Ministry of Agriculture and Food Security | Ministry of Finance | Bank of Sierra Leone

NATIONAL AGRICULTURAL FINANCE POLICY

Strengthening Access to Finance.
Driving Agricultural Transformation.



FEBRUARY 2026

TABLE OF CONTENTS

MINISTER'S FOREWORD 3
ABBREVIATIONS AND ACRONYMS 4
EXECUTIVE SUMMARY 4
1 INTRODUCTION 7
2 POLICY CHALLENGE AND JUSTIFICATION 9
2.1 The Policy Challenge 9
2.2 Policy Justification and Rationale 9
2.3 Policy Vision And Objectives 10
3 POLICY PRIORITY AREAS AND STRATEGIC INTERVENTIONS 11
3.1 Priority Area 1 (macro level) 11
3.2 Priority Area 2 (meso level) 13
3.3 Priority Area 3 (micro level) 16
4 IMPLEMENTATION ARRANGEMENTS 17
REFERENCES 19

Note: This policy was drafted under the EU-funded Salone Access to Finance Project. The draft subsequently underwent a comprehensive review and finalization process by a technical working group comprising representatives from the Ministry of Finance, the Ministry of Agriculture and Food Security, and the Bank of Sierra Leone.

MINISTER'S FOREWORD

Food systems transformation is at the centre of Sierra Leone's national development agenda. Under the President's flagship Feed Salone Strategy, we are taking decisive steps to unlock the full potential of our agricultural sector as a driver of economic growth, food security, and job creation. However, achieving this transformation requires a fundamental shift in how agriculture is financed.

Despite its strategic importance, access to appropriate and affordable agricultural finance remains one of the most significant constraints to unlocking the sector's full potential. Many smallholder farmers, cooperatives, and agri-SMEs continue to face difficulties accessing financial services that reflect the realities of agricultural production cycles, systemic risks, and value chain dynamics. Limited access to finance constrains investment, reduces productivity, and slows the development of agribusinesses that are essential to Sierra Leone's food systems transformation.

The National Agricultural Finance Policy provides an intentional and action-oriented pathway to address these constraints and make agricultural transformation irreversible. It establishes a comprehensive framework to strengthen the agricultural finance ecosystem by improving the enabling environment, reducing systemic risks in agricultural lending, and enhancing the capacity of both financial institutions and value chain actors. As part of this effort, the establishment of a National Agricultural Development Bank will be critical to mobilise long-term capital and expand access to appropriate financing across agricultural value chains.

Through these reforms, the Policy seeks to increase the availability, affordability, and diversity of financial products and services across agricultural value chains. It will expand opportunities for smallholder farmers, women, youth, cooperatives, and agri-MSMEs, while crowding in greater private sector investment. Ultimately, the success of the private sector in agriculture will be the success of Feed Salone, ensuring that this transformation is sustainable, resilient, and enduring.

to the development of this Policy, including the Bank of Sierra Leone, the Ministry of Finance, and development partners, especially the United Nations Capital Development Fund and the European Union, for their support in its preparation and technical review.



Dr. Henry Musa Kpaka
Minister of Agriculture and Food Security
Republic of Sierra Leone

ABBREVIATIONS AND ACRONYMS

AfCFTA	African Continental Free Trade Area
BSL	Bank of Sierra Leone
CAADP	Comprehensive Africa Agriculture Development Programme
EU	European Union
FX	Foreign Exchange
GDP	Gross Domestic Product
GoSL	Government of Sierra Leone
KPI	Key Performance Indicator
MAFS	Ministry of Agriculture and Food Security
MEL	Monitoring, Evaluation and Learning
MOF	Ministry of Finance
MSME	Micro, Small and Medium Enterprise
MTNDP	Medium-Term National Development Plan
NADB	National Agricultural Development Bank
NAFP	National Agricultural Finance Policy
PAR90	Portfolio at Risk over 90 Days
PBI	Performance-Based Incentive
PEMSD	Planning, Evaluation, Monitoring and Statistics Division, Ministry of Agriculture and Food Security
PPF	Project Preparation Facility
TA	Technical Assistance
TWG	Technical Working Group
UNCDF	United Nations Capital Development Fund

EXECUTIVE SUMMARY

Agriculture remains central to Sierra Leone's economy and national development agenda. The sector contributes over 32 percent of GDP and employs approximately two-thirds of the

labour force. It is also at the core of the Government's food systems transformation agenda under the Feed Salone Strategy, and represents a critical pathway for poverty reduction, food security, youth employment, and inclusive growth.

