

## 11<sup>th</sup> EDF NIP for Sierra Leone – Summary

The objective of the EU's relationship with Sierra Leone is to support the transition from a post conflict situation characterised by critical structural poverty and governance challenges towards a sustainable and inclusive development path. At the same time the EU should aim to upgrade its political and policy dialogue with the Sierra Leonean authorities based on shared values and principles including democracy, the rule of law and the promotion and protection of fundamental rights. Such a strategy should focus on promoting governance and public sector reform including effective revenue generation, strengthening programmes to achieve the Millennium Development Goals, even after 2015, and promoting greater economic diversification and contributing to Sierra Leone's transition to a green economy. A stable, peaceful and prosperous Sierra Leone characterised by double digit growth and equal opportunities, contributing to the promotion of peace in the region would serve as an example to the region and the wider continent and denote a successful outcome of the EU's strategy for Africa. Sierra Leone is highly dependent on foreign aid (40% of capital expenditure in 2012) and as a result maintains a close relationship with all development partners. The NIP builds on the national poverty reduction strategy paper (PRSP), *The Agenda for Prosperity*, (July 2013).

The indicative allocation to Sierra Leone will be €376 million in programmable funds, subdivided as follows:

<b>Focal Sector 1:</b> Governance and Civil Society	€ 179 million	47 %
<b>Focal Sector 2:</b> Education	€ 80 million	21 %
<b>Focal sector 3:</b> Agriculture	€ 60 million	16 %
<b>Ad-hoc:</b> Liberia Road	€ 43 million	12 %
<b>Cross-cutting:</b> Support measures	€ 14 million	4 %
<b>Total</b>	<b>€ 376 million</b>	<b>100%</b>

The **Governance and civil society sector** will support the overall improvement of the public sector management both in terms of finance management, including revenue generation, and fight against corruption. It will also address the ability to deliver services as well as focus on the consolidation of peace, democracy, the rule of law and security. The **Education sector** will focus on one or several of the priorities identified in the PRSP-III: to make education more equitable and accessible; to improve student learning and make it more relevant; to reform Technical Vocation and Educational Training (TVET) and skills development; and to strengthen education governance. In **agriculture** the EU support will contribute to the preparation and implementation of a comprehensive National Food Security Strategy (along with the support to smallholders-intensive high value-added crops) in the framework of the protection and restoration of critical ecosystems. It should address Sierra Leone's capacity to increase food supply through agriculture intensification, value addition and protection of the ecosystems, and to improve resilience to financial and environmental shocks and negative trends. A particular focus should be placed on protective measures and social transfers for the most vulnerable groups in rural and urban population. Lastly, an **ad-hoc intervention** will complete the last segment of the EU-funded Conakry-Freetown-Monrovia highway (Bandajuma to Moa River bridge) as agreed between the Commissioner and the President.

**NATIONAL INDICATIVE PROGRAMME**

**SIERRA LEONE 2014 -2020**

**11<sup>th</sup> EDF**

## Table of Content

1	The overall lines for the EU Response .....	4
1.1	Strategic objectives of the EU's relationship with the partner country .....	4
1.2	Choice of sectors .....	5
2	Financial overview (indicative amounts).....	9
3	EU support per sector .....	9
3.1	Government & Civil Society (indicative amount EUR159 million).....	9
3.2	Focal Sector 2: Education (indicative amount EUR 80 million).....	11
3.3	Focal Sector 3: Agriculture & Food Security (indicative amount EUR 60 million).....	13
3.4	Specific Transport Intervention.....	15
3.5	B-allocation .....	16
4	Support measures.....	16
4.1	Measures to support or accompany the programming, preparation or implementation of actions .....	16
4.2	Support to the National Authorising Office .....	16
	Attachments .....	17

## list of abbreviations

<b>AfDB</b>	<b>African Development Bank</b>
<b>CPIA</b>	<b>Country Policy and Institutional Assessment</b>
<b>CSOs</b>	<b>Civil Society Organisations</b>
<b>DEPAC</b>	<b>Development Partnership Committee</b>
<b>DFID</b>	<b>Department for International Development</b>
<b>ECOWAS</b>	<b>Economic Community of West African States</b>
<b>EDF</b>	<b>European Development Fund</b>
<b>EAAS</b>	<b>European External Action Service</b>
<b>EIB</b>	<b>European Investment Bank</b>
<b>EPA</b>	<b>European Partnership Agreement</b>
<b>EU</b>	<b>European Union</b>
<b>FLEGT</b>	<b>Forest Law Enforcement, Governance and Trade</b>
<b>GDP</b>	<b>Gross Domestic Product</b>
<b>ICT</b>	<b>Information and Communication Technologies</b>
<b>IMF</b>	<b>International Monetary Fund</b>
<b>MAF</b>	<b>Mutual Accountability Framework</b>
<b>MDG</b>	<b>Millennium Development Goals</b>
<b>NIP</b>	<b>National Indicative Programme</b>
<b>PEFA</b>	<b>Public Expenditure and Financial Accountability</b>
<b>PFM</b>	<b>Public Financial Management</b>
<b>PPP</b>	<b>Public Private Partnership</b>
<b>PRSP</b>	<b>Poverty Reduction Strategy Paper</b>
<b>PSG</b>	<b>Peace and State Building Goals</b>
<b>RIP</b>	<b>Regional Indicative Program</b>
<b>TCF</b>	<b>Technical Cooperation Facility</b>
<b>VPA</b>	<b>Voluntary Partnership Agreement</b>
<b>WB</b>	<b>World Bank</b>

# 1 The overall lines for the EU Response

## 1.1 *Strategic objectives of the EU's relationship with the partner country*

The primary strategic objective of the EU's relationship with Sierra Leone is to support the transition from a post conflict situation characterised by critical structural poverty and governance challenges towards a sustainable and inclusive development path favouring the participation of key actors including civil society and the private sector, in line with the EU's Agenda for Change and the European Consensus on Development. At the same time the EU should aim to upgrade its political and policy dialogues with the Sierra Leonean authorities based on shared fundamental values and principles including democracy, the rule of law, and the promotion and protection of human rights. Additional objectives should focus on promoting trade and investment (both regional and between the EU and the region), further regional integration, and the transparent and effective management of natural resources. Such a strategy should rely on promoting governance and public sector reform including effective revenue generation, strengthening programmes to achieve the Millennium Development Goals, including after 2015, and promoting greater economic diversification through the establishment of a level playing field where economic operators can compete for markets and contribute to economic development in a conducive investment climate and to Sierra Leone's transition to a green economy. Human resources capacity building and good governance lie at the heart of this strategy. A stable, peaceful and prosperous Sierra Leone characterised by high growth and equal opportunity, contributing to the promotion of peace in the region would serve as an example to the region and the wider continent and denote a successful outcome of the EU's strategy for Africa.

Sierra Leone is highly dependent on foreign aid (40% of capital expenditure in 2012) and as a result maintains a close relationship with all development partners. To coordinate this process, the Government has an aid effectiveness framework that brings all donors, the Government and non-state actors together on a quarterly basis. This Forum, the Development Partnership Committee (DEPAC), is chaired by the Minister of Finance and Economic Development and co-chaired by the World Bank and UN. Once a year, a Presidential DEPAC is held which is chaired by the President. Under this process an informal division of labour operates to allow for the EU, EU Member States and the wider donor community to address the special and wide-ranging needs of Sierra Leone.

