

**Sierra Leone: Poverty Reduction Strategy Paper—Progress Report, 2008–10**

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**Sierra Leone**  
**Poverty Reduction Strategy Paper**  
**(The Agenda for Change)**

**Progress Report, 2008–10**

**June 2011**

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## ACRONYMS

ACC	Anti Corruption Commission
ACT	Artesunate Combination Therapy
AfDB	African Development Bank
ASREP	Agricultural Sector Rehabilitation Programme
AIDS	Acquired Immune Deficiency Syndrome
ANC	Antenatal Care
BKPS	Bo-Kenema Power Supply
BRIDGE	Building Resources in Democracy, Governance and Elections
CAP	Common Action Plan
CBOs	Community Based Organizations
CED	Customs and Excise Department
CORAD	Consortium for Rehabilitation and Development
CPI	Consumer Price Index
CRIS	Country Response Information System
CRS	Catholic Relief Services
DACO	Development Assistance Coordination Office
DECSEC	Decentralisation Secretariat
DFID	Department for International Development
DISECs	District Security Committees
DFPP	Diversified Food Production Programme
DTIS	Diagnostic Trade Integration Study
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization
FELDA	Federal Land Development Authority
FSAP	Financial Sector Assessment Programme
GDP	Gross Domestic Product
GoSL	Government of Sierra Leone
HIPC	Highly Indebted Poor Countries
HIV	Human Immune Virus
IF	Integrated Framework
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund

INGO	International Non-Governmental Organization
IPRs	Intellectual Property Rights
IPRSP	Interim Poverty Reduction Strategy Paper
IPT	Intermittent Preventive Therapy
IRCBP	Institutional Reform and Capacity Building Project
IT	Information Technology
ITD	Income Tax Department
ITNs	Insecticide Treated Bed Nets
JMC	Joint Maritime Committee
JSS	Junior Secondary Schools
LGA	Local Government Act
M&E	Monitoring and Evaluation
MCH	Maternal and Child Health
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MFMR	Ministry of Fisheries and Marine Resources
MMR	Ministry of Mineral Resources
MMR	Maternal Mortality Rate
MoFED	Ministry of Finance and Economic Development
MOHS	Ministry of Health and Sanitation
MTEF	Medium Term Expenditure Framework
NAC	National HIV/AIDS Council
NaCSA	National Commission for Social Action
NAS	National Aids Secretariat
NASSIT	National Social Security and Insurance Trust
NCCT	National Coordinating Committee on Trade
NEC	National Electoral Commission
NEPAD	New Partnership for Africa Development
NERICA	New Rice for Africa
NGO	Non- Governmental Organizations
NPA	National Power Authority
NPSE	National Primary Schools Examination
NRA	National Revenue Authority
OAG	Office of the Accountant General
ONS	Office of National Security
PEFA	Public Expenditure and Financial Accountability

PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PHU	Peripheral Health Care Unit
PLWHAs	People Living with HIV/AIDS
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSC	Public Service Commission
RF	Results Framework
RSLAF	Republic of Sierra Leone Armed Forces
SHARP	Sierra Leone HIV Response Project
SLEDIC	Sierra Leone Export Development and Investment Corporation
SLP	Sierra Leone Police
SLRA	Sierra Leone Roads Authority
SMEs	Small and Medium Enterprises
SSG	Strategic Situation Group
SSRR	Security Sector Review Report
STI	Sexually Transmitted Disease
TBAs	Traditional Birth Attendants
TRC	Truth and Reconciliation Committee
UCI	Universal Childhood Immunization
UMR	Under -5 Mortality Rate
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNFPA	United Nations Fund for Population Activities
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
VAT	Value Added Tax
VCCT	Vocational Counselling and Testing Centre
VSAT	Very Small Aperture Terminal
WFP	World Food Programme

# Chapter 1: Introduction

## 1.1 An Overview

The 2010 Annual Progress Report constitutes the Government of Sierra Leone's mid-term review of the progress made in implementation of the Agenda for Change—the PRSP II (2008-2012). The year 2010 witnessed an unprecedented determination and action from Government to ensure effective implementation of development projects mapped out in the framework of the Agenda for Change. There was a remarkable shift in public expenditure in favour of development financing and poverty expenditure under the following categories:

Infrastructural Development: Attention was especially focused on infrastructural development. In particular, work began on the rehabilitation of cities and district headquarter township streets. Furthermore, work is also underway on the reconstruction of roads linking major cities, towns, and Sierra Leone with neighbouring countries or in the immediate pipeline<sup>1</sup>. Works were underway on the construction of about 4000km feeder roads with various donor support.

As a consequence, infrastructural and other development spending increased by 154% from Le177bn in 2007 (end of PRSP I) to Le450bn in 2009 (the first year of effective implementation of PRSP II). Development spending from internally generated revenues increased by 375% from Le 42.5bn in 2007 to Le201.7bn in 2010 <sup>2</sup>.

Free Healthcare Programme: Another priority on the Government's development agenda for 2010 was the implementation of the Free Healthcare Programme. This programme was well received by all Sierra Leoneans, especially in local communities . To all beneficiaries interviewed and other key stakeholders in communities visited during the 2010 M&E exercises, the Free Healthcare Programme was considered a bold, decisive and, indeed, a poverty-reducing initiative as thousands of the target population (pregnant women, lactating mothers and the under fives) were visiting hospitals and peripheral health units for free medical care.

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<sup>1</sup> See Monitoring and Evaluation Reports by MoFED, Various Issues; or refer to website: [www.mofed.gov.sl](http://www.mofed.gov.sl) on the page of the Central Planning Monitoring and Evaluation Division.

<sup>2</sup> See Government of Sierra Leone, 2010, "*Sierra Leone: The Turn Around—Three Years of Transformative Achievements*", The Office of the President, Freetown, Sierra Leone, p.18.

Smallholder Commercialisation Scheme: Another key poverty reducing strategy the government was pursuing is the Smallholder Commercialisation Scheme within the framework of the National Sustainable Agricultural Development Programme and the Comprehensive African Agricultural Development Programme. As most of the poor were farmers, mainly engaged in small farming operations, it was critical that the Government singled out this programme within the agricultural sector.

Other Projects: Key development projects in other sectors were undertaken, including HIV/AIDS, water and sanitation, and education, while the Government continued to consolidate progress and expand national coverage in the provision of electricity and other forms of energy.

Monitoring and Evaluation: To ensure that these projects were implemented as planned, a robust monitoring and evaluation system has been established under the coordination of the Ministry of Finance and Economic Development (MoFED). In the last quarter of 2009 and during 2010, four nationwide monitoring and evaluation (M&E) exercises were conducted. The aim is to follow up on project execution and progress to ensure probity and value for money of public resources<sup>3</sup>. The Office of the President has been complementary in carrying out these exercises. All M&E exercises were conducted with the participation of civil society organizations.

Lessons Learned: A key lesson drawn from sustained development monitoring is that, regular follow ups and field visits ensure the seriousness required on the part of contractors and their supervisors to produce expected results on a timely basis. For instance, although most projects financed by MoFED under Local Council implementation exceeded their planned period, performance was generally appreciable. The vast majority of these projects had completed works by third quarter of 2010 from October 2009. The rate at which the feeder road component of the Rural and Private Sector Development Programme had gone was also laudable. Implementation of the Education for All and Fast Track

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<sup>3</sup> See Monitoring and Evaluation Reports by MoFED, Various Issues; or refer to website: [www.mofed.gov.sl](http://www.mofed.gov.sl) on the page of the Central Planning Monitoring and Evaluation Division.



Initiative school construction projects was generally impressive across the country.

This performance largely owed to the regular and quarterly M&E exercises initiated by the Government. It made it possible for the continual unravelling of problems encountered in project works; this brought about informed recommendations and actions towards improving project performance across the country.

Human Development Indices: Given the positive strides by the Government in the implementation of the PRSP II, it is expected that findings from the ongoing Integrated Household Survey conducted by Statistics Sierra Leone would reveal a reduced incidence of poverty. Currently, according to the Sierra Leone MDGs Report 2010, the country's incidence of poverty is estimated at 60 percent against 70 percent in 2005 when the first PRSP was implemented.

If the Free Healthcare Programme is sustained, mortality rates are expected to reduce drastically in the coming years. Infant and under-five mortality would reduce from their current high levels.

Following these interventions, after remaining at the bottom in the UNDP Human Development Index for many years, Sierra Leone recently moved 12 points upwards on the Index in 2010.

## **1.2 Report Preparation Process**

Data for writing this report were pooled from various sector reports—energy, transport, agriculture, education, health, water and sanitation, gender, and those sectors relating to the promotion of good governance, peace, and security. A one day technical working session was organised to firm up sector status updates on the strategic priorities of the PRSP II.

Quarterly M&E reports by MoFED were also utilised in the production of this report. Other documents used were the Budget Speech 2010, the Sierra Leone MDGs Report 2010, and other national reports on economic developments and progress.

### **1.3 Structure of the Report**

The rest of the report is organised as follows: Chapter Two presents macroeconomic performance in 2010. Chapter Three presents progress, challenges and recommendations in the attainment of the Government's strategic priorities—energy, transport, agriculture and fisheries, education, health and sanitation and gender. Chapter Four indicates progress in implementing the pre-conditions for achieving the strategic priorities, including issues relating to the promotion of good governance, peace and security. Chapter Five concludes the report and presents a summary of key findings and recommendations for improved implementation of strategies.

## **Chapter 2: Macroeconomic Performance**

### **2.1 Real Sector Performance**

The economy recovered in 2010 following the slowdown that resulted from the global economic and financial crises. Real GDP grew by 5 percent in 2010 from 3.2 percent in 2009, driven mainly by the recovery in the mining sector and strong performances in agriculture, manufacturing, construction and services sectors. Anecdotal evidence indicated that the production of food crops, especially rice and cash crops increased in 2010.

The production of minerals recovered significantly in 2010 with all the minerals, except rutile, recording increased outputs. Bauxite recorded the highest increase in output at 64.2 percent, followed by Gold at 53 percent, ilmenite and diamond output at 9.9 percent and 9.3 percent, respectively. Rutile output could still not recover from the effects of global meltdown and the collapse of the main operating dredge. Rutile production fell further by 2 percent in 2010.

Output in the manufacturing sector increased compared to the previous year. Out of a total of ten products, seven recorded increase in output in 2010. These include paint (55.6 percent), cement (27.4 percent), soft drinks (27.2 percent), beer and stout (9.4 percent), acetylene (9 percent), maltina (3.7 percent) and oxygen (2.6 percent). However, output of flour, common soap and confectionary dropped by 29.1 percent, 28 percent and 3.6 percent respectively. The relatively good performance in the manufacturing sector occurred at a time when electricity supply to Freetown improved following the commissioning of Bumbuna at the end of 2009 and the installation of a 10MW thermal power generating machine from the Japanese International Cooperation Agency.

Electricity generation improved significantly in 2010 by 29 percent (170.45 GW/hr) compared to 131.97 GW/hr in 2009. Total units sold also increased by 11 percent from 64.76 GW/hr in 2009 to 71.63 GW/hr in 2010 with industrial consumption increasing by 9.7 percent.

Construction activities, proxied by volume of cement production, increased significantly in 2010. Total cement produced in 2010 amounted to 300 thousand metric tons while imported cement amounted to 63 thousand metric tons

In the services sector, available data indicated an expansion in transport activities. The number of newly registered vehicles increased by 11 percent to 17,795 in 2010 from 16,038 in 2009. Newly registered commercial vehicles, including greater than 18 passenger seater buses increased by 9.5 percent ; lorries with six tyres increased by 20 percent while lorries with more than 6 tyres increased by 28.7 percent. Newly registered tractors and trailers increased by more than 200 percent while extra trailers increased by 4.6 percent reflecting increased economic activities in the agricultural and transport sectors.

In the tourism sector, the number of tourist arrivals in Sierra Leone for holiday, conference, business and for visiting friends and relatives increased by 19.7 percent. The increased number of tourist arrivals reflects the gradual recovery in the global economy and the improved political and investment climate coupled with promotional activities undertaken by the national tourist board.

In the telecommunications sub-sector, there are now 3 GSM companies operating (Africell, Airtel and Comium). The total number of subscribers is estimated to have increased from 1.8 million in 2009 to 2 million in 2010. There are also four companies providing fixed wireless internet broadband services in the country.

In banking, the number of commercial banks declined from 14 in 2009 to 13 in 2010, following acquisition of Pro-credit Sierra Leone by Ecobank. However, the number of bank branches increased nationwide from 73 in 2009 to 80 in 2010.

Inflationary pressures increased during 2010. Inflation, which was 12.2 percent at end 2009, rose to 16.1 percent by end February 2010 following the introduction of the GST. During the year, inflationary pressures remained high as a result of continued rise in international food and oil prices, increase in the pump price of petroleum products, and the gradual but continuous depreciation of the exchange rate.