Yet despite its economic importance, the agricultural sector remains significantly underserved by the financial system. Agriculture receives only 3.5 percent of total commercial bank credit, leaving the majority of smallholder farmers, cooperatives, and agri-SMEs without access to formal finance. This persistent financing gap constrains investment, limits productivity gains, restricts value addition, and ultimately slows the structural transformation of the sector.

The limited flow of finance to agriculture reflects not only demand-side constraints, but also structural features of the financial system that shape lending behaviour. Agricultural activities are inherently seasonal, exposed to climate and market shocks, and characterised by longer production and investment cycles. These features affect cash-flow patterns and risk profiles in ways that differ significantly from many other sectors.

Commercial banks, however, typically operate under prudential frameworks designed to safeguard financial stability and protect depositors. These frameworks remain essential and must be preserved. At the same time, conventional banking models are often not well aligned with the specific characteristics of agricultural production systems. Banks largely mobilise short-term deposits, while agricultural investments frequently require longer financing tenors aligned with crop cycles and value chain development. This structural asset–liability mismatch, combined with perceived sector risks and limited risk mitigation tools, discourages expanded lending to agriculture.

Addressing these constraints requires a comprehensive and coordinated approach to strengthening the agricultural finance ecosystem. The National Agricultural Finance Policy (NAFP) therefore seeks to create an enabling environment that supports sustainable and responsible expansion of agricultural finance while maintaining financial sector stability.

The Policy adopts a systems-based approach to agricultural finance, addressing constraints across the macro, meso, and micro levels of the financial ecosystem.

At the macro level, the Policy focuses on strengthening the policy, regulatory, and institutional framework for agricultural finance. This includes refining legal and regulatory provisions to better reflect the characteristics of agricultural lending, improving sector classification and reporting systems, introducing appropriate fiscal and incentive mechanisms, and strengthening institutional coordination across Ministries, Departments and Agencies.

At the meso level, the Policy aims to reduce systemic risk and transaction costs across agricultural value chains in order to unlock sustainable private sector lending. Key interventions include the establishment of a National Agricultural Development Bank as a catalytic financing platform, the development of risk-sharing and guarantee mechanisms, the scaling of agricultural insurance, the promotion of value-chain financing models, and the strengthening of agricultural finance data and information systems.

At the micro level, the Policy seeks to strengthen the capacity of both financial institutions and agricultural enterprises to engage effectively with formal financial services. This includes enhancing lender expertise in agricultural finance, strengthening microfinance institutions, improving the bankability and resilience of agri-SMEs, promoting responsible and inclusive finance practices, and rationalising the role of public financial institutions so that they address market gaps while operating on sound and sustainable principles.

Through these coordinated reforms, the National Agricultural Finance Policy aims to expand the availability, diversity, and affordability of financial products and services across agricultural value chains. The Policy will support greater participation of women, youth, smallholder farmers, and agri-MSMEs in the formal financial system while strengthening private sector investment in agricultural transformation.

Ultimately, the Policy will support the effective implementation of the Feed Salone Strategy, contribute to improved food security and rural livelihoods, and advance Sierra Leone's broader ambition of achieving sustained agricultural growth and inclusive economic transformation in line with the Medium-Term National Development Plan.

1 INTRODUCTION

1.1 Background

Agriculture is the foundation of Sierra Leone's economic transformation and a central pillar of the Feed Salone Strategy. The sector plays a critical role in ensuring food security, generating employment, and supporting inclusive growth, particularly in rural areas. It is central to the Government's efforts to increase domestic food production, reduce dependence on imports, and create sustainable livelihoods for women and youth.