Sierra Leone, whilst emerging from its fragile state status, is a pilot country for Busan's New Deal on Engagement with Fragile States, which includes five Peace and State Building Goals (PSGs): Inclusive Politics, Security, Justice, Economic Foundations and Revenue and Services. In this context a mutual accountability framework (MAF) between the Donor Partners and the Government was adopted unanimously in July 2013. The MAF should be seen as an instrument to move relations with Sierra Leone from the classic beneficiary/donor relationship to a true partnership between equals. This is in line with the Government's ambition to become a middle income country by 2035, as set out in the national poverty reduction strategy paper (PRSP), *The Agenda for Prosperity*, adopted in July 2013. In line with this ambition, Government also aspires to access EIB funds in the future. The Ministry of Finance and Economic Development takes the lead on monitoring implementation of the MAF and a dashboard has been drawn up to measure commitments and performance against indicators such as the WB's CPIA (Country Policy and Institutional Assessment) and PEFA (Public Expenditure and Financial Accountability) scores and the Progress Assessment Framework. This MAF draws also on the results framework established in the recently adopted PRSP III. The Vision for Sierra Leone is to become "an inclusive, green, middle-income country", and the PRSP is based on eight pillars, including diversified economic growth, managing natural resources, accelerating human development, international competitiveness, labour and employment, social protection, governance and public sector reform and gender and women's empowerment.

The regional European Partnership Agreement (EPA) which is currently subject to political validation in the region will be the basis for the trade relations and aid for trade measures between the EU and Sierra Leone. This agreement is designed as a development tool and supports economic growth and sustainable development in Sierra Leone.

Taking into account the importance of the Information and Communication Technologies (ICT) and their applications as proven drivers of inclusive and sustainable growth, innovation and entrepreneurship, in designing interventions throughout the selected focal sectors as well as support measures of Sierra Leone's Indicative Programme, particular attention will be paid to the deployment of ICTs and the full exploitation of their potential in providing or facilitating viable solutions in all sectors and areas of intervention of the programme. Lessons learnt will be taken into account during the implementation phase and in particular, during the identification and formulation phases so as to inform the choices for implementation.

At EU level, where only 4 Member States (UK, DE, IRL, and FR) are represented in country, development cooperation is discussed at regular meetings at development cooperation working group level and at Heads of Mission level when pertinent.

## **1.2 Choice of sectors**

### **Sector 1: Government & Civil Society (DAC 150)**

Good governance, including public sector reform focused on effective capacity building, revenue generation and improved service delivery in a context of transparency, accountability and anti-corruption, coupled with the consolidation of peace, democracy and the rule of law, have been identified as some of the key challenges confronting Sierra Leone in its quest for prosperity and sustainable and inclusive development. Furthermore, governance and public sector reform is at the heart of state-building efforts and is supportive of the PSGs, Inclusive Politics, Security and Justice.

Government has made significant efforts over the past four years, including in the area of Public Financial Management (PFM), to keep a tight hold on fiscal and monetary policies aiming at macroeconomic stability. However, excess budgetary spending in 2010, the spill-over effects of which were still being felt in 2011 and 2012 proved that the required tightness was not optimal, and this in a context where local revenue collection capacity is limited to 14% of GDP and requires significant improvement.

The International Monetary Fund (IMF) estimates that, with the scaling-up of the iron ore extractive industry, GDP grew by 15% in 2012 (after steady growth in 2011 estimated at 6%) and should grow by a further 13% in 2013. Generous tax concessions have been granted however, and state revenue (currently among the lowest in Africa) increases will be much more protracted. Social improvements and inclusive development, including capacity to manage public investments and negotiate in the public interest, are being severely constrained by weak public sector capacity. Corruption continues to impact on the country's potential to make economic growth inclusive and investments sustainable, impacting disproportionately on the poor and vulnerable. Fully implemented regulatory frameworks are needed in all sectors to capitalise on their potential (e.g. fisheries, export crops, tourism, and extractives).

There is a need for future budget support programmes to Sierra Leone to target the strengthening of Government institutions, consolidating the gains in public sector reform and sustaining efforts on Public Financial Management (PFM). These efforts should also target the local level, to ensure that increased revenues lead to greater expenditure that can bring about increased basic service delivery through reformed more efficient public institutions. Institutional technical support, as part of the wider budget support programme, would support strengthening national statistical services and reform in key ministries – water, energy, transport, local government - to accompany government in their efforts to meet service-delivery-related budget support indicators. Reinforcement of Energy & Transport ministries in particular would also aim to foster stronger cooperation at the regional level (eg West African Power Pool, Mano River Union, ECOWAS...). Support to economic and financial governance, will also contribute to accompany the EPA and is fully in line with the objectives and priorities of the EPA Development Programme.

The results of the fragility assessment undertaken in July 2012 showed that the most fragile area currently is service delivery. Surveys undertaken over the years also confirm a high level of poverty and social vulnerability. GDP per capita has been hovering at between US \$320-370 since 2008 (with the 2012 estimate being US \$365). The 2011 UNDP Human Development Index ranked Sierra Leone in 180<sup>th</sup> position out of 186 countries, whilst the 2007 Core Welfare Indicator Questionnaire survey (CWIQ) suggested that 66.4% of the population lived on less than US\$1/day. High levels of inequality are evident throughout the

country. Corruption is widespread directly affecting the poorest people in the form of bribes demanded in order to access services; and in larger scale corruption or misuse of public funds that deprives the majority of the population access to public goods in favour of private gain. About 70% of youth are unemployed and this situation deprives the country not only of its most valuable human resource, but could also result in social unrest and impact on the country's peace and security.

In terms of public service delivery, there is also ample evidence that it will be necessary to strengthen the security and justice sectors to meet the various challenges confronting the country, both external and internal. The lack of access to justice, its often arbitrary nature and continuing tensions between its co-existing traditional and formal justice were identified as key drivers of the civil war. Whilst some progress has been made, a weak judiciary still hinders the consolidation of the state through the respect of the rule of law, impacting negatively on the fight against corruption, private investment and good governance. Internal security challenges remain around the capacity of the police to protect the population, prevent and fight crime effectively and respond appropriately to civil disorder. More broadly, the capacity of the law and order establishment to respond to the wide-ranging security challenges in the region, including cross-border trafficking, organised crime, and illegal mining and logging operations, in particular in protected areas, requires further reform and strengthening.

In November 2012 Presidential, Legislative and Local elections were held that were considered credible and largely free of violence. There is now a good potential to build on this positive landmark which is seen as a graduation from fragile state status. Consolidating locally accountable democratic structures and enshrining the principle of subsidiarity will contribute to more efficient and effective service delivery of pro-poor policies. Gains can be made in strengthening accountability and building legitimate politics by further entrenching the principle of democratic oversight as enshrined in the Cotonou agreement.

The potential role of civil society in monitoring and catalysing the ambitious transformation to which Sierra Leone aspires is well documented, and receives full support from the authorities. However, the analytical and operational capacity of local CSOs remains very weak, and local dynamics need to be encouraged to develop autonomously. Thus civil society remains weak and fragmented in Sierra Leone despite a relatively conducive environment. In line with the Cotonou Agreement and its Annex IV, an indicative amount may be set aside for support to civil society organisations which will be channelled through a Civil Society Fund

Support to Civil society, in line with the EU's strategy for engaging strategically with Civil Society (COM(2012) 492 final) will focus on enhancing efforts to promote a conducive environment for CSOs; promoting a meaningful and structured participation of CSOs in domestic policies, in the EU programming cycle and in international processes; and increasing local CSOs' capacity to perform their roles as independent development actors more effectively.