**Figure 2.1.1: Year-on-year Inflation**

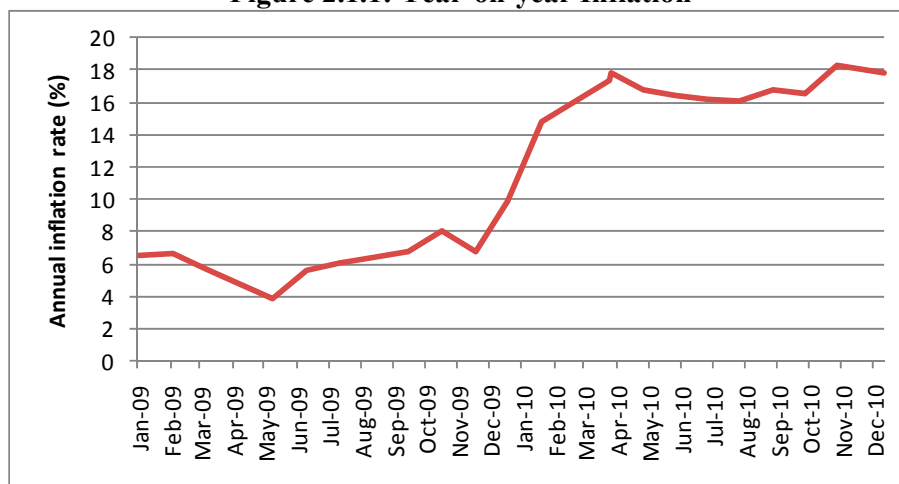


Figure 2.1.1 charts movements in end of period inflation based on the official National consumer price index (2007 base). End of period inflation stood at 17.8 percent in December 2010 while the annual average inflation for the year was 16.8 percent, compared to 8.9 percent in 2009.

The prices of key basic commodities, critical to the consumption basket of the poor, increased between December 2009 and December 2010. Prices of local rice, imported rice, palm oil, fish and flour increased by 3.3 percent, 6.5 percent, 12.3 percent, 74.4 percent and 10 percent, respectively. However, prices of cassava and sweet potatoes declined by 29.4 percent and 15 percent respectively, reflecting the increased production of these crops during the year.

The average international price of crude oil rose by 27.9 percent in 2010 with a corresponding increase in the pump price for petroleum products by 18.2 percent over the period. However, the price of rice on the international market fell by 11.4 percent.

### ***Imports***

The total value of imports was estimated at US\$ 770.0 million in 2010, 48 percent higher than 2009 levels. The growth in imports was driven by a sharp rise in the importation of machinery and transport equipment, largely as a result of new large-scale mining investments and the scaling up of road construction works around the country. Imports of manufactured goods also increased

strongly, by 53 percent. The value of rice imported fell by around 10 percent, whilst food imports as a whole remained roughly unchanged from 2009.

### **Exports**

Exports recovered strongly in 2010 amounting to US\$ 341.2 million, up 48 percent from US\$ 230.7 million in 2009. In particular, mineral exports recovered with diamonds, bauxite and rutile recording export growth of 45, 66 and 13 percent, respectively. Agricultural exports overall declined by 20 percent in 2010. This is because coffee exports in 2009 were unusually high, and in 2010 returned to a level closer to trend.

Cocoa exports continued to grow strongly, as they have done for a number of years, reaching US\$ 37.1 million in 2010. This likely reflects a combination of growth in production capacity as well as an increase in prices on international markets. A range of other exports that are not recorded separately also increased sharply in 2010 from a total of US\$ 20.0 million in 2009 to US\$ 78.2 million in 2010.

Even though the value of imports and exports increased at the same rate, the trade deficit widened to US\$ 428.8 million from US\$ 289.6 million in 2009.

Sierra Leone's dependence on primary exports in the mineral and agricultural sector means that the country remains highly vulnerable to conditions on volatile international commodity markets, which has badly affected the economy in recent years. With the recent growth of agricultural crops and other exports, there are signs that Sierra Leone's narrow export base has broadened somewhat. However, going forward, the expectation of large quantities of new iron ore exports commencing from 2012 will lead to Sierra Leone's export base becoming dominated by a small number of mineral commodities, with foreign exchange and economic growth highly vulnerable to changes in demand for and prices of these commodities.

The Government of Sierra Leone will continue to pursue strategies to diversify the export base in order to reduce the substantial macroeconomic and fiscal risks the country is currently vulnerable to. In particular, Sierra Leone will seek to encourage production and export of non-traditional exports and commodities

from the secondary or tertiary sector, including manufactured goods, refined primary commodities and services.

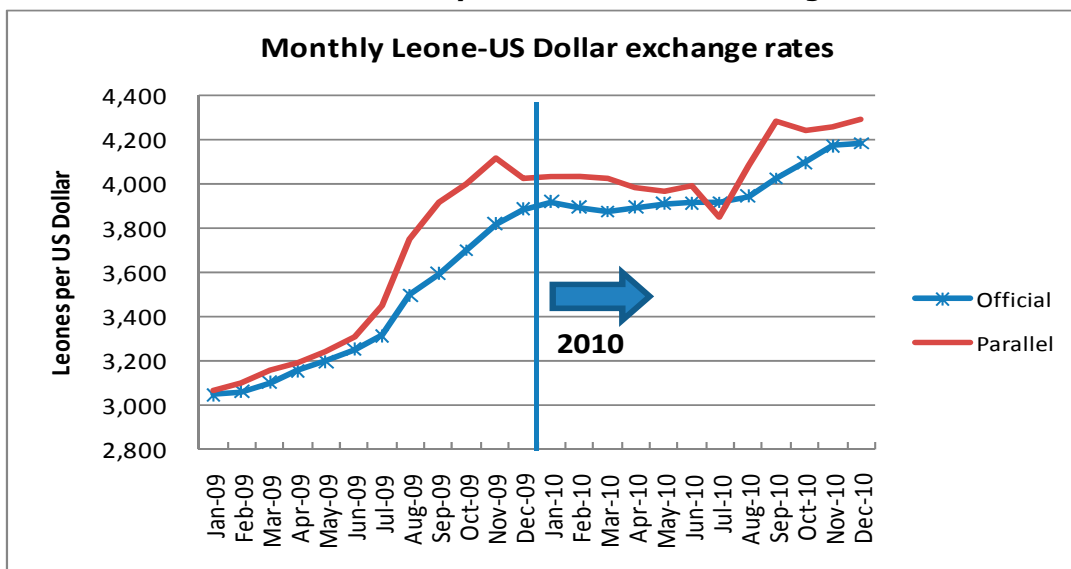
### **International Reserves**

Gross international reserves amounted to US\$ 345.2 million or 5.4 months of imports at end 2010. Foreign reserves were slightly higher than expected according to Government’s program with the IMF, due to lower than projected outflows in payment for goods and services by Government, and on account of the payment of mining royalties and surface rents by African Minerals Limited.

### **Exchanges Rates**

The Leone-US Dollar exchange rate remained relatively stable during 2010, depreciating by only 7.7 percent<sup>4</sup> against the US dollar over the year compared to a depreciation of 28 percent in 2009. The exchange rate in the parallel market moved broadly in line, depreciated by 6.5 percent. The value of the domestic currency vis-a-vis other major currencies broadly followed this trend.

**Table 2.2: Monthly Leone-US Dolla Exchange Rates**



## **2.2 Fiscal Performance in 2010**

Government’s fiscal policy in 2010 focused on intensifying domestic revenue mobilization and on re-orienting expenditures in favour of capital spending.

<sup>4</sup> Based on the monthly average official exchange rate as of end-December 2010 compared to the equivalent at end-December 2009.

### ***Total Revenue and Grants***

Domestic revenue collected in 2010 exceeded the original Budget projections (henceforth referred to as budget) by 19.4 percentage points and was 34.2 percent above the amount collected in 2009. Total domestic revenue rose from Le 750.8 billion in 2009 (11.7 percent of GDP) to Le 1.01 trillion (13.3 percent of GDP) in 2010. Of the total, tax revenue was estimated at Le 879.3 billion, which implied a growth rate of 38.9 percent compared to 2009 tax revenue of Le 633.0 billion. Non-tax revenue (composed of licenses, other revenues and royalties from minerals and fisheries) rose by 10.3 percent from Le 69.2 billion in 2009 to Le 76.3 billion in 2010.

The strong revenue performance was accounted for mainly by the improved collection of income taxes. Receipts from Income Tax Department (ITD) amounted to Le 303.0 billion (4.0 percent of GDP), exceeding the budget projection of Le240.5 billion by Le62.5 billion (26.0 percent). The better-than expected performance in income taxes is attributed to the following reasons: (i) the payment of outstanding personnel income tax by African Minerals of Le 24.5 billion (ii) payment Le 34.1 billion as capital gains tax by Woodside Energy in respect of the sale of oil block (iii) intensification of field audits which yielded additional revenue of Le 16.8 billion and (iv) the collection of tax arrears of Le 8.5 billion.

Despite the initial challenges experienced when the Goods and Services Tax (GST) was launched in January 2010, the tax was successfully implemented. Total GST collected in 2010 amounted to Le 246.4 billion (3.2 percent of GDP) whereas GST receipts had not been programmed into the budget due to the uncertainties around implementation. The successful implementation of GST was on the back of effective and regular sensitization programmes. Intensified field audits and stricter enforcement including the imposition of penalties for late filing and payment as well as sealing of defaulter's premises contributed to the improved performance.

The collection of Customs and Excise duties was not at par with expectations. Total Customs and Excise duties amounted to Le329.9 billion (4.3 percent of GDP) compared to the budget target of Le477.7 billion (6.6 percent of GDP) in 2009. A large part of this shortfall was simply due to the cessation of collection



of import sales tax and domestic sales tax, which were replaced by GST. However, weak performance of import duties is attributed to technical difficulties related to the clearing of container cargo.

Non-tax revenues amounted to Le76.3 billion, Le7.7 billion above the budget (11.2 percent) compared to its annual target of Le68.6 billion. Of the total non-tax revenues, mining revenues accounted for Le24.2 billion compared to the budgeted revenues of Le30.3 billion. The shortfall in mining revenues was in part attributed to the slowdown in the operations of Koidu Holdings arising from the re-negotiation of their Mining Agreement.

Total grants, including programme and project grants, amounted to Le542.6 billion in 2010 compared to the budgeted amount of Le567.5billion. Project grants were lower than budgeted while external budget support exceeded the projection by Le15.7 billion.

As a result of the improved revenue performance, domestic revenue accounted for 65.0 percent of total revenue and grants in 2010 compared to 60.0 percent in 2009. External budgetary support has fallen from 24.4 percent of total revenue and grants in 2009 to 17.1 percent in 2010.

**Table 2.2.1: Revenue Performance against Budget**

Particulars	2010 Commit. Le 'm	2010 Budget Le 'm	2010 Variance Le 'm	2010 % deviation	2010 Revised Budget <sup>1</sup> Le 'm	2010 Variance Le 'm	2010 % deviation
<b>Total Revenue and Grants</b>	<b>1,550,241</b>	<b>1,411,629</b>	<b>299,096</b>	<b>9.8%</b>	<b>1,475,542</b>	<b>45,309</b>	<b>3.0%</b>
<b>Domestic Revenue</b>	<b>1,007,626</b>	<b>844,110</b>	<b>256,818</b>	<b>19.4%</b>	<b>946,245</b>	<b>19,840</b>	<b>2.0%</b>
Income Tax Department	303,026	240,511	62,515	26.0%	228,987	66,591	28.2%
Goods and Services Tax	246,362	0	-246,362	-	196,813	-3,628	-1.5%
Customs and Excise Department	329,931	477,689	-147,751	-30.9%	361,164	-19,721	-5.6%
Mines Department	24,190	20,269	3,921	19.3%	41,052	-6,962	-22.3%
Other Departments	52,145	48,356	3,789	7.8%	60,944	-11,112	-17.6%
Road User Charges	51,972	57,285	-5,313	-9.3%	57,285	-5,328	-9.3%

<sup>1</sup>The revised budget reflects updated budgetary projections carried out in September 2010

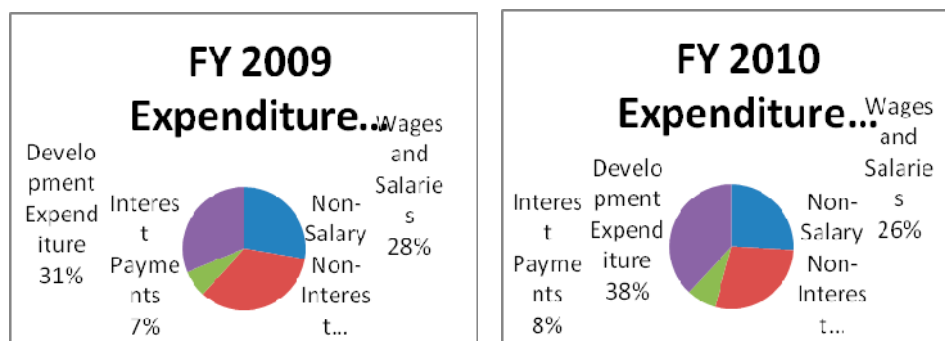
**Table 2.2.2: Revenue Performance Year-on-year**

Particulars	2009 Actuals Le 'm	2010 Commit. Le 'm	Variance against 2009 Le 'm	% Variance
<b>Total Revenue and Grants</b>	<b>1,563,994</b>	<b>1,550,241</b>	<b>-13,753</b>	<b>-0.9%</b>
<b>Domestic Revenue</b>	<b>750,210</b>	<b>1,007,626</b>	<b>253,553</b>	<b>34.3%</b>
Income Tax Department	211,901	303,026	91,125	43.0%
Goods and Services Tax	0	246,362	108,633	78.9%
Customs and Excise Department	421,109	329,931	47,157	16.7%
Mines Department	20,163	24,190	2,177	10.8%
Other Departments	49,022	52,145	3,123	6.4%
Road User Charges	48,620	51,972	3,352	6.8%

### **Expenditures**

Total expenditure and net lending amounted to Le 2.1 trillion (27.3 percent of GDP) in 2010, about 17.1 percent higher than the budgeted amount of Le1.8 trillion. This was due to greater than anticipated recurrent and capital spending. Recurrent expenditure amounted to Le 1.3 trillion (16.9 percent of GDP) in 2010. Of the total recurrent expenditure, wages and salaries amounted to Le 535.7 billion (7.1 percent of GDP) compared to the budgeted amount of Le 453.3 billion.