Despite its importance, the agricultural sector continues to face significant structural constraints that limit productivity, value addition, and private sector participation. One of the most binding constraints is limited access to appropriate and affordable finance across agricultural value chains. Smallholder farmers, cooperatives, and agri-enterprises often lack access to financial services that reflect the realities of agricultural production cycles, exposure to climate and market risks, and the need for longer-term investment.

Agricultural small and medium-sized enterprises, including input suppliers, aggregators, processors, and service providers, play a critical role in linking farmers to markets, reducing post-harvest losses, and strengthening domestic value addition. However, many of these enterprises remain constrained by limited access to finance and weak integration into formal financial systems. This "missing middle" continues to face challenges accessing finance that is too large for microfinance institutions yet not sufficiently structured to meet commercial bank requirements.

These constraints are not unique to Sierra Leone. Across Sub-Saharan Africa, agricultural finance remains limited relative to the sector's contribution to employment and economic activity. Evidence shows that growth in agriculture is significantly more effective in reducing poverty than growth in other sectors, highlighting the importance of strengthening investment in the sector. However, financial institutions have historically allocated a relatively small share of lending to agriculture, reflecting perceived risks, structural challenges, and limitations in financial products and delivery mechanisms.

Recognising these challenges, the Government of Sierra Leone is committed to strengthening the agricultural finance ecosystem as a critical enabler of inclusive growth, food systems transformation, and economic resilience. The National Agricultural Finance Policy provides a coordinated framework to address these constraints by improving the enabling environment, reducing systemic risks, and mobilising both public and private capital toward priority agricultural value chains.

1.2 Key Regional Lessons

Strengthening the financial and agricultural value chains, as well as the delivery mechanisms will improve access to finance. Accordingly, enhancing lender capacity in agriculture lending covering formalised value chains and the right products is important.

a. Microfinance institutions can play an important role in financing farmers that commercial banks consider too risky and expensive due to cost to serve.
b. Allocating money to the different segments of the value chains without addressing fundamental drivers of risk will end up in failure.
c. Risk sharing facilities (e.g. in form of credit guarantees) can facilitate channelling of credit by financial institutions to risky and underserved segments.
d. Commercial banks are more willing to lend to processing and, to a certain degree, to marketing activities instead of production, due to the elevated risks at the production segment of the value chain.
e. Commercial banks prefer financing medium to large-scale agribusinesses rather than smallholder farmers because of the associated costs to serve the latter, lack of security and loan sizes that are not commercially viable.

1.3 Policy Context

Sierra Leone's National Agricultural Finance Policy is anchored in the Government's broader development agenda, particularly the Feed Salone Strategy and the Medium-Term National Development Plan, which position agriculture as a central driver of food security, economic diversification, and inclusive growth.

The Feed Salone Strategy identifies agricultural finance as a core pillar for transforming priority value chains, increasing domestic food production, and reducing reliance on food imports. It emphasises the need for tailored financial instruments, improved access to credit, and increased investment across the agricultural value chain, particularly for smallholder farmers, women, youth, and agri-enterprises. This Policy directly operationalises these priorities by establishing a structured and coordinated framework to mobilise sustainable finance for the sector.

At the continental level, the Policy aligns with Sierra Leone's commitments under the Comprehensive Africa Agriculture Development Programme (CAADP), including the Malabo Declaration and the Kampala Declaration, which emphasise increased investment in agriculture, strengthened private sector participation, and accelerated agrifood systems transformation.

These frameworks call for enhanced financing mechanisms to support agricultural growth, including mobilising public and private investment and improving access to financial services across value chains.

The Policy also supports the objectives of African Union Agenda 2063 and the African Continental Free Trade Area by strengthening agricultural productivity, promoting value

addition, and enhancing Sierra Leone's participation in regional and international agricultural markets.

At the global level, the Policy contributes to Sierra Leone's commitments under the Sustainable Development Goals, particularly those related to poverty reduction, food security, economic growth, and climate resilience. However, these global commitments are pursued through nationally defined priorities and implementation frameworks.