The promotion of democracy and human rights is a central pillar of cooperation and political dialogue in Sierra Leone. The Rights-Based Approach, encompassing all Human Rights for EU cooperation, is important to ensure stability and a move from a post conflict situation to a sustainable development path. This strategy should include support for initiatives promoting fundamental rights, gender equality and non-discrimination, thereby contributing to increase inclusiveness in governance and political processes.

Throughout the history of Sierra Leone, women have played an important role in community mobilisation and peacebuilding. The EU, through this programme, will strive to contribute to the role that women play in society as peace-builders, economic actors, and figures central to the promotion of community stability and cohesion. The sectors outlined in this programme will strive to ensure equitable participation of women, youth and other marginalized groups in national political processes, and should respond directly to the acute challenges contributing to sustained gender disparities across the sectors. The EU will put an emphasis on improved participation in political and decision-making fora, economic empowerment and access to basic services such as education.

## **Sector 2: Education (DAC 110)**

Decades of poor governance and exclusionary trends in the education sector were a key contributor to the decade-long conflict in Sierra Leone, during which access to education was further reduced. The country's socio-economic development is constrained by the quality of education. Extremely low education indicators,



coupled with very low levels of management and absorption capacity have contributed to Sierra Leone having some of the lowest indicators globally for educational performance, making this sector one of the key challenges for the future. This sector is also congruent with PSG 4) Economic Foundations and 5) Revenues & Services.

The 2010 Multiple Indicator Cluster Survey (MICS4, March 2012) showed that the net attendance rate in primary education was 74% in 2010, 92% of whom reached the final grade of primary school. However, gender imbalance is still prevalent in education where girls make up only 37% of secondary school enrolment figures and only 19% of attendance rates at university. Moreover, 73 % of women were considered illiterate in 2010. In terms of sustainability of PRSP-II outcomes, low educational participation of girl-children and low literacy rates among women in Sierra Leone remain a constraint.

The consequences of limited access to education during the conflict period are now resulting in limited youth employment opportunities and an uneducated, unskilled youth, highlighted as a major risk in PRSP-II. This is taken up in the PRSP-III which identifies education as a key factor in competitiveness and social development focusing on four main priorities: to make education more equitable and accessible; to improve student learning and make it more relevant; to reform Technical Vocation and Educational Training (TVET) and skills development; and to strengthen education governance.

The educational sector plan 2007-2015 is under implementation, and supported by donors on a project by project basis. However major funding gaps remain (about 41% of the recurrent budget). Quality aspects need to be backed up by proper inspection and verification procedures.

A new education sector plan 2014 – 2018 "Learning to Succeed" has been developed with support from the Global Partnership for Education. Such an overall plan offers perspectives for alignment with the national strategies while taking into consideration functions devolved under the decentralisation policy. For future engagement in the sector a clear division of labour amongst development partners for non-formal, TVET and formal education will be required.

A key partner in the education sector is UNICEF (quality of basic education, including capacity development and governance). DfID is currently joining the sector with funds to support activities focusing on gender equality and the implementation of a capacity development strategy and WASH education in six districts. China has also identified education as a key challenge for its future support. Most donor support remains project focussed and has a limited impact on the overall improvement of capacities within the sector from teachers to administrators. While basic education received most attention from donors, secondary and higher education are also important.

### **Sector 3: Agriculture (DAC 311) and food security (DAC 520)**

Agriculture accounts for almost half of Sierra Leone's GDP, and is still the largest source of employment engaging more than three-quarters of the population. The Government recognises agriculture as the main motor for economic development and has embarked on an ambitious, multi-faceted programme of modernisation, with a strong emphasis on commercial agriculture. Sierra Leone has been the recipient of significant funds under the Food Facility and the EDF 10. In continuity with past efforts the support to the agricultural sector together with the protection and restoration of ecosystems aimed at improving food security will be a priority. The sector will improve the "Economic Foundations" for an inclusive development of the country, and is therefore coherent with PSG 4. Support to agriculture will also contribute to accompany the EPA and is fully in line with the objectives and priorities of the EPA Development Programme.

Despite some positive signals, mainly in terms of increasing production, the agricultural sector - and food security - remains highly vulnerable. Recent events confirm the vulnerability to financial, economic and environmental shocks. In addition, the sector also suffers from vulnerability to long-term negative trends: climate change; shifting ecological zones; shifting social paradigms resulting in rural to urban migration and therefore reduction of the workforce; competition from other sectors (mainly the mining sector) further adding to a lack of workers.



Food security and agricultural development must hence be addressed in the framework of a comprehensive strategy for value addition, agricultural intensification, all components of food security and preservation of the natural resources base. Key to this approach is the issue of land rights and land use, which remains an outstanding issue impacting across the board, with women being particularly affected. Continued efforts are required to help prevent the further degradation of the natural resource base and support the restoration of critical ecosystems. Analysis indicates that it is essential to help tap the potential for the agricultural sector to be the motor of the economic and social development of Sierra Leone, targeting in particular the value chain of high value-added crops traditionally cultivated by a high number of smallholders, balancing commercial interests with support to the 4 components of food security ( food availability; access to food; food use and nutritional adequacy; prevention and management of food crises) and local economic imperatives. A further challenge confronting this sector is how to enhance the capacity of the Government and of civil society by addressing the needs of smallholders, the decentralization of agricultural services such as applied research and extension and supporting the devolution of planning and management activities at District level.

The EU support will therefore contribute, along with the support to smallholders-intensive high value-added crops, to the preparation and implementation of a comprehensive National Food Security Strategy, in the framework of the protection and restoration of critical ecosystems. It should address Sierra Leone's capacity to increase food supply through agriculture intensification, value addition and protection of the ecosystems, and to improve resilience to financial and environmental shocks and negative trends. A particular focus should be placed on protective measures and social transfers for the most vulnerable groups in rural and urban population. Actions combating malnutrition will be led by IrishAid, supporting the work of UNICEF and MOHS in this field. Development and social related aspects of large scale land acquisitions will be monitored by EU and Member States. Moreover, efforts in the agricultural sector will be further enhanced by German Cooperation's efforts to add value in the food chain and thus contribute to employment creation and raising incomes in rural communities.

Protection and restoration of the ecosystems will be pursued in the framework of landscape management and recognition of ecosystems services thus including protected areas for nature and wildlife conservation. These are based upon previous and current support to Sierra Leone's Environment Protection Agency, the GCCA REDD+ capacity building project with the forestry department as well as several FLEGT-related initiatives under the EU/FAO FLEGT facility. . Emphasis will be put on sustainable land management techniques which can improve productivity at the same time as mitigating against potential impacts on the environment and human health and addressing land degradation. Promotion and support to Integrated Water Resources Management (IWRM) is being addressed through a DfID funded programme of Technical Assistance to the Ministry of Energy & Water Resources. The EU has a considerable comparative advantage in support to environmental policy and other donors in this field will be consulted as actions evolve. The engagement strategy in Agriculture & Food Security will improve the "Economic Foundations" for inclusive development and is therefore congruent with PSG 4.

### **Specific Transport Intervention.**

The EU has a long and successful history of supporting road rehabilitation and construction in Sierra Leone. The completion of the last segment of the EU-funded Conakry-Freetown-Monrovia highway (Bo-Bandajuma to Moa River bridge) constitutes a vital concluding chapter in this history, requested at the highest level. This corridor, as part of the West African Coastal Highway, is of major importance for West African regional integration as well as for Sierra Leonean agricultural development and economic diversification. Additionally, this road opens up isolated areas in the south of the country and links two post-conflict countries in West Africa (Sierra Leone and Liberia) rehabilitating the only major interconnection between them. The engagement strategy in the Specific Transport Intervention will also improve the "Economic Foundations" for inclusive development and is also therefore congruent with PSG 4. This transport intervention of regional interest will also contribute to accompany the EPA and is fully in line with the objectives and priorities of the EPA Development Programme.