**Figure 2.2.1: Expenditure profile, 2009-2010**



The overrun in the wage bill was due to the increased wage bill for the health sector as part of the Free Maternal and Child Healthcare Initiative; higher than budgeted pension payments; social security contributions due to an increase in the salaries of health sector workers; the lump sum allowance paid to teachers; and the impact of the depreciation of the exchange rate on payments to foreign missions.

Interest payments amounted to Le159.2billion (2.1 percent of GDP), with domestic interest payments accounting for the bulk of the total (Le141.9 billion). Non-salary, non-interest recurrent expenditure amounted to Le591.6 billion (7.8 percent of GDP) compared to the budgeted amount of Le483.4 billion.

Since 2009, Government's expenditure profile is skewed towards development related spending and away from non-salary non-interest recurrent expenditures. Development expenditure accounted for 51 percent of total spending in 2010 compared to 36 percent in 2009.

Total capital expenditure increased from Le452.3 billion, (7.0 percent of GDP) in 2009 to Le787.3 billion in 2010 (10.4 percent of GDP), 13.0 percent higher than the budgeted amount. Domestically financed capital expenditure amounted to Le355.1 billion (4.7 percent of GDP) compared to Le107.0 billion (1.7 percent of GDP) in 2009 and was higher than the budgeted amount by Le153.4 billion. The overrun in the domestic capital expenditure was as a result of: (i) additional costs on infrastructure projects mainly energy and road projects; (ii) unanticipated expenditures for the rehabilitation of hospitals in line with the Free Health Care Initiative; and (iii) additional transfers made to local councils in the form of development grants.

Foreign financed capital expenditure increased from Le345.3 billion (5.4 percent of GDP) in 2009 to Le432.2 billion (5.7 percent of GDP) in 2010.

### **2.3 Poverty Expenditures**

Poverty expenditures amounted to Le635.0 billion (8.4 percent of GDP) compared to Le361.6 billion (5.6 percent of GDP) in 2009 and exceeded the budgeted amount of Le402 billion by 30 percent. Poverty related expenditure accounted for 67.1 percent of total discretionary expenditure, 54.6 percent of total recurrent expenditure and 87.9 percent of total development expenditure.

The higher than planned spending on poverty-related expenditures is mainly attributed to the Government's attempts to scale up expenditure on

infrastructure projects especially on roads, water and energy, as well as investments in agriculture, health and education.

Poverty related expenditures were to a large extent protected from the variability in resource availability during the year. This continues the positive trend from 2009 when poverty-reducing expenditures were successfully protected from the shortfalls in domestic revenues and external budget support.

**Table 2.3.1: Poverty Expenditure: Recurrent versus Development**

Particulars	FY 2009 Actual / Le 'b	FY 2010 Budget / Le 'b	FY 2010 Commitment / Le 'b	FY 2010 % Deviation	FY 2010 ECF Target / Le 'b	FY 2011 Budget / Le 'b
Total Poverty Related Spending	361.6	440.5	635.09	44.1%	402.0	514.3
Recurrent Poverty Related Spending	291.94	279.0	323.10	15.8%		313.89
Development Poverty Related Spending	69.68	161.5	311.99	93.2%		200.36

Poverty-related expenditure on the health sector was 17.7 percent below the budgeted amount of Le50.4 billion (see Table 2.4). Transfers to Local Councils amounted to Le91.1 billion, against the budget of Le72.8billion. Poverty related expenditure on the road sector increased by 90.0 percent above the budget of Le73.3billion, mainly as a result of the construction of roads in Freetown and the provincial headquarter towns.

In summary, as Table 2.3.2 shows, the share of poverty related expenditure on roads, agriculture and education are 21.9 percent, 4.4 percent and 10.9 percent respectively.

**Table 2.3.2: Poverty Related Expenditure—Sectoral Distribution**

Sector	FY 2010 Budget (Le billion)	Actual (Le billion)	% of total poverty expenditure
Health	50.4	41.5	6.5
Works, Housing & Infrastructure	73.3	139.3	21.9
Agriculture	31.0	28.0	4.4
Education	75.9	69.5	10.9
Local Council	72.8	91.1	14.3

## **PRSP Funding Gap**

The PRSP contained estimates of financing that would be required to fund the poverty-reduction activities contained therein. Based on the progress achieved so far and planned activities in the remainder of the PRSP period, Table 25 in the original PRSP has been updated and is set out in Annex 1 to this report, to provide estimates of the future funding gap. This gap is for 2012 only, as the 2011 budget that was targeted is already in operation and is fully-financed. The remaining financing gap is estimated to be Le475 billion, equivalent to just over USD 100 million.

### **2.4 Budget Deficit and financing**

The overall budget deficit (including grants) in 2010 was estimated at Le523.5 billion (6.9 percent of GDP) compared to Le201.1 billion (3.1 percent of GDP in 2009). The primary deficit, which is the overall deficit net of interest payments, increased to 6.2 percent of GDP from 3.9 percent of GDP in 2009.

The budget deficit was largely financed from domestic sources. Domestic financing of the budget was estimated at Le446.2 billion and foreign financing at Le161.7 billion.

### **2.5 Monetary and Financial Sector Developments**

Monetary policy objective during the review period remained the maintenance of price and financial sector stability. To this end, monetary policy remained proactive during the year aimed at containing the second round effects of high international food and oil prices.

The Bank of Sierra Leone (BSL), in a bid to strengthen its monetary operations, reviewed its monetary policy framework in 2010 and introduced the Monetary Policy Rate (MPR) early in 2011 that will serve as the main instrument used to conduct monetary operations in the secondary market and signal to the market the Bank's monetary policy stance. In addition, a Lombard facility was introduced and set at a penal rate of 5 percent above the MPR, at which the Bank will supply liquidity as the lender of last resort.

The BSL Liquidity Management Framework is operational and is based on regular monitoring of commercial banks' daily reserves. This serves as a guide in the conduct of monetary operations, particularly repo operations. A more

forward looking liquidity framework has been introduced to strengthen open market operations.

Monetary aggregates expanded in 2010 as both broad money and reserve money exceeded their targets under the IMF programme. Broad money grew by 32.7 percent exceeding the programme target of 14 percent. Similarly, reserve money expanded by 34.6 percent in breach of the IMF programme target of 7.5 percent.

The expansion in broad money was driven by the increase in domestic credit to both Government and the private sector. Net credit to Government grew by 88.3 percent whereas credit to the private sector increased by 31.5 percent at end 2010. The growth in reserve money reflected the growth in both currency issued and commercial bank deposits. Currency issued increased by almost 30 percent while commercial bank deposits with the central bank grew by 82 percent.

Domestic interest rates generally rose during 2010 with the exception of the commercial bank savings rate, which fell slightly from 6.32 to 6.19. The 91-day treasury bills rate increased to 24.5 percent at end 2010 from 14.0 percent at end 2009. The 180 day treasury bills rate rose to 28.4 percent from 12.2 percent over the same period whilst the 365-day treasury bills rate increased to 29.0 percent from 14.3 percent. Similarly, the treasury bearer bond rate rose to 20 percent from 12 percent. The increase in interest rates reflected the increased Government borrowing from the domestic banking system as well as the higher inflationary pressures during the period. However, the prime commercial bank lending rate fell slightly to 21 percent from 22 percent while the general lending rate rose slightly to 30 percent from 29 percent over the period.

With assistance from development partners, the Bank of Sierra Leone commenced implementation of the Financial Sector Development Plan, aimed at ensuring an efficient and stable financial system. The Bank of Sierra Leone, World Bank, GTZ and KFW agreed on a trust fund financing arrangement to be managed by the World Bank. A grant of US\$4 million was disbursed early this year by the World Bank to the Bank of Sierra Leone, in support of the

development plan. Implementation of the following activities under the plan is in progress:

- Establishment of an interim Credit Reference Bureau, in line with the Government's program with the IMF and in collaboration with IFC specialists.
- Development of analytical tools and capacity building for banking supervision and development of the national payments system.

## **2.6 Composition and Structure of External Debt**

Sierra Leone continues to adopt the policy of contracting only highly concessional loans. As at end December 2010, total disbursed, outstanding debt was US\$ 767.9 million, compared to the stock as of December 2009 of US\$ 692.6 million. This increase of 10.9 percent was largely on account of increased disbursements from multilateral creditors, including the IMF (US\$ 40.1 million), World Bank (US\$ 30.3 million) and AfDB (US\$ 16.2 million).

During 2010, credit outstanding to other multilateral creditors such as OPEC Fund for International Development (OFID), Arab Bank for Economic Development in Africa (BADEA), and Islamic Development Bank (IsDB) declined from US\$ 137.0 million to US\$ 131.5 million.

The share of multilateral debt continues to account for the largest share of Sierra Leone's external debt portfolio, representing 61.9 percent at end 2010 compared to 56.9 percent at end 2009. Commercial creditors accounted for 30.1 percent, down from 34.7 percent at end 2009. Bilateral creditors accounted for 7.9 percent, down from 8.4 percent at end 2009. The share of external commercial debt which appears large is expected to be significantly reduced following the implementation of the debt reduction programme for external commercial creditors by 2012.

**Table 2.6.1 : Stock of External Debt (US\$ million)**

	End Dec 2009	End Dec 2010	Annual change (%)
Multilateral	394.4	475.5	20.6
World Bank Group	124.3	154.6	24.4
IMF	72.9	113.0	55.0
ADB/F	60.2	76.4	26.9
Other Multilateral	137.0	131.5	-4.0
Official Bilateral	58.0	60.8	4.9
Commercial Creditors	240.2	231.5	-3.6
Total	692.6	767.9	10.9

By end 2010 debt owed to bilateral creditors amounted to US\$60.8 million, a marginal increase of about US\$ 2.0 million from end 2009. This increase was largely driven by disbursements from India EXIM Bank and Saudi Fund. In this category, China currently accounts for the largest share of about 39.3 percent, followed by Kuwait, India EXIM Bank and Saudi Fund of 34.5 percent, 22.6 percent and 3.45% respectively. Debt owed to China emerged as the largest portfolio of non-Paris Club Bilateral debt following increased disbursement by the China EXIM Bank in 2008 to fund the telecommunications project.

#### ***External Debt Service Payments***

Since Sierra Leone reached HIPC Completion Point in December 2006, annual debt service payment obligations have declined by over US\$25 million annually. Total debt service payments in 2010 amounted to US\$ 19.4 million compared to a projected payment of US\$18.01. This was as a result of higher amortisation in favour of external commercial creditors. The effect of exchange rate movements in the basket of loan currencies also contributed to the deviation from the projection.

#### **External Commercial Creditors and the Status of IDA Debt Buy-Back Operation:**

Total estimated external commercial debt reduced from US\$240.2 million as of end 2009 to US\$231.5 million at end December 2010.



Under the enhanced HIPC Initiative, commercial creditors are expected to deliver their share of debt relief through a debt buy-back operation supported by the World Bank. However, the treatment of external commercial debt poses serious challenges and risks to debt sustainability.

Since reaching completion point in December 2006, Government has engaged the World Bank to secure financing for implementation of the IDA debt-buy-back reduction programme. In April 2009, the Bank approved a grant of US\$950,000 to fund the preparatory work. Preparatory activities for implementing the debt buy-back scheme, including recruitment of financial and legal advisors, are in progress. Implementation of the scheme is expected to take place in 2012.

The buy-back programme once implemented will result in significant reduction (over 90 percent) in Sierra Leone's external commercial debt, which currently stands at about US\$ 231.5 million

### **Domestic Debt**

As at end December 2010, total stock of domestic debt instrument stood at Le1.16 trillion, reflecting an increase of 23.8 percent when compared to the same period in 2009 (Table 2.6.2). This increase emanated from the conversion into Treasury securities of Le177.5 billion and Le45.3 billion of the stocks of Non-negotiable Non-interest Bearing Bond (NNIB) and Ways and Means Advances respectively during the course of the year.

Of the converted stock of NNIB, Le100 billion was in the form of 5years, 9 percent coupon paying bond for the recapitalisation of Bank of Sierra Leone and the residual was in the form of Special Treasury bills for monetary operations.

**Table2.6.2: Stock of Domestic Debt Instrument and Ways and Means Advances (in Le'm)**

<b>Instrument</b>	<b>End 2009</b>	<b>End 2010</b>	<b>% Change</b>
Treasury bills	651,968.50	771,053.35	18.27
1-Treasury bond	103,976.40	107,666.45	3.55
Recapitalisation bond	180,000.00	280,000.00	55.56
<i>Total</i>	<i>935,944.90</i>	<i>1,158,719.80</i>	<i>23.80</i>
<i>Ways &amp; Means Advances</i>	<i>0</i>	<i>178,000</i>	<i>...</i>

**Table 2.6.3: Treasury Securities by Tenor (in Le'M)**

<b>Instrument</b>	<b>End 2009</b>	<b>End 2010</b>	<b>% Change</b>
91-day Treasury bills	278,101.00	291,303.65	4.75
182-day Treasury bills	124,304.30	249,222.35	100.49
364-day Treasury bills	249,563.20	230,527.35	-7.63
1-year Treasury bond	103,976.40	107,666.45	3.55
Recapitalisation bond	180,000.00	280,000.00	55.56
<b>Total</b>	<b>935,944.90</b>	<b>1,158,719.80</b>	<b>23.80</b>

The stock of 364-day Treasury bill fell by about 8 percent as investors moved resources to higher yielding 182-days bill, which stock increased by 100 percent. The stock of 91-days bill and 1year bond remain relatively unchanged from their 2009 levels.