2 POLICY CHALLENGE AND JUSTIFICATION

2.1 The Policy Challenge

Currently Agricultural Finance does not unlock Sierra Leone's agricultural potential, and existing financial systems are not offering affordable financing products and services accessible in a sustainable manner by the various economic actors in the agricultural sector. Despite previous and current efforts, the financing gap for smallholders and agri-SMEs remains wide, and the behaviour of financial institutions serving this market remains slow to change.

Moreover, there is a gap in the financial system due to limited coordination of current programmes, initiatives and projects that would enable sustainable financing of all value chain actors at scale. Further, for many companies, the financial products and instruments developed by financial institutions in Sierra Leone remain largely understood, difficult or costly to navigate and to access, or simply inadequate. Consequently, agriculture accounts for only 3.48 percent of total commercial bank lending, highlighting the limited allocation of formal finance to the sector relative to its economic importance[1].

2.2 Policy Justification and Rationale

Limited access to finance remains a critical constraint to the transformation of Sierra Leone's agricultural sector. If not adequately addressed, this constraint will continue to undermine the achievement of national priorities under the Feed Salone Strategy and the Medium-Term National Development Plan, as well as the Government's policy objective of advancing greater food security and inclusive economic growth.

At the same time, Sierra Leone continues to face high dependence on food imports, reflecting structural gaps in domestic agricultural production and value addition. This dependence exposes the economy to external shocks, places pressure on foreign exchange reserves, and contributes to food price volatility. Expanding access to appropriate agricultural finance is therefore essential to unlocking domestic production, strengthening value chains, and reducing import dependence.

[1] Source: Bank of Sierra Leone data, December 31, 2025.

While previous initiatives, including microfinance programmes and blended finance mechanisms, have contributed to expanding access to finance, their impact has been uneven and insufficient to address the structural financing gap across agricultural value chains. As a result, many farmers, cooperatives, and agri-enterprises remain underserved, limiting investment, productivity, and value addition in the sector.

This Policy is therefore required to provide a coordinated, system-wide framework to strengthen the agricultural finance ecosystem, address underlying market failures, and mobilise sustainable finance at scale in support of national development objectives. It adopts a financial systems approach that focuses on improving the enabling environment, reducing systemic risks, and strengthening the flow of finance across agricultural value chains.

In particular, the Policy emphasises the importance of de-risking agricultural finance through appropriate risk-sharing mechanisms, expanding the use of agricultural insurance, and promoting value chain financing models that improve bankability and reduce transaction costs. These measures are designed to crowd in private sector participation and enhance the efficiency and sustainability of agricultural financing.

2.3 Policy Vision And Objectives

Policy Vision

A sustainable and inclusive agriculture financial ecosystem for national development. Such a system shall deliver a more appropriate, affordable and sustainable package of financial products and services that are responsive to the needs and nature of Sierra Leone's agricultural ecosystem.

Policy Mission

To promote, coordinate and enhance inclusive access and usage of financial products and services by agri-food systems actors.

Policy Goal

Increase the diversity, depth, quality and absorption of financial products and services for all levels and sizes along the agricultural value chain to thrive and grow.

Policy Objectives

a. To improve timeliness, regularity, relevance and coordination of policy response to the financing needs of the agricultural ecosystem.
b. To improve outreach, speed, cost, effectiveness and appropriateness of agricultural finance products and services.
c. To strengthen the institutional and human capacity of financial services providers and their clients, for effective development, delivery and usage of agricultural finance products and services.

