

STATEMENT BY THE CHAIRMAN, BOARD OF TRUSTEES, AT THE OFFICIAL COMMISSIONING OF THE NASSIT AFFORDABLE HOUSING PROJECT, THURSDAY 22ND MAY, 2008.

Your Excellency, the President, Dr Ernest Bai Koroma, Hon Vice President Mr Sam Sumana, Mr Chairman, Hon Ministers of Government, Honorable Members of Parliament, members of the Diplomatic and Consular Corps, distinguished ladies and gentlemen, on behalf of the Board of Trustees and Management of the National Social Security and Insurance Trust, I wish to take this opportunity to register our gratitude to His Excellency for honouring our invitation to deliver the keynote address at this epoch making ceremony. Let me also express gratitude to all of you for accepting our invitation to be part of this notable event in the history of our Country. As this is our first public function, let me with your permission take this opportunity to briefly introduce members of our new Board of Trustees. Please rise up for recognition when I call your name.

This, your Excellency, is our cabinet which you have so gracefully put together, honorably blessed by parliament and sworn in by the Hon. Minister of Employment and Social Security. We wish them all a very fruitful, rewarding and pleasant stay on the Board.

Your Excellency, Mr Chairman Ladies and Gentlemen, the commissioning today of the pilot project of what will eventually evolve into a National Affordable Housing Scheme, is the brain child of a long period of planning activities to determine an appropriate intervention for NASSIT in the housing sector in Sierra Leone. The decision to undertake the project was borne out of several considerations.

Firstly, your Excellency, we are all aware that following the rapid population growth in our country over the ten years of conflict and generally the poor economic conditions that characterized our urban and rural areas, the housing situation in Sierra Leone has been at a critical and deplorable stage. Critical in terms of the number units available when compared to the minimum living standards, deplorable in terms of the haphazard manner in which housing developments have been taking place in the recent past, and challenging in terms of the options we face to resolve the impasse. Because housing has reached this deplorable stage, NASSIT has taken

the bold step to drive the design and possible establishment of a nation wide housing scheme- a scheme that will not only increase the housing stock in Sierra Leone but which will lead to a more organised method of residential community development.

Secondly, since the inception of NASSIT, there have been great expectations from the generality of the public for the Trust to utilize its reserve funds for housing development programmes. Let me here emphasize that NASSIT was established primarily to cater for old age, invalidity and survivors benefit to workers and their dependants. The Trust is therefore a social risk manager providing coverage against these contingencies. The tenets and principles underlying the investment of the Trust funds may therefore not necessarily align with the principles of affordable housing delivery at this stage of NASSIT's development. Therefore housing programmes cannot be implemented by NASSIT alone on a sustainable basis using the existing stock of reserves.

These factors notwithstanding your Excellency, we are aware of our corporate social responsibility in contributing to national economic development. We also acknowledge the moral imperative to take the lead in this direction in finding long term solutions which will meet the increasing expectations for affordable housing delivery. This will be done without necessarily exposing the funds to undue risks. As you all know the Trust is already involved in housing developments with private real estate developers. However, it has concentrated so far on high end of the housing market. In recognition that the majority of our membership fall within the middle and low income bracket, it is but right that we address a housing development programme that targets the middle to low income earners in our country.

The Trust has also taken the lead in the establishment of a mortgage finance company, which will provide home loans to the public in order to buy houses constructed by the private developers and other contractors.

Your Excellency this pilot project will provide the housing units to the public in two principle ways. There will be outright sale of the units, which is the most desirable disposal option. It will enable potential home owners to raise finance from HFC mortgage and savings for example or other sources to purchase and own the house.

The other option is rent-to-buy option. Individuals who do not have funds upfront but can mobilize these funds over a specific period can owe the units at the time of completion. A maximum rental period will be agreed within the occupant must buy the unit. In this way, we are assured that occupants can take good care of the units during periods of rental occupancy.

Your Excellency, Ladies and Gentlemen, the whole objective of this pilot project is to provide a demonstration effect for government and other potential stakeholders, such as the financial institutions, and international housing organisations in the provision of affordable housing. We want to stimulate participation in the development of a more comprehensive and affordable housing programme for the country.

In this regard, your Excellency, NASSIT has carried out some studies aimed at developing a sustainable model for housing delivery in Sierra Leone. Study visit have been conducted to countries with some working models of affordable housing programmes, technical discussions have been held with professionals in urban planning, land development, architecture and engineering and analysis of findings and data collected from all these sources. What we seek here today is the outcome of a planning process that seeks to develop an urban community with an infrastructure that meets minimum standards for services, utilities and environmental sustainability, and at the lowest cost possible.

Your Excellency, on the basis of all this, let me use this opportunity to appeal to all key stakeholders for their contribution in the drive towards they realization of a sustainable and affordable housing delivery. I wish particularly to appeal to Government to support the planning and institutionalization of affordable housing delivery.

We also wish to appeal to international Financial Institutions that specialize in providing housing finance to now turn their attention to housing development in Sierra Leone.

And finally to our brothers and sisters in the private and public sector to turn their attention on the vast opportunities that exist in the housing sector in Sierra Leone.

Your Excellency, Mr Chairman ladies and gentlemen, I want to thank you all for gracing this occasion as we pledge our support to doing those things that will strengthen social security and social protection in Sierra Leone. I thank you