sierra Leone's Rural-Urban Welfare Gap</p>	<p>This study examines the core drivers of the rural and urban households' welfare gap in Sierra Leone, using the 2018 Integrated Household Survey (SLIHS) by Statistics Sierra Leone. The study employed the Blinder-Oaxaca decomposition analysis; the findings of the study composed the welfare gap into two key elements: components driven due to differences in household endowments, such as educational attainment and demographic characteristics, etc., and the components driven due to unexplained factors that are attributable to differences in returns in economic activities. The results revealed a significant structural imbalance; with 73.1% of the welfare gap driven by the "unexplained" returns components, on the other hand, only 26.9% is attributed to the "explained" returns effects. This finding revealed that the primary cause of the rural-urban welfare gap is that the rural economy gives significantly lower rewards for the same amount of assets and characteristics as compared to the urban economic environment, rather than a lack of adequate skills on the part of the rural economy. These structural disparities were also confirmed using the robustness checks, such as the district-level fixed effects and the logit models of absolute poverty. The study recommends that to achieve inclusive economic growth and development, policy reforms require a dual-prolonged strategy with a core emphasis placed on structural investments, including investment in infrastructure, market accessibility, and the non-agricultural economy to help enhance productivity capacity and profitability of the rural economic environment itself.</p>
<p>Joseph Kamara (PhD)</p>	<p>Sustainable financing for health care: a fiscal space analysis of primary health care financing in Sierra Leone</p>	<p>Since the COVID-19 pandemic, the world has experienced a continuous decline in health funding due to shifts in countries' priorities and competing interests in health. There is approximately a 21% decrease in Development Assistance for Health (DAH) globally between 2024 and 2025, dropping from \$49.6 billion to \$39.1 billion, with Sub-Saharan Africa facing the most significant cuts (about 25%). With shifting donor priorities and increasing funding uncertainties, essential health programs—including those addressing infectious diseases, NCDs, maternal and child health, and health system strengthening—face growing challenges. Now more than ever, sustainable financing mechanisms are necessary to support long-term investments in global health. The case for increased investment in health, especially Primary Health Care, has never been more compelling. Mitigating the impact of this rapid decline in health funding requires increased domestic financing. Therefore, boosting domestic resource mobilization for health is essential for countries like Sierra Leone to achieve universal health coverage (UHC) and promote inclusive social and economic development. This effort aims to expand the fiscal space for primary health care (PHC) due to its key role in reducing healthcare inequalities among underserved and vulnerable groups, easing pressure on higher-level facilities, reducing financial burdens on governments, and providing the most accessible route to achieving universal health coverage. The work utilized Macro Plus and various Excel calculations to estimate the fiscal space for PHC in Sierra Leone. The study of the FSA of the PHC program is relevant because it demonstrates how much funding is needed for the nationwide PHC program; the level of resources Sierra Leone can allocate both in the short and long term; and how and over what period Sierra Leone can generate sufficient domestic resources to finance and sustain the PHC program. The fiscal space is analyzed based on the macroeconomic environment's conduciveness, the reprioritization of primary health in the country, the ability to mobilize external resources, the introduction of new health-specific resources, and efficiency gains. Our results show that no single fiscal space scenario can fully address the financing challenge at the PHC in Sierra Leone. Various scenarios were examined, and I concluded that a combination of increasing PHC allocations to 9% of the total government health expenditure, generating revenue through taxes on tobacco consumption and sales, and proportionally reducing development assistance for health is the most feasible approach. The scenario within the control of the Ministry of Health—namely, increasing PHC</p>

		<p>allocations to 9% of the total government health expenditure and generating revenue through tobacco taxes—will generate increased revenue, but not enough to meet the PHC budget requirements for the projection period. Therefore, one key takeaway is that low-income countries will still need external aid to finance their healthcare.</p>
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Session 7 – Unlocking private capital for sustainable development: Pathways to investment readiness and ecosystem development

Authors	Topic of the paper	Abstract
<p>Tafadzwa Chiganga</p>	<p>From Idle Pools to Inclusive Prosperity: Unlocking Sierra Leone’s Insurance and Pension Funds for Startup and SME Investment"</p>	<p>In Sierra Leone, billions of leones flow annually into mandatory third-party motor vehicle insurance schemes, yet a vast portion of these funds remain underutilized. Despite being legally required, insurance claims are rarely pursued due to systemic inefficiencies, lack of public trust, and an entrenched culture of roadside settlements. Simultaneously, pension contributions, largely concentrated in low-yield, traditional assets, fail to catalyze inclusive economic growth or respond to the evolving structure of the country’s labor force. This mismatch between idle capital and an economy in need of stimulation presents a historic opportunity. With over 70% of Sierra Leone’s workforce in the informal sector, a youth unemployment rate estimated at over 60%, and a rising wave of grassroots entrepreneurship, the need for bold, innovative financial architecture has never been more urgent. Sierra Leone’s economic transformation hinges on unlocking long-term domestic capital to fuel its real economy, particularly small and medium enterprises (SMEs) and early-stage ventures that are building inclusive, tech-enabled, and resilient solutions. This paper proposes a reimagining of Sierra Leone’s insurance and pension capital pools, drawing inspiration from global best practices including South Africa’s GEPF Isibaya Fund, Ghana’s 5% VC pension allocation mandate, Sweden’s AP6 Fund, and California’s CalPERS Private Equity strategy. It explores how actuarially sound models can be developed to channel a regulated portion of third-party motor insurance reserves, pensions, and other institutional funds into high-impact SME and venture capital vehicles. We make the case for new regulatory instruments, sandbox structures, and blended finance models that allow pension trustees and insurance providers to safely engage in patient capital deployment. This includes defining risk thresholds, return expectations, impact metrics, and compliance guardrails. The paper also highlights the economic and actuarial case for using unclaimed third-party insurance reserves and prescribed pension allocations to fund youth-led businesses, job creation programs, and green economy ventures. At its core, this is a call to align capital with community, long-term reserves with long-term national resilience. By embracing forward-looking investment policies and unlocking even 5–10% of institutional portfolios, Sierra Leone can leapfrog financial exclusion and ignite an era of inclusive prosperity.</p>