Guiding Principles

In order to unlock the full potential of the agriculture sector in achieving development objectives, the following shall be the policy guiding principles:

i. Sector-Specific and Risk-Calibrated Approach
Agricultural finance shall be designed and regulated in a manner that reflects the unique characteristics of the sector, including seasonality, systemic risk, and value chain dynamics, while maintaining prudential rigor and financial system stability.

ii. Private Sector-Led and Market-Building Orientation
The development of agricultural finance shall be anchored in commercially viable, competitive, and market-based solutions, with Government playing a catalytic role in addressing market failures and crowding in private capital.

iii. Sustainability and Additionality
Public interventions shall be structured to complement and strengthen financial markets, ensuring long-term viability, scalability, and reduced reliance on direct government support over time.

iv. Inclusivity and Value Chain Integration
Agricultural finance development shall adopt a value chain approach that expands access to appropriate and affordable financial services for smallholders, agri-MSMEs, women, youth, and underserved regions.

v. Partnership, Coordination and Accountability
Implementation of this Policy shall be underpinned by strong institutional coordination, collaboration across stakeholders, and clear monitoring mechanisms to ensure coherence and measurable results.

3 POLICY PRIORITY AREAS AND STRATEGIC INTERVENTIONS

The Government and Bank of Sierra Leone will follow a financial systems approach and focus its interventions on developing an efficient, sustainable and inclusive agricultural finance ecosystem in Sierra Leone. Such a system will be built on the back of strong institutions (both on the demand and supply sides) as well as appropriate financial products and services. In this regard, the Government shall intervene at 3 different levels (macro, meso and micro) of the agricultural finance ecosystem.

3.1 Priority Area 1 (macro level)

Improve timeliness, regularity, relevance and coordination of policy response to the financing needs of the agricultural ecosystem.

Policy Statement: Strengthen the policy, regulatory, and institutional enabling environment to promote a coordinated, sustainable, and inclusive agricultural finance ecosystem that effectively serves all actors across the agricultural value chain.

Strategic Interventions

To achieve this objective, the policy is recomending the following strategic measures:

(i) Strengthen the human, technical and institutional capacity of government MDAs to coordinate, review, align and implement agricultural finance interventions in the country.

This will be realised by strengthening the capacity of the relevant MDAs, including the Bank of Sierra Leone, the Ministries of Agriculture and Food Security, Finance, Trade, and other relevant institutions in continuously coordinating, identifying, analyzing, designing and implementing policies, programs, initiatives and institutions that will foster the sustainable supply and usage of financial services for all actors along the agricultural value chain.

(ii) Strengthen the legal and regulatory frameworks for agricultural finance to create an ecosystem that can attract financial services providers and capital in the agricultural sector.

The policy recommends for the Government, in collaboration with the Bank of Sierra Leone (BSL), to review and, where necessary, refine legal and regulatory provisions to ensure that they are responsive to the specific characteristics of agricultural finance while preserving financial system stability. This would remove unintended constraints that may limit the participation of financial service providers and private capital in the agricultural sector. It will also include the development of appropriate regulatory and governance frameworks for sector-specific financial institutions, including the establishment of the Agricultural Development Bank (see Strategic Interventions 4.2(i)).

(iii) Implement Targeted Fiscal and Incentive Measures

The policy recommends targeted fiscal and risk-mitigation instruments to support agricultural lending and investment. Such measures may include facilitative tax incentives, support to reinsurance markets, and mechanisms to manage catastrophic and systemic agricultural risks. These interventions will be designed to catalyze private sector participation while ensuring fiscal sustainability and avoiding market distortions.

(iv) Expand the definition of agriculture for lending and reporting

The current classification of agriculture within the financial system is largely limited to primary production, which does not capture the full range of activities across agricultural value chains, including processing, storage, transport, and marketing. This leads to underreporting of agricultural financing and limits effective policy and risk assessment.

To address this, the Government, in collaboration with the Bank of Sierra Leone, will establish a broader value chain-based definition of agriculture for financial sector reporting and lending. The Bank of Sierra Leone will implement the necessary revisions to classification and reporting frameworks to ensure accurate tracking of agricultural finance and support evidence-based decision-making.

3.2 Priority Area 2 (meso level)

Improve outreach, speed, cost and effectiveness of agricultural finance products and services.

Policy Statement: Strengthen country-wide risk management, risk-sharing, and financial mechanisms to reduce systemic constraints to agricultural lending, increase the availability and affordability of finance while expanding access to savings, payments, credit, insurance, and other financial services across agricultural value chains.