## 2 Financial overview (indicative amounts)

<i>sector</i>	<i>amount</i>	<i>% of total</i>
<i>Government &amp; Civil Society</i>	<i>€179 million</i>	<i>47%</i>
<i>Education</i>	<i>€80 million</i>	<i>21%</i>
<i>Agriculture &amp; Food Security</i>	<i>€60 million</i>	<i>16%</i>
<i>Specific Transport Intervention</i>	<i>€43 million</i>	<i>12%</i>
<i>Support measures - TCF</i>	<i>€14 million</i>	<i>4%</i>
<i>Total</i>	<i>€376 million</i>	<i>100%</i>

## 3 EU support per sector

This section provides a description of the EU's support for each of the selected sectors, including overall objective, specific objectives, expected results and the main indicators. These main indicators will be further fine-tuned and baselines and possible targets will be established in the identification phase.

### 3.1 Government & Civil Society (indicative amount EUR159 million)

**3.1.1** The **overall objective** will be to strengthen the legitimacy of the state through improved governance and public sector reform.

The **specific objectives** are: 1) to modernise public administration through public sector reform and capacity building to improve service delivery, revenue generation in line with the principles of good governance in the tax area (transparency, exchange of information and fair tax competition) and budget management and, 2) to consolidate peace through increased public service delivery and oversight in the areas of democracy, the rule of law and security.

#### 3.1.2. For each of the specific objectives the main expected results are:

*Specific objective 1:* a) Improved Public Financial Management (PFM), including at local level; b) increased tax collection and revenue generation in line with the principles of good governance in the tax area (transparency, exchange of information and fair tax competition); c) increased access to improved services for citizens through the reinforcement of key sectors of the administration; d) greater transparency through the reinforcement of state and independent oversight bodies.

*Specific objective 2:* a) Improved access to justice and security for all citizens; b) enhanced national capacity for conflict prevention and resolution; c) enhancing the advocacy role of civil society in policy reform and service delivery implementation.

**3.1.3.** The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Attachment 1.

#### 3.1.4. Donor coordination and policy dialogue are:

The multi-donor budget support group (MDBS) made up of EU, DFID, WB and ADB and Government counterparts is the principal forum for assessing the impact of measures to improve public financial management and fiscal governance and the lessons learnt from this group can be articulated through messages in policy dialogue. PFM programmes are devised in collaboration with the MDBS group.

Currently coordination in the security, justice, fundamental rights and democratic governance arena is led the UN System with strong support from the EU, DFID, German Cooperation, and IrishAid).

### **3.1.5. The Government's financial and policy commitments are:**

In line with the Sierra Leone's "Agenda for Prosperity" or PRSP III, the Government recognises that a stable macroeconomic environment is fundamental to achieving sustainable inclusive green economic growth. Moreover, Government has committed to designing appropriate macroeconomic policies to address the challenges likely to be posed by the large inflow of mineral resources revenues. The avowed main objective of fiscal policy in the medium-term is to enhance domestic revenue mobilisation in line with the principles of good governance in the tax area (transparency, exchange of information and fair tax competition); continuing to re-orient public expenditures in favour of capital projects and improve the efficiency of expenditures with a view to reducing the overall budget deficit to sustainable levels. For Domestic Revenue Mobilisation, Government is committed to continuing the implementation of reforms aimed at strengthening tax administration and broadening the tax base to enhance domestic revenue collection in the mining and non-mining sectors.

To ensure the prudent and transparent management of revenues from the extractive sector, Government aims to establish a Transformation and Development Fund as part of the Consolidated Revenue Fund and an appropriate fiscal rule determined to facilitate credible and sustainable budget implementation for the country to benefit from a fair share of the revenues generated by these resources. Government intends to continue to implement public financial management reforms to ensure the efficiency and effectiveness of public expenditures.

Monetary policy should continue to focus on maintaining price stability consistent with high and sustainable economic growth. In this regard, the target will be to achieve single-digit inflation in the medium to long term.

For improved Service Delivery the Government is currently engaged in an EU-funded Reform of the Civil Service, under 10<sup>th</sup> EDF, which includes a EUR 5.1 million commitment from national budget. A civil service code has been enacted to enhance transparency and accountability, the Civil Service Training College has been re-opened and there are plans for the establishment of a Public Service Academy. In order to improve governance in the security sector, an independent Police Complaints Board was established in 2013 and a security sector reform working group, chaired by the President, created.

### **3.1.6. When needed, the appropriate type of environmental assessment (Strategic Environmental Assessment or Environmental Impact Assessment) will be carried out:**

An environmental screening will be carried out during the identification of the project/programme in accordance to the Guidelines for integration of environment and climate change in EC development cooperation. A Strategic Environmental Assessment (SEA) will be carried out in close coordination with the Government and other donors active in the sector when pertinent. Implementation of environmental and social impact assessments (ESIAs) will be monitored by the government agency responsible for each programme.

### **3.1.7. The overall risk assessment of the sector intervention:**

The main risks for the good governance sector include external economic shocks or domestic political constraints that may generate a resistance to change. Issues such as increased oversight, accountability and transparency shift power dynamics and could be met by reticence in some quarters as vested interests are confronted. However, commitment to reform is currently strong and continued political dialogue, anchored firmly in a budget support policy dialogue should serve to mitigate this risk. Continued weak financial and organisational capacity of ministries, compounded by human resource constraints in the public service, whilst being addressed through the 11<sup>th</sup> EDF, will remain a risk to implementation. Flexibility in project design will be crucial to allow responses to changing circumstances and emerging challenges during implementation. Careful monitoring will be necessary.

### **3.2 Focal Sector 2: Education (indicative amount EUR 80 million)**

#### **3.2.1 The following overall objective will be pursued:**

The **overall objective** is to complement national efforts in achieving Universal Primary Education (UPE) and support secondary and tertiary/vocational education to ensure alignment with labour market demands.

The following **specific objectives** will be pursued: (1) To improve access to, equity and completion of quality education; (2) To improve quality and relevance of teaching and learning; and (3) to strengthen the education system; (4) to consolidate education and associated infrastructure through an integrated approach at both urban and rural levels.

The support to the education sector will promote environmental and climate change awareness. Sanitation and hygiene facilities should be standard features in schools and climate risks should be taken into consideration when designing educational facilities. It remains an ancillary objective to improve governance in the sector to the extent where sector budget support would be possible at a later stage of the 11<sup>th</sup> EDF.

#### **3.2.2 For each of the specific objectives the main expected results are:**

*Specific objective 1:* a) Increased enrolment and retention; and b) Increased equity in access and enrolment.

*Specific objective 2:* a) Improved quality and allocation of teachers; b) Improved skills acquisition and learning outcomes; and c) Strengthened alignment between education and the labour market needs.

*Specific objective 3:* a) Strengthened governance and management of the education sector at school, local and central levels; b) Improved monitoring and evaluation that provides timely information on the status of the system and highlights corrective measures and c) Increased funding for the education sector and improved management, allocation and monitoring of education expenditures.

*Specific objective 4:* a) Adequate supply and distribution of schools to meet the growing education demand in Sierra Leone.