Interest Payments on Domestic Debt Instruments and Ways & Means Advances:  
Total interest payment on treasury securities and Ways and Means Advances in 2010 increased by 60.4 percent from Le88.8 billion in 2009 to Le142.4 billion in 2010.

**Table 2.6.4: Interest Payments on Domestic Debt Instruments and Ways & Means Advances (in Le'm)**

<b>Instrument</b>	<b>2009</b>	<b>2010</b>	<b>% Change</b>
Treasury bills	46,978.19	65,317.08	39.04
Special Treasury bills	10,637.85	21,376.38	100.95
1-year Treasury bond	14,924.57	11,853.98	-20.57
Recapitalisation bond	13,275.00	22,950.00	72.88
Ways & Means Advances	2,987.71	20,930.46	600.55
<b>Total</b>	<b>88,803.32</b>	<b>142,427.90</b>	<b>60.39</b>

The projected interest payment on domestic debt instruments and Ways and Means Advances for 2010 was Le135 billion, while actual interest paid was Le142 billion. This difference is attributed to the unplanned interest payments on Ways and Means Advances, which was projected at Le500 million, while actual payment was Le20.9 billion.

## **2.7 Sustaining Macroeconomic Stability in the Medium Term**

The economy will continue the strong recovery in 2011 and the medium term. Real GDP is expected to grow at 5.1 percent in 2011 and continue the expansion to 6 percent in both 2012 and 2013, reflecting the increased investment in basic infrastructure and energy, rise in agricultural productivity and huge investment in the mining sector. The commencement of iron mining in particular, is expected to substantially boost economic growth in the medium term.

The global economic recovery will increase export demand for minerals and cash crops, which should contribute to exchange rate stability. Combined with expanding domestic food production, this should ease inflationary pressures. Monetary and exchange rate policies will also aim at returning to single-digit inflation, with end-period inflation projected to decline to 7.5 percent in 2013. However, import coverage of gross foreign exchange reserves is expected to decline from 5.4 months in 2010 to 3 months in 2013, as imports recover with the economic recovery and expansion in investment.

### ***Fiscal Policy in 2011-13***

Fiscal policy in the medium term will be tightened to maintain fiscal sustainability and consolidate macroeconomic stability and support key infrastructural development to support economic growth. Domestic revenue is projected to increase from 13.3 percent of GDP in 2010 to 13.6 percent in 2011 and further to 13.7 percent in 2013, reflecting the efficiency gains from GST, increase in royalties and sustained efforts to improve tax administration and broaden the tax base.

To enforce existing tax legislation to improve compliance, the National Revenue Authority has established a Domestic Tax Department integrating the GST operations with the Large Tax Payers Office. Furthermore, the NRA will be applying penalties for late and non-filing of returns and late payment of tax as additional efforts to enhance tax compliance. In addition, a small tax payer regime will be introduced in an effort to broaden the tax base.

BSL direct credit to Government through ways and means advances will be severely curtailed and used only under exceptional circumstances for short-term

purposes. Moreover, the Government Budgeting and Accountability Act (GBAA) will be amended to require ex-ante parliamentary approval for supplementary budgets.

### ***Monetary and Exchange Rate Policies***

Monetary policy will be tightened to achieve single digit inflation by the end of 2012 and beyond. To this end, reserve money is projected to grow at 19.0 percent at end 2012 and 15.8 percent at end 2013. The fiscal tightening will assist lowering T-bill interest rates to a more affordable level to help contain inflationary pressures. BSL Act will be amended to limit the amount of credit extended to Government.

To strengthen monetary policy operations, the BSL has reviewed its monetary policy framework and introduced a benchmark interest rate—the monetary policy rate, which will be used to signal the stance of monetary policy to the market.

Government is committed to maintaining a flexible exchange rate to facilitate adjustment to external shocks. Going forward, the BSL will seek to enhance its foreign exchange management strategy by promoting inter-bank foreign market transactions and move to a wholesale foreign exchange auction system.

### ***Debt Management Policy***

Debt sustainability will remain a priority. Government is committed to a prudent strategy of external borrowing on concessional terms to finance infrastructural development. A comprehensive national Debt Law and procedures manual has been enacted by Parliament. In collaboration with the Public Debt Unit of MOFED, government agencies are working on improving the quality of debt data and reporting in order to better monitor commitments, disbursements, and debt service obligations. The Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) will be electronically linked with IFMIS.

With assistance from the World Bank, Government will be implementing a commercial debt buy-back operation to eliminate the stock of debt owed to external commercial creditors in 2011. To further improve on debt management, the Government is seeking assistance from the World Bank and the Fund to develop a comprehensive Medium-Term Debt Management Strategy (MTDS).

On domestic debt, Government will seek to lengthen the tenure of government debt instruments beyond the traditional maturity of less than one year to between two to five years in line with government's requirement for medium to long-term financing for infrastructure development. To this end, the Ministry of Finance and Economic Development will collaborate with the Bank of Sierra Leone to engage market participants, including commercial banks, NASSIT, and other non-bank financial institutions to develop a long-term bond market consistent with the government's financing needs.

## **Chapter 3: Progress on Sector-Specific Strategic Priorities**

### **3.1 Enhancing National Electricity**

Limited access to reliable and affordable energy supply on a sustainable basis is recognized as a major constraint to economic growth. Thus, Government has put access to cheap and affordable energy at the top of its agenda

Thus, an Energy Policy has been formulated and adopted by Cabinet and is awaiting ratification by Parliament. The Policy focuses on key actions including:

- To develop a legal and regulatory framework to govern activities in the energy sector;
- Develop a Rural Electrification Strategy and Plan to address all aspects of rural electrification and power needs;
- Promote energy efficiency and conservation measures;
- Encourage the use of renewable and alternative sources of energy for cooking, heating, cooling, lighting and other applications; and
- To make maximum profitable use of energy sources with little or no adverse impact on the environment.

The progress indicators monitored under the energy sector are: national electricity generation capacity; electricity generated in Western Area, South, East, and Northern Regions; percentage of households with access to electricity; percentage of electricity lost during transmission and distribution; and percentage of billed electricity revenue collected. Table 3.1.1 summarises the performance status for energy indicators for 2010 and targets for 2011.

**Table 3.1.1: Summary of 2010 results on energy sector**

<b>Outcome Indicator</b>	<b>Baseline (2008)</b>	<b>Target for 2010</b>	<b>Status</b>	<b>Target for 2011</b>
National electricity generation capacity	24MW	78.26MW	87.7MW	104.5MW
Electricity generation capacity in W/A	17MW (Rented)	10MW (NPA)	26.5MW	26.5MW
Electricity generation capacity in North	1.3MW	51MW	51.2MW	67MW
Electricity generation capacity in South	2MW	5.26MW	4MW	5MW
Electricity generation capacity in East	6MW	6MW	6MW	6MW
% of households with access to electricity	7%	8.5%	-	-
% of electricity lost during transmission & distribution	40%	35%	45%	30%
% of billed electricity revenue collected	78%	88%		90%

As table 3.1.1 shows, electricity supply in Freetown rose from 5MW in 2007 to over 60 megawatts following the commissioning of the JICA funded 10MW plant at Kingtom Power Station and the start of operations of the Bumbuna Hydro Power. New power plants recently installed in Eastern Freetown (Blackhall Road Power Station) will soon add another 16.5MW to the supply for the city.

However, a stable and reliable electricity supply continues to be hampered by a fragile transmission and distribution network which is over 40 years old. To improve on the T&D network, government has provided substantial funds to replace the old transport network. The installation of 33kV lines in Freetown and the Western Area, including a sub-station in Regent from donor funds, is about 75% complete. When fully completed, it is expected to increase the transport capacity of the T&D network from the current 30MW to about 45MW by the end of 2011.

Electricity generation for the Bo/Kenema Power Services which has been patchy over the last few years is being addressed with funds provided by Government and the UN Peace Building Fund. All three thermal plants are being overhauled to provide a steady 5MW throughout the year. Plans to upgrade the Dodo hydroelectric plant to 12MW are underway. On completion, this will substantially improve power generation in the cities of Bo and Kenema.

Work to install 6MW plants in Lungi and Koidu/New Sembehun in Kono is also underway and will be completed by end 2011. Bumbuna Town and the nearby village of Kamanke are receiving electricity supply from Bumbuna hydropower, with Makeni, Magburaka and Lunsar soon to benefit from Bumbuna. In addition, thermal plants and Transmission and distribution (T&D) materials are being procured for these towns. Electrification of other headquarter towns is also planned. The plants, transmission and distribution materials which are being installed are paid for by government. Plans are already underway to increase the generating capacity of Bumbuna ten-fold through the construction of a second dam.

Work will also soon commence on the construction of mini hydro-electric dams at Makali, Charlotte and Port Loko (Bankasoka) with funding from the Chinese government. With support from the European Union, intense technical activity is ongoing for the construction of a hydro electric facility in Moyamba.

Work on installing solar street lights in Freetown and district headquarter towns will commence shortly with funding from EBID and Government. In the meantime, through the "barefoot" approach, a number of homes in rural communities of Konta Line, Mamusa, Blama Massaquoi, Kissy Koya, Makandeh and Mambioma have already been electrified with solar energy.

Government has constructed a solar technical college at Konta Line in the Port Loko district. This college will soon be formally opened to train "grandmothers" in solar electrification to extend the facility to other villages. Materials for the electrification of 5000 rural homes have arrived and work on this will commence shortly.

### ***Challenges***

The key challenges the sector continues to face relate to:

- Uncertainty of donor funding; access to EU funding and additional funds required.
- Line losses of electricity generated
- Problems with revenue collection, including illegal connections
- Risk of damage to single transmission lines for Bumbuna and Dodo hydroelectric plants.



### **Recommendations**

- Timely disbursement of donor funds
- Proper metering and accounting for revenues;
- Increased monitoring of illegal abstraction of energy, instituting energy recovery charges and penalties;
- Load balancing; up-grade voltage levels to 33/11kV to reduce technical losses and accommodate increased power generation
- Gradual phasing out of obsolete equipment (causing high losses) with modern low loss equipment.

### **3.2 Developing the National Transportation Network**

Targets were not defined for 2010 due to paucity of data in the transport sector. However, tremendous progress has been recorded in the transport sector with regards to improving linkages between settlements across the country through constructing feeder roads and all weather (bituminous) road constructions.

All weather road works: trunk road are being constructed in every corner ,



region and district of Sierra Leone. In March 2010, the 164km Masiaka-Bo highway was completed under EU government funding. The 64km Bo-Kenema highway started in March 2008 was completed in February 2010. The application of tarmac on the 86km second phase Freetown-

Conakry road is at advanced stage are expected to be completed by mid 2011.

Also under construction are:

- The 21.2km Tokeh-Lumley road—the services of the original contractor, Burhan, terminated and contract awarded to CSE with adjustment in the design to a four-lane road from Lumley to Hamilton.
- The 87km Kenema-Pendembu section of the Kenema-Kailahun highway, with expected completion in 2013

- The construction of the 4.2km Hillside Road—Pademba Road to Blackhall Road, with the Pademba road – Berry street section expected to be completed by end 2011.
- The reconstruction and widening of the 5km Wilkinson road to a four dual carriage and expected to be completed by July 2011.
- Feasibility studies and detailed engineering design have been completed for the construction of a 97km Bandajuma-Man0 River Bridge highway.
- The construction of the 62km Port Loko-Lungi road.
- Plans are underway to begin the construction of Matotoka-Koidu road, partly funded by the ADB, and the Makeni-Kamakwe road. The EU is also funding the upgrading of the Makeni-Kabala highway and the Bo to Bandajuma highway, including city streets in Freetown.

Freetown City and Provincial Headquarter Town Road Works: The construction of township streets is underway in all cities and district headquarter towns. The rehabilitation of 25 km of roads in Freetown is at an advanced stage. Work is also in progress in Bo, Kenema, Makeni, Magburaka, Port Loko and Kambia, while contracts have now been awarded for Koidu, Kailahun, Moyamba, Kabala, Bonthe and Pujehun.

Feeder Roads: Feeder road development is a very crucial aspect improving access by local communities to markets. To this end, substantial development assistance has been provided to support the government’s efforts in this direction. Delivery of assistance in the sub-component is done through government’s newly developed Feeder Road Policy Framework to guide the design and implementation of feeder roads in the country.



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About 555km of feeder road were completed in 2010 in Bombali, Tonkolili, Kailahun, and Kono district. Work on feeder roads in other districts are fast progressing including in Kambia, Port Loko, Kenema and Pujehun that commenced in September 2008, and rated at 70 percent completion in the last quarter of 2010.



There are about 10 ongoing donor funded feeder road programmes with government counterpart funding across the country, with the World Bank funded Rural and Private Sector Development Programme covering all districts in the country with a total of 780km Feeder Road Component. The other donors in feeder road development include the African Development Bank, the Islamic Development Bank, the International Fund for Agricultural Development, the European Union, and the German kfw <sup>5</sup>. If successfully completed, these projects are expected to deliver 3,232km of feeder road for agricultural and other sectoral development.

### **Challenges**

- Negative attitude by some contractors;
- Capacity of service providers weak in terms of skilled workers;
- Delayed disbursement of funds from development partners; and
- Low wages fail to attract youths for labour-intensive based road works.