Strategic Interventions

Government will implement the following strategic interventions:

(i) Set up an Agricultural Development Bank

Agriculture presents structural characteristics, including seasonality, exposure to systemic risks, longer production cycles, and fragmented value chains, that require financing models adapted to the specific realities of the sector. International experience and analytical work highlight the importance of dedicated financial institutions and instruments to support sustainable agricultural transformation[2].

In this context, the Policy provides for the undertaking of a comprehensive feasibility study to inform the establishment of a National Agricultural Development Bank.

The study will assess the design, capitalisation, governance structure, regulatory framework, and operational model of the proposed Bank, with the objective of establishing a catalytic institution capable of mobilising long-term capital and expanding access to appropriate and affordable finance across agricultural value chains.

The Policy ensures that the design of the proposed Bank is aligned with fiscal sustainability, financial sector stability, and sound governance principles. It further establishes that the Bank will complement existing financial institutions while strengthening the overall agricultural finance ecosystem and crowding in private sector participation.

(ii) Establish an Incentive-Based Risk Sharing Facilities

The Government will promote the establishment or strengthening of a national incentive-based risk-sharing facility to encourage financial institutions to expand lending to agricultural value chains, particularly underserved and higher-risk segments. The facility may combine several complementary instruments, including:

a) Technical assistance to agricultural enterprises to improve bankability and reduce origination costs;

b) Structured risk-sharing mechanisms, including partial risk guarantees and first-loss arrangements, to incentivize lending to priority value chains;

c) Performance-based incentives to encourage innovation and portfolio expansion in agricultural lending;

d) Capacity-building support to participating financial institutions to strengthen agricultural lending expertise;

[2] African Development Bank, the World Bank, *Making Finance Work for Africa* (2024–2026).

e) Digital finance solutions to enhance linkages among farmers, financial institutions, insurers, and input suppliers, reduce transaction costs, and improve transparency within value chains.

(iii) *Promote the Expansion and the Integration of Agricultural Insurance within the finance ecosystem*

The Government will promote the gradual expansion of agricultural insurance as a risk mitigation tool within the agricultural finance ecosystem. Building on existing initiatives, including the Sierra Leone Agricultural Insurance Scheme, efforts will focus on strengthening the role of insurance in supporting agricultural lending and protecting farmers against systemic shocks.

To support this objective, the Government and its partners will:

a. Strengthen awareness and distribution channels for agricultural insurance, including through extension services and digital platforms;

b. Improve access to relevant agricultural and weather data to support appropriate insurance product development;

c. Encourage the development of insurance products suited to priority value chains and smallholder farmers;

d. Promote coordination between agricultural insurance initiatives and agricultural finance programs to enhance overall sector resilience.

(iv) *Strengthen and Scale Risk-Sharing Mechanisms to Expand Agricultural Lending*

The Government will promote the expansion and strengthening of risk-sharing mechanisms to incentivize financial institutions to increase sustainable lending to the agricultural sector. These mechanisms will aim to reduce perceived and actual credit risk, expand outreach to underserved segments, and enhance the quality and resilience of agricultural lending portfolios.

Risk-sharing instruments may include:

a. Credit guarantee schemes designed to share a portion of lending risk and encourage financial institutions to extend credit to smallholder farmers, youth, women, agri-MSMEs, and other underserved segments within priority value chains;

b. Targeted capacity-building support to financial institutions seeking to develop or expand agricultural lending operations, including strengthening internal risk management systems, enhancing agricultural credit appraisal methodologies, building specialized expertise, and promoting institutional commitment to agricultural finance;

c. Provision of longer-term wholesale financing and structured lines of credit to participating financial institutions to support on-lending to agricultural enterprises, in a manner consistent with fiscal sustainability and prudential standards.

(v) *Strengthen the Regulatory and Prudential Framework for Agricultural Finance*

The Policy provides for the review and refinement of financial sector regulations, in collaboration with the Bank of Sierra Leone, to ensure alignment with the structural characteristics of agricultural finance while safeguarding financial stability.