**3.2.3** The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Attachment 1.

#### **3.2.4 Donor coordination and policy dialogue are:**

A Local Education Group (LEG), in Sierra Leone referred to as the Education Development Partners Group (EDPG) is a collaborative forum of stakeholders within the education sector who develop, implement, monitor and evaluate Education Sector Plans at the country-level. The EDPG ensures that all parties are kept fully informed of progress and challenges in the sector. The EDPG is also involved in (i) policy dialogue and harmonization of donor support in the education sector, (ii) monitoring and promoting progress toward increased aid effectiveness, (iii) Joint Sector Reviews, and (iv) mobilizing financial support for education. The EDPG is co-chaired by MEST and UNICEF (Coordinating Agency). Other members of the EDPG include AfDB, DFID, the EU, German Cooperation, Irish Aid, JICA, UNDP, UNESCO, WFP, World Bank and a host of international NGOs.

To feed into the EDPG, improve coordination between the donors and reduce transaction costs with the Ministry of Education Science and Technology (MEST) donors have established a complementary group to the EDPG. This is the Sierra Leone Education Donors' Group (EDG). The EDG exists to provide coordination to the work of donors and ensure that the activities of donors compliment and add value to the work of the MEST where possible; feed directly into the goals of the Education Sector Plan (ESP); and are aligned with the activities of other education development partners in Sierra Leone. The EDG is also a forum

to exchange high level information and communicate more effectively between donors and between donors and the MEST.

Donor contributions play a critical role in the development budget for the government. Yet, the donor community remains small, with AfDB, DFID, EU, German Cooperation, GPE (administered by World Bank), JICA, UNDP and UNICEF being the main donors in the education sector in Sierra Leone. Multilateral support represents the biggest share of the support (68% in 2011). The majority of the donors are working towards achieving the Millennium Development Goals (MDG 2 and 3) and the improvement of the quality of learning and teaching, particularly focusing on primary education. DFID's interventions also target, although to a lesser extent, the junior secondary level, whereas AfDB, German Cooperation and UNDP are currently engaged in TVET and skills training. Furthermore, emphasis is put on strengthening the education system through the implementation of the Capacity Development Strategy, which is funded by UNICEF and DFID.

### **3.2.5 The Government's financial and policy commitments are:**

Based on the recently published Agenda for Prosperity and the Education Sector Plan, the Government is committed to (1) improving access to, equity and completion of education at all levels, (2) improving the quality and relevance of teaching and learning and (3) strengthening the education system. Adequate mobilization of resources and judicious management of these resources is crucial to achieving the outlined education goals. From 2004 – 2011, actual education spending by the Government has increased in real terms from Le 247 billion to Le 374 billion allowing its share as a percentage of GDP to slightly increase from 3.3% to 3.5%. As far as the recurrent education spending is concerned, the situation remains comparatively favourable with an average of 25.6% over the same period. In order to implement the various activities outlined in the Agenda for Prosperity, the Government has planned to allocate €450 million for the period 2013 – 2017 (based on an optimistic scenario in line with the Memorandum of Economic and Financial Policies and agreed with the IMF). In order to achieve the Education for All goals, the Government has committed that 20% of total non-salary non-interest budget should go into the national total education recurrent budget. Furthermore, 50% of the education budget should be used for primary education.

### **3.2.6 When needed, the appropriate type of environmental assessment (Strategic Environmental Assessment or Environmental Impact Assessment) will be carried out:**

An environmental screening will be carried out if required during the identification of the project/programme in accordance to the Guidelines for integration of environment and climate change in EC development cooperation. Implementation of environmental and social impact assessments (ESIAs) will be monitored by the government agency responsible for each programme.

### **3.2.7 The overall risk assessment of the sector intervention:**

- No improvements of the weak institutional capacity of MEST as well as at the local level (weak capacity in planning, procurement, implementation, financial management, inadequate auditing and monitoring systems, poor documentation and reporting requirements, and lack of financial transparency).
- Lack of well-defined procedures and regulations, which provides opportunities for corruption and misuse of funds.
- Lack of (or limited) political commitment and ownership
- Poor information systems and unreliable data.
- . Failure to provide adequate funding for the decentralization of education financing.
- Given major barriers to school completion for girls, risk of girls not benefitting adequately from programming.
- Given the degree of neglect in the education sector and the desire of the Government to progress as early as possible to a sectoral reform contract, there is a risk that during the 2014-2017 period disbursements and implementation are hampered by lack of absorption capacity as required structures, processes and systems are not yet fully in place. To mitigate this risk, the aspect of absorption capacity should receive particular attention during formulation. If required adjustments



and/or reorientation of allocations towards other sectors of the MIP could be considered after a Mid Term review.

### **3.3 Focal Sector 3: Agriculture & Food Security (indicative amount EUR 60 million)**

#### **3.3.1 The following overall objectives will be pursued:**

1) To improve productivity and value addition in cash crop production maximising returns, especially to small holders (consolidating achievements of the 10<sup>th</sup> EDF A4D) and revenues for the country, while preserving ecosystems services and adapting to climate change; and 2) To increase food security country-wide according to four pillars: a) food availability; b) access to food; c) food use and nutritional adequacy; d) prevention and management of food crises, while preserving ecosystems services and adapting to climate change.

It remains an ancillary objective to improve governance in the sector to the extent where sector budget support would be possible at a later stage of the 11<sup>th</sup> EDF.

The following **specific objectives** will be pursued:

a) Sustainable improvement of productivity, quality, value addition and marketing conditions in cash crop production while preserving key ecosystems and adapting to climate change; b) creation and implementation of a comprehensive food security national policy and strategy.

#### **3.3.2 For each of the specific objectives the main expected results are:**

a) For the sustainable improvement of productivity and quality of produce in targeted cash crops: a1) The area cultivated and/or rejuvenated with target crops including, cocoa, coffee and cashew nut is expanded taking into consideration conservation and improvement of the environmental conditions; a2) Productivity of the selected cash crops is improved both quantitatively and qualitatively making use of good agricultural practices (soil and water conservation, rational use of agrochemicals etc; a3) Key ecosystems services are preserved; a4) Management of the technological aspect of the post-harvest process is improved at all steps; a5) A production-chain legal/regulatory framework is improved and adopted.

b) For the creation of a comprehensive food security national policy and strategy: b1) Availability and access to staple food and diversified crops is improved; b2) Predictive and reactive capacities to tackle staple food shortages at country level are increased; b3) Nutrition status of the country is improved; b4) Vulnerability to climate change is reduced

**3.3.3.** The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Attachment1. More specific indicators will be defined precisely as projects emerge from the A4P on the basis of the results framework in Annex 2 of the PRSPIII.

#### **3.3.4 Donors coordination and policy dialogue**

The main donors in agriculture are the EU, the UN (FAO), USAID, and the WB (mainly for the private sector). Ireland and the German Cooperation are also included among the donors. Other donors include: the USA, Japan and S Korea. The WB is mainly involved in financing the private sector in rural development. The UN agencies (FAO, UNDP, WFP, IFAD) are actively involved in the issue of land tenure and land Policy Reform; the FAO is also contributing to the implementation of the Smallholders Commercialisation Programme (SCP), Natural Resources management and Strengthening Resilience and Early Warning. Ireland is active on the sectors of Nutrition and early warnings.

The highest level of coordination in the agriculture sector is the Presidential Task Force on Agriculture (PAT). This is the coordination body for the management of the National Sustainable Agriculture Development Plan 2010-30. The chairman of the PTA is the President of the Republic. The forum had been designed to take place twice per year; the MAFFS also established a NGO's coordination forum.



A comprehensive coordination forum is the Agriculture Advisory Group (AAG), which brings together government, private sector, parastatals, research and development partners to discuss policy and technical issues and to serve as the technical committee to the PTA. An informal coordination group of donors active in the agriculture sector is also promoted and chaired by the FAO.