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<sup>5</sup> For details on the various types of feeder road projects, refer to the 2009 Annual Progress Report on the Agenda for Change—PRSP II obtainable from the Ministry of Finance and Economic Development, or view the website [www.mofed.gov.sl](http://www.mofed.gov.sl) on the page of Central Planning Monitoring and Evaluation; also refer to the various quarterly M&E reports for 2009 & 2010 on the same page on feeder road works.

## **Recommendations**

- Contractors should be well trained in preparing technical estimates for road projects and must be familiar with the project environment and terrains, while hiring trained road foremen to supervise projects;
- The SLRA should supervise all road construction and /or rehabilitation to ensure good quality standards;
- Need for constant monitoring of works from central and sectoral offices, especially local councils; and
- Timely payment of wages to workers as well as market wages.

## **3.3 Agriculture**

Agriculture remains the backbone of the economy. Nearly two-thirds of the population depend on the sector for its livelihood and contributes almost forty-five percent to the country's GDP. Its importance as the leading sector is reaffirmed in the words of the President where he states that "raising quantity and valued-added productivity in agriculture and fisheries is critical to poverty reduction as the majority of Sierra Leoneans are engaged in the agricultural and fishing activities".

Against this background, the vision for Agriculture is to make the sector the engine for socio-economic growth. The key policy objectives to achieve this vision include: (i) increasing agricultural productivity; (ii) promoting commercial agriculture through private sector participation; (iii) improving agricultural research and extension delivery systems; (iv) promoting efficient sector resource management systems; and V) mainstreaming cross-cutting issues such as Gender, Youth employment and farmer health (including HIV/AIDS and malaria).

To achieve these objectives, the Ministry of Agriculture, Forestry and Food Security (MAFFS) has formulated and started the implementation of the Smallholder Commercialization Programme (SCP). The aim is to ensure the effective provision of services to all farmers nation-wide. This programme is the culmination of an extensive national process involving many consultations with

stakeholders, including development partners and experts, as well as in-depth analysis of the agriculture sector in Sierra Leone.

The Ministry of Agriculture, Forestry and Food Security subsequently developed a National Sustainable Agriculture Development Plan (NSADP) within the framework of the Comprehensive Africa Agriculture Development Programme (CAADP). Following a sector-wide approach, this programme is critical for putting the objectives of the *Agenda for Change* into action. The development of the NSADP (2010 – 2030) culminated in the signing of Sierra Leone’s CAADP Compact on September 2009 under the African Union’s New Partnership for Africa’s Development (AU/NEPAD). The NSADP will be implemented in phases. In the first phase (2010 – 2014), the Government will target smallholder farmers for commercialization under the Smallholder Commercialization Programme (SCP).

**Box 1: The Logic of Smallholder Targeting in the NSADP/CAADP**

Since 77 percent of the population of Sierra Leone is poor and 66 percent of the population are predominantly smallholder farmers, the majority of the poor people are smallholder farmers. Therefore, if the Government wants to seriously address the UN Millennium Development Goal No. 1 of Reducing Poverty and Food Insecurity by half by 2015, then the most appropriate and impactful target population should be the smallholder farmers.

***Agricultural Production***

With respect to increasing agricultural production, significant achievements were made during the last two years. Tables 3.3.1 and 3.3.2 present total crop and livestock production for 2008-10, using 2008 as base year. Agricultural export sub-sector has also performed well in terms of revenue generation as shown in Table 3.3.3.

***Crop Production***

As Table 3.3.1 shows, there were significant increases in the production of rice and maize crops over the period 2008-2010. Rice registered the highest percentage change, mainly due to the implementation of the Government tractor hire scheme and the implementation of the smallholder commercialisation programme. Under the SCP, the Ministry distributed different types of agricultural inputs to farmers nation-wide; principal among them are power tillers, rice threshers, rice haulers, post harvest processing equipment, various planting materials and agro-chemicals.

In 2010 in particular, 4,000 bags of improved seed rice, 30,700 bags of assorted fertilizers, 4,000 litres of weed killers, 218 power tillers, 201 rice threshers, 266 rice cutters, 200 mini rice mills, 161 cassava grating machines were distributed to farmers nationwide. Also, under the World Bank/GoSL funded Rural & Private Sector Project (RSDP), another 51 cassava grating and 23 rice processing machines were distributed to farmers.

**Table 3.3.1: Performance in Crop Production**

<b>Crop type</b>	<b>2008 MT (Baseline)</b>	<b>2009 (MT)</b>	<b>2010 MT</b>	<b>% Change (2008-2010)</b>
Rice	640,000	784.73	1,062,000	<b>65.9</b>
Cassava	4,058,288	2,516.60	4,474,275	<b>10.3</b>
Sweet potato	180,068	160.7	187,344	<b>4.04</b>
Groundnuts	133,059	75.05	146,697	<b>10.3</b>
Maize	57,120	29.64	78,693	<b>37.7</b>

Apart from the provision of labour saving equipment and farm inputs, over 600 kilo metres of feeder roads were rehabilitated country-wide. Furthermore, 30 big rice mills are at various stages of construction covering all Districts in order to process and increase the supply of better quality rice products to the domestic market. The Ministry has also taken further measures to modernize the sector with a view to attracting private sector participation and commercialization of the sector.

In addition, the ministry has provided 23 combined harvesters, 30 rice mills, cassava graters and other processing equipment to reduce drudgery on the farming population and also add significant value to their product. This will reduce the level of post-harvest losses thereby increasing the level of production. In terms of area under mechanical cultivation, the 2010 target of 150,000 hectares has already been achieved through the deployment and effective use of 265 tractors fully equipped with implements.

An agricultural machinery and equipment hire purchase scheme was launched in 2010 to promote agricultural commercialization through mechanization. The 265 tractors and other agricultural machinery were acquired under a Line of Credit from the Government of India. These tractors have been deployed throughout the country. Alongside the tractors, a landing craft capable of moving 12

tractors along the coastline and two speed boats with a combined capacity of 36 persons have also been delivered.

Efforts at improving irrigation from the current low level of less than 2000 hectares to over 50,000 hectares in three major river basins of Tormabum, Gbondapi and Komrabi Mamila with the possibility of multi-cropping have begun. A prefeasibility study on large scale irrigation in Komrabi Mamilla and Tormabum for large scale rice production and multiple cropping was conducted in 2010 by SOPEX N.V.

During 2010, the ministry has also been able to sensitize, mobilize, train, organize and support 390 farmer-based organizations to transform themselves from subsistence farmers into private sector operators capable of going through the whole value chain (input supply, production, processing and marketing). These 390 farmer-based organisations have been clustered into Agricultural Business Centres (ABCs). In 2010, 150 ABCs have been constructed nationwide and each ABC comprise of a processing plant, a store, an office, a drying floor, a VIP toilet and water well.

### ***Livestock***

There has also been a considerable increase in livestock population emanating from improved veterinary service delivery to livestock farmers. Cattle recorded an increase of about 32 percent from 2008-2010, while sheep, goats and poultry registered a percentage increase of 45.1, 45.9 and 52.5 percent respectively. This increase can be attributed to the distribution of 16,700 heads of livestock to farmers through the Agricultural Business Centres (ABCs) under the SCP and the nationwide vaccination campaigns that were undertaken due to the availability of drugs and improved laboratory facilities.

**Table 3.3.2: Total Animal Production**

Animal type	2008	2009	2010	% Change (2008-2010)
Cattle	390,638	390.64	517,000	32.4
Sheep	470,000	470.40	682,000	45.1
Goat	550,162	530.16	803,000	45.9
Poultry	6,202,293	6,502.87	9,460,000	52.5

**Agricultural Export Revenue**

Table 3.3.3 shows the export revenue from major food and cash crops. As table 1 shows, there is generally an improvement in the export levels of all major cash crops especially cocoa which recorded increases in revenue and volume. This increase is due to the favourable export climate especially now that there is a niche for organic cocoa and coffee.

**Table 3.3.3: Total Value of Export (Million of US Dollars)**

Crop type	2008	2009	2010	% Change (2008-2010)
Cocoa	14.9	9.5	26	80.0
Coffee	1.5	1.5	1.7	13.3
Palm Oil	2.00	3.0	4.0	100.0

**Challenges**

- Poor infrastructure base (depicted by bad roads, transport and ports conditions) restricts access to markets.
- Value addition – low value addition due to poor storage, processing and packaging facilities, investment in training, infrastructure and the development of agro-processing centres.
- Low input in technologies– use of improved seeds and agrochemicals is low
- Rural financing – limited access to funds by farmers and agri-business.
- Commercial outlook – formal farmer based organizations are in their infancy and more needs to be done to move away from the traditional non-commercial mindset.



### ***Recommendations***

- Need to motivate and deploy a significant number of change agents;
- Investment in training and agro-processing centres;
- Investment in road infrastructure,

### **3.4 Fisheries**

Efforts continue to be focused at harnessing Sierra Leone's huge fisheries potential for increased revenues and national development. As at end 2010, a comprehensive Fisheries Policy has been fully developed; Fisheries Regulations drafted and functional units established within the Ministry of Marine Resources, including a Policy and Planning Unit, Monitoring, Control and Surveillance Unit and a Commercial Fishery Unit.

To ensure sustainable development of the fishing industry, the Government has banned pair trawling and the use of monofilament netting material for fishing purposes as a robust conservation measure. This has led to increases in fish stock levels. In 2009, actual revenues from Fisheries was recorded at Le8.7 billion (about US\$2.6 million) and was estimated to increase to Le10.9 billion (US\$3.2 million) in 2010.

Support to artisanal fisheries is high on the Government's agenda since most of the poor in the marine sector are found in the artisanal fishery sub-sector. In this regard, Government has undertaken various interventions to support the poor in this sector, including the construction of jetties and cold room complexes at fish landing sites in Goderich; Tombo; Shenge; and Bonthe Towns with support from the ADB.

Through the Sierra Leone Maritime Administration, ECOWAS has also supported the construction of jetties in eight fishing settlements across the country in Gbondapi in the Pujehun District; Gbangbatoke in the Moyamba District; Yargoi in the Bonthe District; Port Loko in the Port loko District; Rokupr in the Kambia District; Kassiri in the Kambia District; Kychon in the Kambia District; Mabolo in the Kambia District. These facilities would improve the sanitary condition of fishing activities in Sierra Leone and facilitate fish export from the artisanal sector.

### 3.5 Education

#### ***Access to Education***

The legislative framework to promote access to schooling exists and appropriate policies have also been formulated and implemented to advance this objective. As a consequence, as shown in **Table 3.5.1**, many more children are attending school than ever.

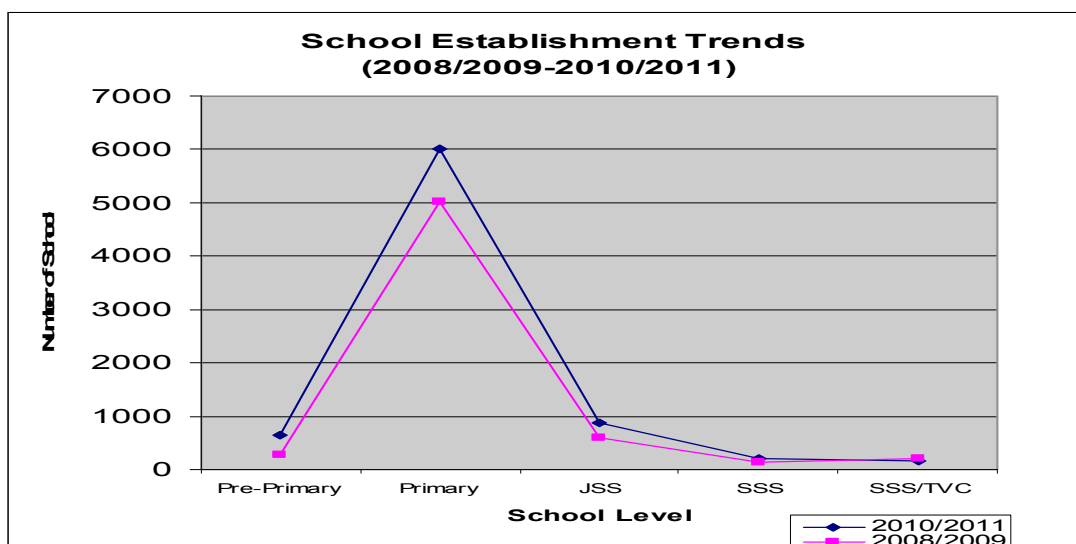
**Table 3.5.1: Performance Trend**

<b>Indicator</b>	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>
Gross Primary Enrolment	1,291,355	1,356,688	1,324,968	1,353,723	N/A
Gross JSS Enrolment	150,917	179,710	195,215	252,162	N/A
NPSE Passes: Boys	63,917	69,774	74,731	74,970	72,429
NPSE Passes: Girls	24,142	29,918	31,696	33,743	33,448
BECE Passes: Boys	12,909	15,036	14,851	16,481	18,539
BECE Passes: Girls	5,701	7,622	7,692	8,692	9,721

Source – West African Examination Council, N.P.S.E- National Primary School Examination, B.E.C.E- Basic Education Certificate Examination

The preliminary report of the just concluded school census revealed that there are many more schools in the education sector now than before, with more primary schools constructed than other levels during the period 2008-2010 (see Figure 3.5.1). The current proportion of schools at the junior secondary school (JSS) and senior secondary school (SSS) levels compared to the primary level clearly indicates the urgency to accelerate access at that level. Secondary level graduates provide students not only for university education, but for the middle level manpower which is critical for sustainable development.

**Figure 3.5.1: School Establishment Trends**



Source – Ministry of Education, Science and Technology

Low growth of schools at secondary level has the effect of denying many pupils the opportunity to complete the basic education cycle. A mismatch between primary schools establishment and establishment of JSS leads to overcrowding in JSS as well as SSS thereby resulting to higher pupil-teacher ratio with the likelihood of negatively impacting on school performance.