In alignment with the BSL Strategic Plan 2024–2028 and building on existing initiatives such as the 2024 Agricultural Credit Facility, an assessment is being recommended whether differentiated approaches are warranted to better accommodate agricultural lending within existing regulatory frameworks.

Areas for review include, but are not limited to:

a. Alignment of loan tenors with agricultural production and value chain cycles;

b. Treatment of loan restructuring in cases of seasonal or systemic agricultural shocks;

c. Loan-loss classification and provisioning practices to ensure proportionality while maintaining sound risk management;

d. Clarification and modernization of collateral frameworks to facilitate the use of appropriate movable and agricultural assets as security.

In this regard, there is a need to explore mechanisms to support structured financing instruments such as warehouse receipt systems and other value chain-based collateral arrangements, while ensuring legal certainty and prudential safeguards.

International experience should inform this process, and all adjustments shall be consistent with global prudential standards and the overarching objective of maintaining the stability and soundness of Sierra Leone's financial system.

(*vi) Review Capital Treatment of Agricultural Lending*

The Government, in collaboration with the Bank of Sierra Leone (BSL), is recommended to review whether existing capital and regulatory requirements appropriately reflect the characteristics of agricultural lending.Recognizing the importance of agriculture to economic growth and financial inclusion, the review will assess whether regulatory approaches can better accommodate well-structured agricultural loans, while fully preserving financial system stability.

In doing so, reference may be made to experiences from other countries where central banks have adjusted regulatory treatment of specific lending segments to support private sector credit expansion without compromising prudential standards.

Any consideration under this pillar will be undertaken cautiously and in line with sound supervisory principles.

(vii) Promote the Expansion of Value Chain Financing

The policy provides for the expansion of value chain financing as a strategic approach to improving smallholder farmers' access to finance and strengthening linkages across agricultural markets. These arrangements will seek to align financing with structured production and marketing systems, reducing risk for lenders while improving productivity, coordination, and market integration.

In this regard, the Government will:

a. Support improvements in value chain efficiency through facilitation of shared infrastructure, enhanced market transparency, and a conducive investment climate;

b. Strengthen market access by promoting aggregation models, traceability systems, and improved last-mile connectivity to reduce transaction costs and enhance commercial linkages;

c. Encourage structured offtake arrangements and aggregation mechanisms to reduce fragmentation and improve the bankability of smallholder production;

d. Facilitate coordination among value chain actors and financial institutions to support structured credit delivery, reduce side-selling, and improve the flow of goods, services, and payments across the value chain.

(viii) Enhance data systems for agricultural finance

The Government will support investments to strengthen the generation, management, and use of agricultural and financial data necessary for effective agricultural finance. Improved data systems will enhance risk assessment, policy design, and financial product development[3].

3.3 Priority Area 3 (micro level)

Strengthen the institutional and human capacity of financial services providers and their clients, for effective development, delivery and usage of Agricultural Finance products and services.

Policy Statement: Support initiatives that enhance the capacity of financial institutions and agricultural value chain actors to effectively develop, deliver, and utilize appropriate agricultural finance products and services.

Strategic Interventions

The Government will implement the following strategic interventions under this priority area:

(i) Strengthen the Governance and Effectiveness of Public Financial Institutions

The Government will rationalize and strengthen the role of public financial institutions to ensure they address agricultural finance market gaps in a sustainable and complementary manner. This will include reinforcing independent governance structures, promoting sound risk management practices, ensuring market-based pricing of loan products, and maintaining diversified portfolios to limit concentration risks. Public institutions will operate in a manner that complements private sector participation while targeting underserved segments of the agricultural ecosystem.

(ii) Strengthen Capacity of Financial Service Providers

The Government will support the development of technical and institutional capacity among financial institutions, including commercial banks and microfinance institutions, to expand sustainable agricultural lending. This may include partnerships with the National Banking College and development partners to provide targeted training for frontline staff, middle

3 Government shall use this data and analytics to understand evolving trends and dynamics in the demand and supply sides of the agricultural finance ecosystem as well as structure in order to design and deliver the appropriate supportive infrastructure, financial instruments and programmes.

management, and senior executives in agricultural credit appraisal, risk management, and value chain financing approaches.