In view of the importance of food security and the GoSL's commitment to the fisheries sector as an engine of sustainable growth, actions in relation to fisheries should be coordinated at the appropriate level. In particular, coherence and complementarity should be ensured with actions under the Regional Indicative Programme, with other thematic programmes as well as with any potential future Sustainable Fisheries Partnership Agreement concluded between the Union and Sierra Leone, in particular the sectoral support provided under such an agreement.

### **3.3.5 The Government financial and policy commitments are:**

The future policy commitments of the Government of Sierra Leone in the sector are set out in the Agenda for Prosperity. Pillar1 of the agenda defines the focal sectors for inclusive growth in Sierra Leone. Agriculture as well as fisheries are among those focal sectors and are considered to be suitable engines of inclusive growth in the country, over the next five years and beyond. Moreover agriculture, like fisheries has the possibility to create a series of value adding activities. In turn the progress of agriculture and fisheries towards value adding activities, - transforming raw products into higher value commodities - will create employment opportunities for Sierra Leoneans, women and youths included, while providing the country with a source of a sustainable production diversification. A key to success in this sense is the identification of sector constraints.

The Agenda identifies a series of strategic objectives: 1) To increase the production of staple food crops and the production and supply of fishery products, for food security; 2) to promote and increase value-adding activities for agricultural and fisheries goods; 3) to increase the production and export of cash-crops and fishery products; 4) to improve access to finance for farmers, and 5) to strengthen the capacity of MAFS and institutions at all levels.

Government commitment to the improvement of the agriculture sector is shown in its flagship programme: the SCP. The programme spans from 2010 to 2014; it was calculated at the start that USD403 million would need to be invested over the five year period. The increasing of agricultural productivity and the attaining of food security are also the main objectives of the National Sustainable Agricultural development Programme 2010-30. The aim of the Government is eventually to achieve a 6% growth rate in Agriculture, as agreed in 2003 in Maputo. In order to achieve the described objectives Government has committed 10% of the country's annual budget to agriculture. In March 2013 a US\$50 million grant was secured from the Global Agriculture and Food Security Programme to support activities in the agriculture sector.

The above mentioned strategic objectives are complemented for the agriculture and fisheries sectors by the objectives established in pillar 2 of the Agenda for Prosperity on the natural resources management. Strategies are designed, among the others for the management of marine resources and land. Regarding land management the new policy aims at: improving and strengthening the existing land administration system and land laws; instituting reforms in relation to regulation that govern the way in which land ownership rights and obligations are determined; ensuring and promoting participation of local communities and relevant stakeholders in planning, design and implementation processes, with special emphasis on gender equality; and supporting programmes for improved landscape management to sustain long-term land productivity.

### **3.3.6. When needed, the appropriate type of environmental assessment (Strategic Environmental Assessment or Environmental Impact Assessment) will be carried out:**

The appropriate type of environmental assessment will be chosen and carried out if required. Implementation of environmental and social impact assessments (ESIAs) will be monitored by the government agency responsible for each programme. Environmental assessments should assess in advance the potential impacts associated with intensification of agriculture and measures to prevent these i.e. through techniques increasing

the efficiency of water use, improved soil husbandry including organic as well as inorganic fertilizers and integrated pest management.

### **3.3.7. The overall risk assessment of the sector intervention:**

In order to reach the expected results mechanisms of risk factors prevention/ mitigation should be foreseen taking in consideration the following risks:

a) Reduction in manpower due to migration of young people towards the urban areas or shifting to other sectors b) Land use/tenure policy not established; c) competition for manpower across all the economic sectors (young people moving to the mining/building sectors); d) Increased environmental degradation (including deforestation and land degradation) and climate change (e.g. erratic rainfall, salt water intrusion, increased recurrence of floods) can impact on the performance of the sector.

## **3.4 Specific Transport Intervention.**

### **3.4.1 The following overall objectives will be pursued:**

The **overall objective** is the reduction of poverty through the enhancement of the road network in Sierra Leone and in the West Africa region. The road from Bo-Bandajuma to the Liberia border is a key missing link in the road network of Sierra Leone and within West Africa. The rehabilitation of the road will enable trade linking between Sierra Leone and Liberia and in the region of West Africa and will contribute to economic and social development in this part of Sierra Leone and in the region. The project will complete an essential missing link in the Trans-West African Coastal Highway.

**Specific objectives** of the project are:

- upgrade the road transport system from Freetown to the southern part of the country and to Liberia.
- Rehabilitation of a part of the West African regional transport corridor, construction of two bridges as replacement of 2 single lane existing ones and the construction of a new one, replacing a hand-pulled ferry.
- strengthen policy dialogue (e.g. financing of maintenance works and axle load control)

### **3.4.2 For each of the specific objectives the main expected results are:**

- improved road network linking Freetown to Monrovia and the completion of the West African Coastal Road.
- reduced travel time and increased road safety.
- Improved road maintenance and reduction of overloaded trucks

**3.4.3** The main indicators for measuring the aforementioned results are contained in the sector intervention framework attached in Attachment1.

### **3.4.4 Donor coordination and policy dialogue are:**

Coordination between the Government and major donors (European Union, World Bank, African Development Bank (AfDB)) takes place occasionally through sector meetings, in which the European Union has been designated as the lead donor. Policy dialogue is satisfactory and several important reforms have been carried out. Road maintenance objectives have been factored as an indicator for General Budget Support. However some major reforms are still to be implemented. Increased cooperation with AfDB is ongoing to ensure blending on the West African transport corridor. AfDB are currently funding the construction of the Bo-Bandajuma stretch of road using EU-funded studies which is an integral part of the Bo-Bandajuma-Liberian border road.

### **3.4.5 The Government's financial and policy commitments are:**

The Project Road is consistent with the approach to the sector by the European Union, and is consistent with the development aims of Sierra Leone. The economy of Sierra Leone is highly dependent on the transport of people and commodities by road, since the phasing out of the railway in 1970. However, the condition of the national network is poor and its extent limited. Asphalted (tarmac) roads represent less than 10% of the total network. Therefore, to rehabilitate/reconstruct the core national road network is the main sector priority of the Government. Despite Sierra Leone government efforts and donors commitments to a coordinated programme, there are major under-funding problems on the core network.

### **3.4.6 When needed, the appropriate type of environmental assessment (Strategic Environmental Assessment or Environmental Impact Assessment) will be carried out:**

The Environmental/Social Impact Assessment Report (ESIA Report) prepared by BCEOM in 2006 offers a wealth of data describing the road project and its potential impacts, both negative and positive, on the environment—its biophysical characteristics and their interactions with prevailing socio-cultural conditions. The findings and conclusions contained in the ESIA Report are sound and have been updated in the feasibility study prepared in 2013. Provisions should be made to implement and monitor the mitigation measures indicated in the ESIA.

### **3.4.7 The overall risk assessment of the sector intervention**

The following risks and assumptions are identified:

- A long term risk for the project is the insufficient funds to undertake periodic maintenance.
- There is a risk that the provision of the road infrastructure on its own may be insufficient to stimulate the economic and social activity required to give good economic returns. There might be a need for associated development programmes to stimulate the required economic growth.

Assumptions related to the contribution to the overall objective:

- Political and economic stability

## **3.5 B-allocation**

No B-allocation is requested.

## **4 Support measures**

### **4.1 Measures to support or accompany the programming, preparation or implementation of actions**

A support facility (i.e. the Technical Cooperation Facility - TCF) which aims to support or accompany the programming, preparation or implementation of actions, will be foreseen in the programming through a specific allocation. An indicative amount of EUR 8 million may be foreseen for this facility.

### **4.2 Support to the National Authorising Office**

An indicative amount of maximum EUR 6 million should be foreseen for support to the National Authorising Officer.