Finally, despite the construction of hundreds of Junior Secondary Schools, they are inadequate for the tens of thousands of children completing primary education. Therefore, priority should be given to the construction of Junior Secondary Schools, the training and recruitment of appropriately qualified teachers and the provision of textbooks and other teaching learning materials for increased access at Junior Secondary School level.

### ***Gender Dimension***

The Government continues to prioritize the girl-child support program to improve the retention rate of girls at secondary level and to eliminate gender disparity. Other partners, including UNICEF and USAID play a significant role in advancing girl-child education. As a consequence of these interventions, the gender enrolment gap has narrowed considerably at the primary level. In particular, as Table 3.5.1 shows, performance of girls at the BECE examination has been showing an upward trend.

### ***School Feeding Programme***

Many children especially in rural communities go to school without breakfast. The WFP School Feeding Program is vital in providing diet rich in nutrients to address the health and the educational needs of children. In all WFP Schools, there is high retention rate for both boys and girls and good academic performance of the pupils.

Children benefiting from the WFP School Feeding Program are less than 300,000. Thus, a National School Feeding Program will increase access significantly and improve on the academic performance of the children. A National School Feeding Program will not only promote access, but will significantly minimize child stunting which is also endemic in Sierra Leone—Pujehun District is reported with the highest indication of stunting, estimated at 55 percent.

### ***In Service Training and Code of Conduct for Teachers***

In-service training for teachers was provided by Government and its development partners. The bulk of the training is for primary school teachers. The distance education in-service programme for unqualified teachers has now expanded throughout the country.

To improve ethical standards in the educational system, a code of conduct has been developed for teachers. Training of trainers workshops were organized on the code. Teachers in all districts of the country are now familiar with the code.

### ***Monitoring Delivery of Textbooks and School Materials***

A Task Force was constituted to oversee the effective delivery of school materials, including textbooks. The Task Force included: The Ministry of Education, Science and Technology (MEST), The Ministry of Finance and Economic Development (MOFED), The Ministry of Local Government and Rural Development, the Police, and the Office of National Security. The Task Force has been ensuring that the required quantity and quality of school materials were distributed to the 19 Local Councils.

### ***Textbook-Pupil Ratio***

The textbook-pupil ratio in 2009 was 3:1. On average, this ratio remained the same in 2010. Schools under SABABU and PLAN support programmes had a ratio of 1:1 in 2010. Through the SABABU project, the government supplied 1,000,000 sets of textbooks to primary schools and 100,000 to secondary schools.

### ***Education Management Information System***

The Directorate of Policy and Planning of MEST trained inspectors and supervisors of schools in data collection and reporting for the 2010 national school census. The data have now been imputed and the report will soon be published.

Computers, software and accessories have been procured to strengthen education management information system (EMIS). Training of EMIS staff in the utilization of the software for the analysis of the data was done by UNESCO Institute of Statistics. It is now apt to conclude that EMIS has been strengthened.

### ***Challenges***

- Poor storage facilities for textbooks and other Teaching and Learning materials at the District Education Offices.
- Poor staffing and capacity at the District Education Offices.
- Lack of office equipment and stationery in some District Education Offices
- Lack of Junior Secondary Schools in some localities.
- Lack of qualified teachers in remote areas.
- Only a few schools have staff quarters for their teachers. The lack of staff quarters, especially in rural communities, is a disincentive for qualified teachers to work in remote areas.

### ***Recommendations***

- Provide regular in-service training for secondary school teachers and school-based in-service training should be strongly encouraged.
- Provide staff quarters and other incentives for teachers in remote areas.

- Increase staff strength in the EMIS Unit of MEST.
- Establish a National School Feeding programme.
- Construct more junior secondary schools and train more teachers.
- Strengthen the monitoring of delivery and management of school materials.
- Improve storage facilities for textbooks and other learning materials in District Offices.

### **3.6 Health**

The health policy objective is to improve the health of the population, especially mothers and children, through strengthening national health systems to enhance health related outcomes and impact indicators. To this end, the Ministry of Health and Sanitation (MOHS) has focused on providing quality healthcare by establishing and developing a cost-effective and needs-based health system which specifically addresses the health issues and problems of women, children and other vulnerable groups, particularly the poor.

The MOHS aims to achieve the above goal by focusing on the following priorities: (i) Provision of Integrated Reproductive and Child Health services; (ii) improving maternal and child nutrition; (iii) increasing control of malaria; (iv) addressing STIs/HIV/AIDS and Tuberculosis; (v) addressing the spread of non-communicable diseases and mental health; (vi) promoting water, sanitation and hygiene situation; (vii) provision of adequate and appropriate infrastructure for the functioning of Primary, Secondary and Tertiary Institutions; (viii) improving human resource development and management; (ix) strengthening health financing system; and (x) developing information management system. As a consequence, as shown in Table 3.6.1, there has been systematic improvement on the status of PRSP II outcome indicators monitored in the health sector.

**Table 3.6.1: Summary of Health Sector Performance Status**

Indicator	Baseline (Year)	2010 Target	Status
Proportion of deliveries taking place in health facilities	17.8 (2008)	50%	57.00 %
Percentage of children receiving Penta-3 before 12 months of age	50.7% (2008)	70%	82.00 %
Prevalence of underweight among children 6-59 months	6.5% (2008)	4%	6,9%
Percentage of children under five years of age who slept the previous night under an insecticide treated net	38.3% (2008)	60%	23.20 %
% of under fives with fever in the last 2 weeks who received appropriate anti-malarial treatment within 24 hours from onset of fever	77.2% (2008)	85%	38%
HIV-infected pregnant women receiving a complete course of antiretroviral prophylaxis for PMTCT	642	-	289
Percentage of smear-positive pulmonary tuberculosis cases treated successfully	89.6% (2008)	94%	86.60 %
No. of health facilities providing screening services for Hypertension, diabetes and sickle cell anaemia.	35	80	35
% of PHUs reporting uninterrupted supply of tracer drugs	43%	70%	52%
% of population living within 5 km of a health facility	73%	85%	NA
No. of Regional Hospitals with Physician, Gynecologist, Surgeon and Dentist	0	2	1
Number of PHUs with at least 2 health care staff	456	900	759
No. of partners contributing to pooled funding account	0	4	0
Proportion of GoSL planned budget that is disbursed to the health sector	4.40%	12%	7.80%
% of monthly ICS reports submitted on time by PHUs to districts	8.40%	60%	82.00 %

***Provision of Integrated reproductive and child Health services*** – This priority has two outcomes:

**Outcome 1:** To increase the number of deliveries taking place at health facilities.

The following actions were undertaken to achieve this outcome:

- Salaries of health workers have been improved and a Free Health Care Programme for pregnant women, lactating mothers and children under five years of age is being implemented.
- By-laws against home delivery in some districts have been passed.

- Increasing number of health facilities now having at least two health care staff.

Outcome 2: To increase the number of infants immunized with three doses of Penta-valent vaccine. The following action was undertaken to achieve this outcome:

- Vaccines and other commodities for immunization have been procured and suppliers to all health facilities in the country.

### ***Nutrition Improving maternal and child health***

Outcome 3: to reduce on the number of malnourished children. The following actions were undertaken to achieve this outcome:

- The Ministry has intensified its campaign to promote early and exclusive breast feeding;
- Intensification of the provision of vitamin A and other nutritional supplement to children.
- Supplemental feeding provided for malnourished children
- Weekly health talks good feeding practices for children were organized for the benefit of mothers. Mothers were also engaged on the need to take their children to health centres for routine growth monitoring.

***Malaria Control*** – The aim of this priority area is to reduce the burden of malaria among children and vulnerable population.

Outcome 4: To increasing the number of children sleeping under insecticide treated mosquito nets. The following action was undertaken to achieve this outcome:

- The Ministry undertook nation-wide distribution of 3 million treated bed nets in December 2010.

Outcome 5: To increase the number of children receiving prompt treatment for malaria. The following action was undertaken to achieve this outcome:



- The MoHS and partners were implementing community treatment of malaria using the Artemisinin combination therapy. The essence of this was to ensure that children with fever get treatment within 24 hours of on-set of symptoms, to prevent complications and death.

### ***STIs/HIV/AIDS and Tuberculosis***

Outcome 6: To increase the number of HIV positive pregnant women receiving treatment for prevention of parent to child transmission of HIV. The following actions were undertaken to achieve this outcome:

- Increasing the number of sites testing for HIV, and the number of centres providing treatment for prevention of parent to child infection of HIV.
- More staff has been trained in the provision of treatment for preventing mother to child transmission of HIV.

Outcome 7: To increase the number of TB positive patients successfully treated. The following actions were undertaken to achieve this outcome:

- Additional centres have been established to test for and treat Tuberculosis.
- More staff has been trained in the provision of TB treatment.

### ***Non-Communicable diseases and mental health***

Outcome 8: To increase the number of health facilities capable of screening for hypertension, diabetes and Sickle Cell anaemia. The following actions were undertaken to achieve this outcome:

- The MOHS has established a whole Directorate to ensure that services for managing these conditions are available nationwide.
- The MOHS is in the process of procuring diagnostic equipment for these conditions for all hospitals.
- A survey has been undertaken to estimate the prevalence of these conditions in the country.

### ***Water, Sanitation and Hygiene Promotion***

Outcome 9: To increase the number of households with access to proper sanitation facilities. The following actions were undertaken to achieve this outcome:

- Are implementing a programme known as the Community led total sanitation (CLTS). The aim of this programme is to ensure that the communities adopt practices that prevent diarrhea related diseases. The programme is currently implemented in more than 5000 communities.

Outcome 10: To increase the number of people with access to safe drinking water. The following actions were undertaken to achieve this outcome:

- Procured chlorine for chlorination of water-wells in communities
- Are training community volunteers in the chlorination of wells and other drinking water sources.

***Provision of adequate and appropriate infrastructure for the functioning of Primary, Secondary and Tertiary Institutions:***

Outcome 11: To reduce the number of health facilities reporting stock out of essential drugs. The following actions were undertaken to achieve this outcome:

- Essential drugs have been provided to each district for implementing the Free Health Care Policy.
- The Ministry has initiated the process of developing a logistics management information system, that will help keep track on drug supply and utilization. The software has been adapted, and staff have been trained in their use.
- Computers are being procured for district pharmacies to help track drugs distribution and utilization.
- Through the health management Information system, forms have been developed to facilitate reporting on drug stocks at each facility.

Outcome 12: To increase access to health facilities. The following actions were undertaken to achieve this outcome:

- Procuring medical equipment for the 6 referral hospitals in the country. This will increase the quality of care provided at these facilities.
- Embarking on a programme to provide basic facilities such as running water and regular electricity supply to all referral hospitals.

***Human Resource development and management –***

Outcome 13: To increase the number of regional and tertiary hospitals have specialized staff in gynecology, surgery, dentistry and medicine. The following actions were undertaken to achieve this outcome:

- Specialist doctors from Nigeria requested to work in Sierra Leone.
- Plans underway to equip the tertiary hospitals so that they can serve as centres for the training of specialists in surgery and gynecology.
- MOHS pursuing efforts to improve conditions of service for healthcare staff.

Outcome 14: To increase the number of peripheral health facilities with at least 2 health personnel. To achieve this outcome the Ministry:

- Recruited additional 1,000 healthcare staff
- Efforts were made to increase the number of training institutions providing the most essential staff needed at health facilities—For instance, a Medical Services Commission has been established; this Commission is expected to fast-track both the recruitment and promotion of health care staff.

### ***Strengthening Health System Financing***

Outcome 15: To establish a pool fund mechanism for health care delivery to which various donors will contribute. The following action was undertaken to achieve this outcome:

- Additional staff recruited to strengthen financial management in the Ministry of Health and Sanitation.

Outcome 16: Increase the proportion of Government budget allocation to the Health Sector. The following actions were undertaken to achieve this outcome:

- The Ministry of Health and Sanitation developed formidable projects to seek additional funding from Government—these projects were funded and allocation to the sector was increased.
- To ensure that the Free Healthcare Programme was properly implemented, the Ministry of finance provided additional resources towards increasing salaries of medical staff, procurement of drugs and equipment, and strengthening sector supervision.

### ***Development of Information Management System***

Outcome 17: To increase the number of health facilities providing monthly Health Information reports on a timely basis to the district Health Management

Teams for compilation. The following actions were undertaken to achieve this outcome:

- Harmonization of data collection tools for health facilities. This has greatly reduced the number of reporting forms that individual health facilities have to complete at the end of the month.
- The Ministry has recruited data entry clerks that are responsible for data entry at district level
- Production of quarterly health information bulletins showing the level of district performance on key health indicators.

Table 3.6.2 presents a summary of performance trends in selected health indicator based on information obtained from the Multiple Cluster Survey 2000 and 2005 (MICS 2 &) and the Sierra Leone Demographic Health Survey (SLDHS) 2008.

**Table 3.6.2: Performance Trends in Selected Health Indicators**

<b>Key indicators</b>	<b>2000 (MICS2)</b>	<b>2005 (MICS3)</b>	<b>SLDHS 2008</b>
Infant mortality rate (per 1000)	170	170	89
Under-five mortality rate (per 1000)	286	286	140
Maternal Mortality Ratio (per 100,000)	1800	1300	857
Underweight prevalence (2 SD ≤ / 3 SD ≤)		31 / 9	21.1 / 3.5%
Stunting prevalence (2 SD ≤ / 3 SD ≤)	34 / 16	40 / 20	36.4 / 20.6%
Exclusive breastfeeding rate (0-5 months)	2	8	11.20%
DPT immunization coverage	46	63	54.60%
Fully immunized children	39	54	30.20%
Under-fives sleeping under insecticide-treated nets	2	5	25.80%
Skilled attendant at delivery	42	43	42.40%
Institutional deliveries	--	19	24.60%
Net primary school attendance rate (%)	42	69	66.20%

Sources: MICS 2000, MICS 2005 and Sierra Leone Demographic and Health Survey 2008.