(iii) Improve the Bankability of Agri-MSMEs

The Government will promote initiatives aimed at strengthening the operational and financial readiness of agri-MSMEs to access formal finance. This will include improving financial literacy, record-keeping, business planning, and productivity standards, particularly for smallholder-linked enterprises, youth- and women-led businesses, and start-ups within priority value chains.

(iv) Promote Effective Use of Risk Mitigation Instruments

The Government will encourage effective utilization of established guarantee and risk-sharing mechanisms to expand lending to agricultural value chains. In collaboration with the Bank of Sierra Leone, regulatory treatment of such instruments will be aligned with prudential standards to ensure appropriate recognition of reduced credit risk while maintaining financial system stability.

4 IMPLEMENTATION ARRANGEMENTS

5.1 Implementing Institutions

Implementation of this Policy will require coordinated action across institutions within the agricultural and financial sectors. Key actors will include the Ministry of Finance, the Ministry of Agriculture and Food Security, the Ministry of Trade and Industry, the Ministry of Lands, the Bank of Sierra Leone, Statistics Sierra Leone, public financial institutions, and relevant development partners.

The Ministry of Agriculture and Food Security, in collaboration with the Ministry of Finance and the Bank of Sierra Leone, will provide overall policy oversight and ensure alignment with national development priorities. Existing inter-ministerial and financial sector coordination platforms will be leveraged to promote coherence, avoid duplication, and monitor progress in implementation.

Relevant institutions will integrate agricultural finance priorities within their respective mandates, strategies, and operational plans to ensure sustained implementation and accountability.

5.2 Monitoring & Evaluation

Monitoring and evaluation of this Policy will be anchored in the Ministry of Agriculture and Food Security's Monitoring, Evaluation and Learning (MEL) system, while operating within a coordinated multi-institutional framework. The MEL system provides a structured approach linking policy objectives to measurable indicators, data sources, and clear reporting responsibilities across the agricultural finance ecosystem.

Strategic oversight of Policy performance will be provided through the Presidential Council on Feed Salone, ensuring alignment with national priorities and overall agricultural transformation objectives.

The MEL framework will track implementation across macro, meso, and micro priority areas through a set of key indicators, covering both financial access and broader financial system outcomes, including:

Table 5.1 Proposed Process Indicators

No	Indicators
1	Volume of financing provided by the Agricultural Development Bank
2	Number of farmers and agribusinesses financed
3	Share of financing reaching women and youth
4	Amount of private sector co-financing mobilised
5	Number of financial institutions engaged through partnerships
6	Share of agricultural lending in the national financial system
7	Share of agricultural financing allocated to priority value chains
8	Volume of risk-sharing instruments deployed (guarantees, insurance coverage)

The Ministry of Agriculture and Food Security, through the Planning, Evaluation, Monitoring and Statistics Division (PEMSD), will coordinate monitoring and reporting in collaboration with the Ministry of Finance and the Bank of Sierra Leone. Financial sector data and lending statistics will be provided and validated by the Bank of Sierra Leone and participating financial institutions.

At the technical level, the existing Agricultural Finance Technical Working Group will support data coordination, indicator tracking, and reporting across institutions.

Monitoring results will be consolidated through the Feed Salone MEL system and used to inform policy implementation, periodic reviews, and national development reporting processes.

Implementation progress will be reviewed periodically to assess policy effectiveness and guide adjustments to strengthen the agricultural finance ecosystem.

5.3 Legislation and Regulations

Where necessary, the Government should develop or amend legislation and regulations to support the effective implementation of the National Agricultural Finance Policy.

a. The Ministry of Agriculture and Food Security, in collaboration with the Ministry of Finance, the Bank of Sierra Leone, and other relevant institutions, will facilitate the development of required regulatory instruments within their respective mandates.
b. Any legislative or regulatory reforms arising from this Policy shall be aligned with national financial sector laws, fiscal sustainability considerations, and prudential standards.

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