## **Attachments**

1. Country at a glance (i.e. macro economic indicators and indicators derived from the MDGs, as well as possible other indicators relevant for the country, including risk indicators for disaster prone countries) (max. 2 pages)
2. Donor matrix showing the indicative allocations per sector (max. 1 page)
3. Sector intervention framework and performance indicators (see Template in Attachment 1)
4. Indicative timetable for commitment of funds (see Template in Attachment 2)

## Attachment 1: Template for Sector intervention framework

These main indicators will be further fine-tuned and baselines and possible targets will be established in the identification phase.

<b>Sector 1: Government and Civil society</b>		
<b>Specific objective 1:</b> To modernise public administration through public sector reform and capacity building to improve service delivery, revenue generation and budget management		
<u><b>Expected Results</b></u>	<u><b>Indicators</b></u>	<u><b>Means of verification</b></u>
a) Improved Public Financial Management (including at local level)	a1) Aggregate revenue and expenditure compared with approved budgets and action to address main findings of the Auditor General; a2) respect of public procurement procedures (number of direct agreements, etc.)	MOFED and IFI reports, Auditor general's report (baselines drawn from 2013 Auditor General's report)
b) Increased tax collection and revenue generation	b1) tax ratio (tax collection as a percentage of GDP) (current baseline: 13%)	MOFED and IFI reports
c) Increased access to improved services for citizens through the reinforcement of key sectors of the administration, for example water, sanitation, transport and energy	MDG indicators may be used. For example % of population with access to water, sanitation, and electricity. More specific indicators will be defined precisely during project identification phase	Government & CSO reports
d) Greater budget transparency through the reinforcement of state and independent oversight bodies	d1) Comprehensiveness and transparency of public budget d2) MOFED to disclose publicly in the first quarter of each year, a statement of the revenue collected in year n-1 from the top extractive industries in accordance with §159 of the Mines and Minerals Act, 2009, and consistent with Government commitments under the Extractive Industries Transparency Initiative	MoFED reports EITI reports
<b>Specific objective 2:</b> To consolidate peace through increased public service delivery and oversight in the areas of democracy, the rule of law and security.		
<u><b>Expected Results</b></u>	<u><b>Indicators</b></u>	<u><b>Means of verification</b></u>
a) Improved access to security and justice for all citizens	a1) Improved governance in the security sector (Number of recruitments made in line with Civil Service recruitment procedures etc) a2) Reported cases of abuses in the security and judiciary sector	UPR, security and judiciary statistics, reports from SL HRC and Human Rights NGOs, and newly established Police Complaints board
b) Enhanced national capacity for conflict prevention and resolution	b1) Lack of civil unrest; number of community conflicts and land	Press, police & HRC reports; reports by

	disputes; b2) % of conflicts solved by police interventions	CSOs
c) Enhanced advocacy role of civil society in policy reform and service delivery implementation	c1) Number of CSOs trained	
<b>Sector 2: Education</b>		
<b>Specific objective 1:</b> To improve access to, equity and completion of quality education		
<b><u>Expected Results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of verification</u></b>
a) Increased enrolment and retention	a1) Number of children enrolled in secondary education a2) Secondary Education Completion Rate	EMIS Baseline (2010/2011): JSS Enrolment Rate: 58.7% (244,490) JSS Completion Rate: 48.6% SSS Enrolment Rate: 26.4% (108,243) SSS Completion Rate 25.9%
b) Increased equity in access and enrolment	b1) Number of Out-of-School children	EMIS, MICS Baseline 2010: 6-11 years: 232,645 12-14 years: 73,641 15-17 years: 101,918
<b>Specific objective 2:</b> To improve quality and relevance of teaching and learning		
<b><u>Expected Results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of verification</u></b>
a) Improved quality and allocation of teachers	a1) Number of teachers trained a2) Policy on teacher posting	EMIS Baseline 2010/2011: Non-qualified teachers in Primary: 48% JSS: 41% SSS: 31% No policy on teacher posting
b) Improved skills acquisition and learning outcomes	b1) Number of pupils passing 4 subjects and above at WASSCE	WAEC, EMIS Baseline (2011): 4,682 (10%)
c) Strengthened alignment between education and labour market needs	c1) Number of TVET centres c2) Finalised TVET policy	NCTVA, TEC, MEST, CWIQ Baseline (2010): Draft TVET Policy
<b>Specific objective 3:</b> To strengthen the education system		
<b><u>Expected Results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of verification</u></b>
a) Strengthened governance and management of the education sector at school, local and central levels	a1) Number of personnel with a Personal Identification number	MoFED Baseline 2010: MEST: 362 Pre-primary: 887 Primary: 24,241 Secondary: 8,212 TVI/TVC: 1,489 Total: 35,190
b) Improved monitoring and evaluation that provides timely information on the status of the system and highlights corrective measures	b1) Number of schools visited by inspectors / supervisors at least once a term over academic year	MEST
c) Increased funding for the education sector and improved management, allocation and	c1) Education Share of Recurrent Expenditure	MEST, MoFED Baseline 2010: 23%



monitoring of education expenditures		
<b>Specific objective 4:</b> To consolidate education and associated infrastructure through an integrated approach at both urban and rural levels.		
<b><u>Expected Results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of verification</u></b>
a) Adequate supply and distribution of schools to meet the growing education demand in Sierra Leone	a1) Distance to the nearest secondary school from households a2) Number of schools built or rehabilitated	MEST, IRCBP Baseline 2011: Within 15 min.: 20% 15-30 min.: 5% 30-60 min.: 17% 1 to 2 hours: 31% More than 2 hours: 27%
<b>Sector 3: Agriculture &amp; Food Security</b>		
<b>Specific objective 1:</b> Sustainable improvement of productivity, quality, value addition and marketing conditions in cash crop production while preserving key ecosystems and adapting to climate change		
<b><u>Expected Results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of verification</u></b>
a) Area cultivated and/or rejuvenated with target crops including, cocoa, coffee and cashew nut is expanded taking into consideration conservation and improvement of environmental conditions	a1) Size of area rehabilitated or brought under production of the selected cash-crops	MAFFS/PMESD Statistics Baseline: Unpublished data available at District level; Estimation already calculated during the feasibility Study of the A4D EU funded programme
b) The productivity of the selected cash crops is improved both quantitatively and qualitatively making use of good agricultural practices (soil and water conservation, rational use of agrochemicals)	b1) Number of people receiving rural advisory services with EU support b2) Proxy indicators of market availability and quality produce, for example: quantity and quality of exported crops (cacao, coffee and cashew nuts) as per annual data published by the Ministry of Trade	National Revenue Authority: (ASYCUDA project)  Produce Board Marketing statistics  Monitoring of EU programme to be put in place
c) Preservation of key ecosystems services	c1) Agricultural ecosystems restored and protected with EU support	MAFFS/AGRIMET Survey & Monitoring of EU programme to be put in place
d) Management of the technological aspect of post-harvest processes is improved at all levels	d1) Indicators of farm gate and export prices d2) Number of people receiving rural advisory services with EU support	Produce Board Marketing statistics TRADE AND MAFFS statistics Monitoring of EU programmes to be put in place
e) A production-chain legal/regulatory framework is improved and implemented	Number of related-legal acts adopted and implemented	National gazette, FAO, CSO reports
<b>Specific objective 2:</b> Creation and implementation of a comprehensive food security national policy and strategy.		
<b><u>Expected Results</u></b>	<b><u>Indicators</u></b>	<b><u>Means of verification</u></b>
a) Availability and access to staple food and diversified crops are improved	Number of women and children benefiting from nutrition related programme with EU support	Market statistics Monitoring with EU support MAFFS, FAO Baseline:

		SMART Survey of 2010: 34%-44% of stunted children <5 years of age, SL Demographic and Health Survey 2008 46% prevalence of anaemic women )
b) Predictive and reactive capacities to tackle staple food shortages at country level are increased	Number of food insecure people receiving assistance through social transfer supported by the EU	Ministry of Health and MAFFS statistics WFP reporting Baseline: Sierra Leone Comprehensive Food Security and Vulnerability Analysis 2011: 45% of household are food insecure.
c) Nutrition status of the country is improved	Number of women and children benefiting from nutrition related programme with EU support	Household surveys SUN; IFPRI; FAO statistics IRISH AID
d) Vulnerability to climate change is reduced	Number of districts where predictive and reactive climate change strategies are implemented with EU support (Production and adoption of Contingency Plans for climate change-related food security vulnerability.)	Monitoring of EU programmes to be put in place

### Specific Transport Intervention

**Specific objective 1:** Upgrade the road transport system from Freetown to the southern part of the country and to Liberia.