## ***People's Perception of the Introduction of the Free Healthcare Programme***

A major focus of the nationwide monitoring and evaluation exercise conducted in the last quarter 2010 was gauging people's perception of the Government's Free Healthcare Programme



of

(FHP). For all beneficiaries interviewed and other key stakeholders in the communities visited, the perception was that the FHP was seen as a bold, decisive and, indeed, a poverty reducing initiative as hundreds of the target population (pregnant women, lactating mothers and the under fives) were visiting hospitals and peripheral health units in higher numbers <sup>6</sup>. Some districts organize clinical visitations of the target population of the FHP. For instance, in Port Loko and Kambia Districts, special clinic days were put aside for under-fives immunization, sick children, new-case pregnant women, and follow-up case pregnant women. At the Kambia Government Hospital, about 30 under-fives and 50 pregnant women were reportedly treated each day on average since the introduction of the FHP.

### ***Challenges***

There are numerous challenges, but critical among them are:

- Poorly equipped health facilities
- Shortage of trained and qualified health personnel
- Inadequate financial resources for provision of services
- Poor conditions of services for health care staff.
- Coordination of health Sector Resources
- Weak Capacity of Local Councils to manage devolved functions
- Insufficient resources to setup an appropriate health care financing system.
- Delay on the part of Parliament and cabinet to make decision on policy issues relating to establishment of NPPU.

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<sup>6</sup> For more details on this, refer to the M&E Report by MoFED January 2011, or visit the website [www.mofed.gov.sl](http://www.mofed.gov.sl) on the page on Central Planning Monitoring and Evaluation

Challenges highlighted in the 2010 M&E Report by MoFED on the Implementation of the Free Healthcare Programme

- Poor storage facilities for drugs and medical equipment
- Waiting time at clinical centres was reported to be long across the country due to shortfall in supply of medical personnel
- Lack of electricity supply in medical centres; some use candle lights or touch light for deliveries.
- Lack of basic consumables like protective gloves for safe deliveries and dealing with blood products.
- Insufficient delivery beds at PHUs; a number of them mostly use couches or regular hospital beds which are not safe for deliveries.
- Lack of hospital beds and mattresses; in some centres, most mattresses are worn out and there are no bed covers.
- Some PHUs are still in a dilapidated state, needing urgent repairs.
- Inadequate finances for the day-to-day running of the PHUs; this poses serious problem to procure basic services like cleaning and others. There are still cases where patients are not brought to health centres in time.
- Water facilities at PHUs still leave a lot to be desired.
- Staff shortage is reported in most PHUs visited.

**Recommendation**

- The Ministry of Health and Development Partners have developed a COMPACT Agreement towards strengthening the health sector service delivery. The implementation of this agreement should be prioritized in 2011.

Recommendations highlighted in the 2010 M&E Report by MoFED on the Implementation of the Free Healthcare Programme

- The Government to undertake a comprehensive needs assessment for informed and sustainable provision of assistance towards the implementation of the free healthcare policy across the country.
- Mount sensitization and education campaign on the Free Healthcare Policy to ensure sufficient information of the public on those targeted by the

policy and obligations by all stakeholders to ensure effective implementation of the policy.

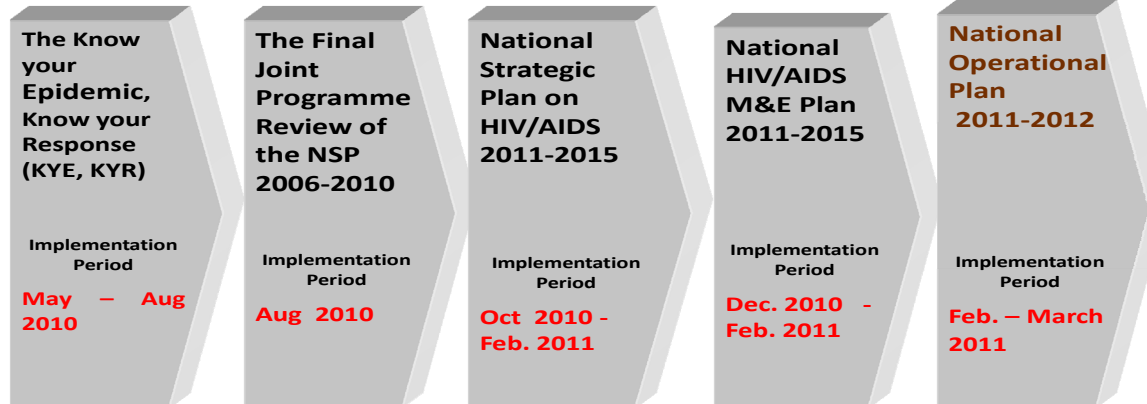
- Education could also help to change people's attitude towards healthcare seeking behaviour to ensure timely visits to and consultation with health centres by targeted beneficiaries.
- Increase motivation of the medical personnel and consider improving on the imprest situation of PHUs to ensure that they are able to procure basic materials and services for the day-to-day running of the facilities.
- To increase provision of basic needs such as delivery materials, beds, mattresses, water supply, storage facilities, and drugs.
- Government should continue with its determination to improve the national road system, with special focus on feeder roads to increase access of communities by medical personnel.

### **3.7 HIV/AIDS**

Government continues to pursue programmes in addressing the HIV/AIDS pandemic. The objective remains to prevent HIV/AIDS, provide treatment, care and support, as well as, mitigate the socio-economic impact caused by the disease. Over the years, the National AIDS Secretariat (NAS) has intensified its activities towards the attainment of the goal of namely Universal Access, the UN General Assembly Special Session on HIV and AIDS (UNGASS) and the Millennium Development Goal 6. In 2010, Sierra Leone won the MDG Award inhaling and beginning the reverse of HIV/AIDS.

The National HIV/AIDS Secretariat has identified 5 key pillar activities to be implemented between 2010 and the first quarter of 2011 as illustrated below

## 5 KEY PILLAR ACTIVITIES



4

The Five Pillars are guided by and aligned to the Agenda for Change, the UN Joint Vision for Sierra Leone and the UNAIDS 2009 – 2015 Strategic Outcome Framework. The Pillars are strategically designed to compliment and feed into one another delivering **ONE** robust and comprehensive road map for the multi-sector response to HIV/AIDS in Sierra Leone with the ultimate aim of achieving the MDG 6 HIV-related targets by 2015.

More specifically, the National HIV/AIDS Secretariat, established in the Office of the President, has established institutional mechanisms for an effective national response to HIV and AIDS. It has continued to operate on the principles of participation and involvement of key stakeholders, national capacity building, ownership, buys-in and evidenced-based planning. The Secretariat is also collaborating with the UN and other Development Partners in actualizing the Principles of Three Ones as a key principle for coordinating the national response in the country. The essence of these Principles is to foster policy dialogue among key actors; promote participation of multiple stakeholders including Civil Society Organizations. Collaboration with partners such as UN Family, World Bank, Global Fund, Irish Aid, DfID and GIZ, KfW have been strengthened.

Through strengthened collaboration and partnerships, the HIV prevalence rate among the general population has stabilized at 1.5% since 2005 as evidenced



from the Population-based sero-prevalence study conducted in 2005 and the 2008 Demographic Health Survey. Both studies estimated a national prevalence rate of 1.5% among the general population. In as much as the epidemic is on a verge of stabilizing, declining trend on HIV infection among pregnant women is also observed.

The 2010 Antenatal Surveillance Study among pregnant women attending Ante Natal Clinic declined from the 2009 levels of 3.5% to 3.2% in 2010. This trend is expected to continue in the coming years through the scale-up plan on PMTCT that is now being implemented.

The summary of outcome indicators is provided in Table 3.7.1.

**Table 3.7.1: Summary of Status of Outcome Indicators Monitored Since December 2009**

<b>Outcome Indicator(s)</b>	<b>Baseline (Dec 2009)</b>	<b>Target for Dec 2010</b>	<b>Status as December 2010</b>	<b>% Achievement</b>
Number of PLHIVs who received ART in the last 12 months	6,592	8,501	5,606	<b>66</b>
Number of Condoms Distributed	9,000,000	10,299,615	10,744,810	<b>104</b>
Number of Health care facilities Providing STI services	850	950	1,050	<b>111</b>
Number of Pregnant women receiving complete course of ARV prophylaxis	3,095	3,338	2,642	<b>79</b>
HIV/AIDS prevalence amongst Antenatal clinic attendants	3.5%	3.2%	3.0%	<b>100</b>

***Number of PLWHA who received ART in the last 12 months***

The number of PLHIV who received ART in the last 12 months was 66% of the target number for 2010. As at the beginning of 2010, a target was set at 8,501 people to be enrolled on treatment by December 2010. As at December 31 2010 the 5,606 PLHIV (Adults and Children) were on treatment. . The target could not be met for reasons such as death and loss to follow-up. Discussions with partners, such as WFP, are ongoing for nutritional and other support to PLHIVs to encourage them to adhere to their treatments.

***Number of Condoms Distributed***

During the the reporting period, NAS exceeded the target set for condom distribution for 2010. As at the end of December 2010, the achievement for this indicator stood at 10,744,810 as against a target of 10,299,615 set for

December 2010. With intensified awareness raising activities and utilization of our voluntary confidential and counselling services at rural areas, the demand for condoms has increased.

There are two approaches to the distribution of condoms. Social marketing is being done by our partner, CARE International and free distribution carried out by district health management teams and CBOs.

### ***Number of Health care facilities providing STI services***

As at end June 2010 the number of Health facilities providing STI services stood at **1,050** against a target of 950 for December 2010. The target of 950 has been exceeded due to the integration of services in most of the established facilities. As a result of this achievement, the emphasis is now placed on improving the quality of services through capacity building of staff in our peripheral health units with the provision of essential drugs.

### ***Number of Pregnant women receiving complete course of ARV prophylaxis***

The 2010 target could not be met because of the introduction of WHO recommended Treatment Regimen from a single dose Nevirapine to a triple combination therapy. This has resulted in the reduction of positive pregnant women receiving a complete course of ARV prophylaxis. However, efforts are now being made for a systematic follow up of all HIV positive women in their third trimester of pregnancy. This strategy will boost the deliveries at health facility level that will increase the PMTCT uptake. Similarly also a scale-up plan for PMTCT and Paediatric Care services have been developed and is now being implemented

### ***HIV/AIDS prevalence amongst Antenatal clinic attendants***

A total of 20 sentinel sites have been established to monitor the trend of the epidemic in the country. Antenatal clinic sentinel surveillance of 2008 revealed a downward trend among pregnant women. Currently, prevalence of HIV/AIDS amongst Antenatal Clinic attendants is still perceived at 3.5% as in 2008. The most recent survey conducted in October 2009 to determine progress against a target of 3.0 % for end 2010 revealed a full achievement of the target.

Table 3.7.2 shows trends in the above analysed indicators since 2005. On average, this outlook suggests significant success in the fight against HIV/AIDS in the country.

**Table 3.7.2: Trends in the Performance of the Indicators Mentioned Above from 2005 to 2010**

<b>INDICATORS</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Number of PLHIVs who received ART in the last 12 months	475	1253	2359	4810	6,592	5,606
Number of Condoms Distributed	802,800	2,377,390	5,028,364	7,704,505		10,744,810
Number of Health care facilities Providing STI services	207	541	682	850	850	1,036
Number of Pregnant women receiving complete course of ARV prophylaxis	35	291	1179	1735	3,095	2,642
HIV/AIDS prevalence amongst Antenatal clinic attendants	3.9%	4.1%	4.4%	3.5%	3.5%	3.0%

### ***Challenges***

Despite the successes achieved above there are numerous challenges in the national response

Sustainability of the national response: The 2006/2007 National AIDS Spending Assessment (NASA) documented 98% of the resources for the national response coming from external sources. The Global Fund to Fight AIDS, Tuberculosis and Malaria was then the main financing source, contributing with 25% of the external financing. With the closure of the World Bank financing source, one could anticipate the GF contribution to be in the range of 85% – 90%. Though Government remains committed to the campaign against HIV and AIDS with increased domestic resources allocation, the response continue to be heavily reliant of external sources. Given financial sustainability, a major concern is the dependence on donor funding for nearly 95% of the national response. Of major concern is the almost exclusive dependence on the Global Fund to finance the national response.

Coordination: The tenet of the multi-sectoral response strategy adopted by Government is anchored on the key assumption that the National Response to HIV and AIDS cannot be implemented by state actors alone. It has to create room for the involvement of diverse players with the belief that it will engender richness and diversity of the inputs as well as the commitment from the various

stakeholders. This entails developing participatory approaches to ensure that no stakeholder sees itself as being marginalized or isolated in planning and implementing the national response. However, the increased and dispersed number of civil society organizations across the country wanting to contribute to the national response makes it challenging to integrate their activities in local/national planning and coordination structures. Similarly, there is also the challenge of quality in activities and supervision. There is need therefore to integrate their activities into existing coordination and planning mechanisms, while at the same time establish more of such structures for those whose current interventions cannot fit into existing structures.