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
a) Improved road network linking Freetown to Monrovia and completion of the West African Coastal Road; opening of new markets and trade opportunities	a1) Length of roads constructed and/or maintained with EU support  a2) Number of people with access to all-season roads with EU support	Environmental and Social impact study' figures during the formulation of project National population statistics and surveys regional statistics and regional transport observatories Specific reports

**Specific objective 2:** Rehabilitation of a part of the West African regional transport corridor, construction of two bridges as replacement of 2 single lane existing ones and the construction of a new one, replacing a hand-pulled ferry.

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
b) Reduced travel time and increased road safety.	b1) Reduction of transport-time and accidents.	Specific reports National and regional statistics Regional transport observatories

**Specific Objective 3:** Strengthen policy dialogue in the transport sector

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
c) improvement in road maintenance works	c1) Increased funding for road maintenance	Government budget and financial reports

	c2) Road maintenance strategy produced and implemented annually	SLRA reports
d) reduction of overloaded trucks through axle load control	d1) Axle load control policy formulated d2) implementation of axle load policy	SLRA reports

The results, indicators and means of verification specified in the present attachment may need to evolve to take into account changes intervening during the programming period.

## Attachment 2. Template for Indicative timetable for commitments

	Indicative allocation	2014	2015	2016	2017	2018	2019	2020
<b>SECTOR – Government &amp; Civil Society</b>	M €		110		40		29	
<b>SECTOR – Education</b>	M €		24		29	27		
<b>SECTOR – Agriculture &amp; Food Security</b>	M €		30			30		
<b>SECTOR – Specific Transport Intervention</b>	M €	43						
<b>B- allocation</b>	0€							
<b>Support measures</b>	M €							
• Measures to support or accompany the programming, preparation or implementation of actions	M €		4			4		
• Support to the National Authorising Office	M €		3			3		
<i><b>For DCI:</b></i>								
<b>Support measures</b>	M €							
• Measures to support or accompany the programming, preparation or implementation of actions								
<b>Total Commitments</b>	M €	43	171		69	64	29	

## Attachment 3 Country at a Glance - Key macro-economic indicators

		2007	2008	2009	2010	2011 <sup>e1</sup>	2012 <sup>f2</sup>
<b>Basic data</b>							
1	Population (in 1,000,000)	5.5	5.6	5.7	5.9	6.0	6.1
	- annual change in %		1.8	1.8	3.5	1.7	1.7
2a	Nominal GDP (in millions US \$)	1.700	2.000	1.900	1.900	1.900	1.970 <sup>3</sup>
2b	Nominal GDP per capita (in US \$)	309	357	333	322	316	322
2c	- annual change in %		15%	-6.8%	-3.3%	-1.9%	-1.9%
3	Real GDP (annual change in %)	6.4	5.5	3.2	4.9	5.6	6
4	Gross fixed capital formation (in % of GDP)	N/A	N/A	14.9	35.1	55.9	22.4
<b>Balance of payments</b>							
5	Exports of goods (in % of GDP)	17	13.6	14.2	19	24.9	N/A
	- of which the most important: <i>diamonds</i> (in % of exports)	45.5	34	21	24	18.4	N/A
	- of which share of regional trade (in % of exports) <sup>4</sup>	N/A	N/A	N/A	N/A	N/A	N/A
5a	Trade balance (in % of GDP)	- 6.2	- 9.9	- 12.7	- 19.6	- 29.2	N/A
	- of which share of EU imports (in % of imports)				9.2		
6	Export of services (in % of GDP)	N/A	N/A	- 3.3	- 13.5	-19.5	N/A
	- of which the most important: ... (in % of exports)	N/A	N/A	N/A	N/A	N/A	N/A
6a	Current account balance (in % of GDP)	- 4.4	- 5.1	- 8.4	- 27.9	- 54.9	- 10.1
7	Net inflow of remittances (in % of GDP)	N/A	N/A	N/A	N/A	N/A	N/A
8	Net inflows of foreign direct investment (in % of GDP)	N/A	N/A	4.4	25.6	55.6	11.3
9	External debt (in % of GDP)	N/A	N/A	43.4	41.1	39.4	20.2
10	Service of external debt (in % exports goods+services)	N/A	N/A	N/A	15.2	12	N/A
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	5.6	4.8	4.1	2.4	2.6	N/A
<b>Trade capacity</b>							
12	Average cost to export <sup>5</sup> (US\$ cost of export 1 container)	2075	1282	1450	1573	1573	1573
13	Global competitiveness index <sup>6</sup> (of 183 countries)	168	160	156	148	143	141
<b>Government budget</b>							
14	Revenues (in % of GDP)	N/A	15.9	19.7	20.5	22.8	14.2
	- of which: grants (in % of GDP)	N/A	4.5	7.9	7.2	7.9	4.3
	- of which: external tariff income (in % of GDP)	N/A	6.2	6.5	4.3	3.8	3.3
15	Expenditure (in % of GDP)	N/A	21.0	22.5	24.5	25.8	26.0
	- of which: capital expenditure (in % of GDP)	N/A	6.2	7.0	10.4	10.4	8.6
16a	Deficit (in % of GDP) including grants	N/A	5.1	3.2	6.9	3.9	4.4
16b	Deficit (in % of GDP) excluding grants	N/A	9.6	11.1	14.0	11.8	10.4
17	Total (domestic+external) debt (in % of GDP)	N/A	N/A	63.1	63.3	58.2	32.4
<b>Monetary policy</b>							
18	Consumer price inflation (annual average rate in %)	11.7	14.8	9.3	16.6	18.0	8.5
19	Interest rate (for money, annual average rate in %)	N/A	N/A	22.0	22.0	21.0	21.0
20	Exchange rate: annual average national currency / 1 US\$	2985	2981	3386	3978	4347	N/A

Data source(s):

World Doing Business reports, World Bank ; Government of Sierra Leone Budgets ; Economist Intelligence Unit  
International Monetary Fund ECF reviews

<sup>1</sup> e = estimate

<sup>2</sup> f = forecast

<sup>3</sup> Estimate not taking account of iron ore production

<sup>4</sup> Possible sources of information: WTO Trade policy reviews; UNCTAD Handbook of statistics  
(<http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx> ).

<sup>5</sup> Part of the of the WB Doing Business Report, ([www.doingbusiness.org](http://www.doingbusiness.org)).

<sup>6</sup> If available: WEF's Global Competitiveness Report.

**Attachment 4: Development Assistant to Sierra Leone 2011 in Millions of UD\$**