HIV stigma and discrimination: Even though awareness of HIV and AIDS in Sierra Leone is improving slowly, many people living with the virus are still subjected to stigma and discrimination. Studies have shown that people are aware of the basic facts about HIV and AIDS but many lack the in-depth knowledge that addresses issues of stigma.

Lack of integrated planning at district level: Even though the District AIDS Committees have been established within the District/City Councils to take responsibility for district and local responses, the district response initiatives show lack of integrated planning in the execution of district level responses to HIV. The Councils non-health and District Health Management Team appear to be working in isolation both in monitoring the trend of the epidemic. This may be the reason for HIV and AIDS being a vertical programme and the lack of progress in mainstreaming of HIV and AIDS into the comprehensive council plans.

Overstretched health care infrastructure: The national response is currently suffering from shortages of skilled health and non-health personnel. The programme has been characterized by the placement of much emphasis on the medicalisation of the HIV service cadre. The introduction of the Free Healthcare initiative by the Government for pregnant, lactating and under-fives has overstretched the health care infrastructure in coping with the additional demand for PMTCT and paediatric care services. The roll-out plan for PMTCT and Paediatric care has not been supported with adequate communication

activities for the service providers and the community in general to promote demand for services.

The Challenge of reaching Clients most-at-risk population: The groups are identified as MSM, SWs and their clients and IDUs within the general population. There are no documented effective best practice interventions in the country for the most-at-risk populations identified above. Also, there is a dearth of information about HIV infection and spread among the different population groups thus making it very challenging to track the epidemic as well as to monitor programme implementation and its impact.

The other issues relating to this group are stigma and illegality. Homosexuality is illegal in Sierra Leone and therefore men who have sex with men are bound to be ostracized by society. Although the HIV prevalence rate among the groups is high, any attempt to estimate their size will result to under estimation. Regular Integrated biological and behavioural surveys among the population-most-at-risk (Prisoners, IDUs, SWs, and MSM) will help monitor the spread of HIV among the group as well as linking the infection rates with behavioural factors.

### **Lessons**

- Establishment of several partnerships in the national response leads to shared responsibilities in the national response fulfilling the multisectoral approach government adopted in 2001.
- Integration of HIV/AIDS services into the national healthcare delivery system leads to sustainability
- Provision of free HIV delivery services increased accessibility and affordability
- Decentralization of HIV implementation increases wider coverage
- Greater involvement of people living with HIV/AIDS helps reduce stigma and discrimination

### **Recommendations**

- Mainstreaming HIV/AIDS in line ministries Operational Plans
- Improved Policy and Legal Environment for HIV Prevention, Treatment, Care and Support Programmes

- Improved collaboration with the private sector
- Fulfilling the 'three ones principles'

### 3.8 Water and Sanitation

As part of efforts to ensure sustainable supply of water, a new water and sanitation policy has been developed—the National Water and Sanitation Policy of December 2010, which was launched in January 2011. The main objectives of this policy are:

- To develop a comprehensive framework for management of water resources
- To address cross-sectoral interests in water resources
- To improve the provision of safe water supplies and sanitation facilities in urban and rural areas
- To ensure stakeholders participate in the management of water resources and
- To put in place implementation strategies for sustainable development and management of water resources in the gradual changing role of the Government

A summary of outcome indicators is provided in Table 3.8.1 below.

**Table 3.8.1: Summary of Performance Status of Water Supply**

Outcome Indicator	Baseline (year 2005)	Target for 2010	Status
% of population with access to safe drinking water:	47% (2005 MICS3)	62% (a 3% annual increment)	Government has targeted water supply service provision in some district headquarter towns and the provision of rural water supply grants to Local Councils. Additionally, the World Bank through its LCDSP program is providing funding for rural water supply service delivery; other donors with pipeline projects for urban water supply services include JICA, AfDB, IDB, Government of Sierra Leone, etc
% of households with access to improved sanitation	30% (2005 MICS3)	49.5% (at 3.9% annual increment)	Government has introduced in rural sanitation an emphasis on Community-Led Total Sanitation (CLTS) with its no-subsidy approach.  Scaling up and promotion of the Community Led Total Sanitation programme has been prioritised in the country and this has resulted in increased coverage in some areas.

### ***Access to safe drinking water***

While it is unlikely that the demands of the water sector would be met during the current PRSP ending 2012, it is important to note that considerable efforts are ongoing to lay the foundation for interventions in the sector. The Government has developed and launched a sector policy and strategic framework to guide investment in the sector.

Urban water supply: The level of water services in urban areas remained considerably low. Most people in the urban areas relied on bottled water, well water, spring water, water from tanks, etc. To alleviate this acute problem, efforts have been made by the Government and development partners to provide resources towards the rehabilitation, reconstruction and expansion of water supply and sanitation facilities several district headquarter towns. With financing EXIM Bank of India, urban water supply service improvement is planned for Lungi, Kailahun and various parts in Freetown, including White Water, Allen Town, Wellington-Cemetery Blue, Thunder Hill, and Looking Town.

The ADB and DFID are funding the rehabilitation of water supply in Bo, Kenema and Makeni. The Government is funding the provision of pipe borne water supply system for Mile 91/Yonibana, Port Loko, Lunsar, Sumila/Sorie Towns in Freetown, Moyamba, Kamakwie, Gbendembu, and Magburaka, and gravity fed water system for communities between Calaba Town in Freetown and Masiaka in the Port Loko district. Water supply for Kambia town is being supported by JICA.

Rural Water Supply: Government continues to support rural water services through councils. Substantial support is also provided to rural water supply services under the decentralized grants for the sector supported by the World Bank. Additionally, UNICEF and various NGOs are assistance in this direction.

### ***Access to improved sanitation***

Rural Sanitation: Government has introduced a programme known as Community-Led Total Sanitation (CLTS) which is a subsidy free approach. This approach focuses on igniting a change in sanitation behaviour in rural areas and it has proved successful with sustained campaigns that bring about social awakening. The practice of hand-washing with soap, following contact with

human or animal excreta, and before and after handling food is an integral part of the CLTS approach.

### **Challenges**

- Inadequate human resource at national and local level
- Slow pace of sector policy implementation
- Limited co-operation and collaboration amongst actors towards a harmonized and co-ordinated approach to supporting the water sector
- Procurement bottlenecks

### **Recommendations**

- Popularise water sector policies
- Strengthen sector M&E system
- Strengthen sector capacity at national and local level

## **3.9 Gender**

The government continues to demonstrate a sustained commitment to the mainstreaming of gender and children's issues into mainstream national and sectoral development plans and programmes. It has continued to prioritize the girl-child support programme to improve retention rate of girls in school and to minimise gender disparity. As noted in the section on Education, development partners have also played a significant role in advancing girl-child education. The gender enrolment gap has been narrowed considerably at the primary level. The performance of girls at the BECE examination has been showing upward trend.

The government has set up Sexual and Gender-Based Violence Committees around the country. These committees are dedicated to ensuring that people conduct themselves within the legal framework of the three Gender Acts: the Domestic Violence Act, the Devolution of Estate Act, and the Customary Marriage and Divorce Act as well as the Child Right Act.<sup>7</sup>

An operational guideline has been developed for the formation of Child Welfare Committee, a frontline unit within the provision of the Child Rights Act for

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<sup>7</sup> See Government of Sierra Leone, 2010, "*Sierra Leone: The Turn Around—Three Years of Transformative Achievements*", Office of the President, Freetown, Sierra Leone.



preventing and responding to issues of child abuse, neglect, exploitation and violence against children. About 70 such committees have been formed across the country.

The Government is also showing commitment to international instruments on gender and children rights. It has commissioned an action plan for the implementation of UN Security Council Resolution 1325 and 1820 that focus on the prevention and protection of women from sexual violence especially in conflict and post-conflict periods. The government has also been able to produce the sixth report on the implementation of the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW).

### ***Challenges***

The ministry continues to face several challenges in the implementation of poverty related gender issues, including:

- Low budgetary allocation;
- Inadequate human and logistical support.
- Lack of effective sectoral coordination in addressing gender problem.

### ***Recommendations***

- There need to increase financial, technical and logistical support to the Ministry of Social Welfare, Gender and Children's Affairs.
- The need to carry out a mapping of all institutions implementing gender related issues; this would improve coordination and ensure coherence and synergies among various actors in the sector.

## **Chapter 4: Progress on Preconditions for Achieving the Strategic Priorities**

### **4.1 Public Financial Management Reform**

The Government is continuing with its Public Financial Management (PFM) reform programme with support from the World Bank, the European Commission, the Department for International Development in UK and the African Development Bank. The PFM reform process significantly contributed to the promotion of good governance during the first PRSP. Given the need to further strengthen the reform process, a new phase of the PFM programme has been entered into—the Integrated Public Financial Management Programme (IPFMRP) with support from the aforementioned four donor institutions.

The IPFMRP addresses PFM reforms under four major components: (i) strengthening macrofiscal coordination and budget management; (ii) reinforcing the control system for improved service delivery; (iii) strengthening central finance functions; (iv) assisting non-state actors' oversight; and (v) project management

#### ***Legal and Regulatory Framework***

Consultations have been initiated with relevant stakeholders for the revision of the Local Government Act 2004 (including the formulation of a decentralisation policy which has now been approved by Cabinet), Government Budgeting and Accountability Act, 2005 and Procurement Act 2004 together with the relevant regulations supporting the respective Acts to take into cognizance issues embodied that warrant review.

Government Budgeting and Accountability Act, 2005 and Financial Management Regulations, 2007: A team of consultants has been contracted to facilitate the review of the GBAA, 2005 and Financial Management Regulations 2007. This is being done in collaboration with key agencies including Parliament, Ministry of Finance and Economic Development (MoFED) Accountant General's Department (AGD), Audit Service Sierra Leone (ASSL) and Law Reform Commission amongst others. A draft "Options and Issues Paper" submitted by the consultants has been widely discussed in several meetings of key stakeholders. Further consultations of all stakeholders (including Ministries, Departments and

Agencies) are to be organised during which participants across Central Government and Local Councils will deliberate on issues highlighted. An accelerated plan to revise the GBAA and FMR to include "Public Investment Programme" is now underway with a revised bill entitled "The Government Budgeting and Accountability (Amendment) Act 2010" already drafted.

Public Procurement Act, 2004 and Procurement Regulations, 2006: Following the previous consultative meeting in December 2009, The National Public Procurement Authority (NPPA) continued the consultative process for proposed revisions to the Procurement Act 2004 and Procurement Regulations 2006 in March 2010 with a National Consensus Forum chaired by the Solicitor-General and attended by senior officials across Central Government. In addition to consultations held with members of Parliament, further consultations are planned to ensure that the revised legislation adequately addresses all pertinent issues.

National Debt Law: In pursuance of developing an improved legal, policy and institutional framework for sustainable debt management, the Public Debts Management Unit of MoFED championed a sensitisation seminar for the formulation of a legislative framework and the preparation of a procedures manual for public debts management in March 2010 which attracted participants from Central Government and Local Councils.

The national debt law will lay out the framework for public sector borrowing and debt management and clearly define sub-national borrowing limits and procedures. The process for on-lending, issuing Government guarantees and monitoring of contingent liabilities will also be regulated and further track private sector external borrowing and reporting.

The practice of loan contracting, disbursement and debt service payments will be outlined in the procedures manual thereby guiding the day-to-day management of public debts and risk management generally. A Bill entitled „Public Debts Management Act 2010" has been ratified by Parliament.

## ***Macroeconomic Fiscal Framework (MEFF) and Medium-Term Expenditure Framework (MTEF)***

Establishment of Macro-fiscal Section: A Macro-Fiscal Section now functions within the Economic Policy and Research Division, MoFED, charged with the responsibility of generating reliable and consistent macroeconomic fiscal projections to facilitate credible and reliable forecasting of revenue flows. This is aided by an Integrated Macroeconomic Modelling and Forecasting Steering Group (IMMF) comprising officials from MoFED, Bank of Sierra Leone (BSL), Statistics Sierra Leone (SSL) and National Revenue Authority (NRA), which ensures consistency of macro-forecasts in Government and thus improves on the macroeconomic evidence base available for policy formulation. Efforts are now being directed towards ensuring the effective and efficient functioning of the IMMF to adequately support the operations of the Macro Fiscal Section.

Financial Programming and Policies Model: An IMF-styled Financial Programming and Policies Model (Sierra Leone Integrated Macroeconomic Model – SLIMM) has been developed which seeks to ensure transparency, ease of use and consistency of application in the development of macrofiscal forecasts for 2011-2013 medium term budgeting period and beyond. Two sets of consultative retreats/training programmes were organised by the Economic Policy and Research Unit of MoFED for key stakeholders involved in macrofiscal forecasting to foster the effective utilisation of the SLIMM for the MTEF budgeting period 2011 – 2013.

Approval of 2010 – 2012 MTEF Budget: The MTEF budget for 2010 approved by Parliament was implemented with budget outturn reports produced monthly and made available to vote controllers thereby ensuring that the respective MDAs review and confirm information being reported and necessary actions taken. Quarterly allocations to MDAs were also gazetted.

Strengthening of budget process in MDAs: Seven Budget Officers were recruited in April 2010 and provided with extensive induction training covering all aspects of MoFED's operations. Training was undertaken by the PFMRU for these officers on the GoSL's 27-digits Chart of Account and IFMIS reporting during which participants were exposed to the structure and contents of the chart of accounts and the reporting mechanisms available within the IFMIS. Some of these Budget

Officers have been assigned to the key IFMIS rolled-out MDAs to help deepen the MTEF process.

The MTEF process both within the Central Government and Local Councils is being deepened with continuous training and support provided for budget officers in the preparation of strategic plans for the respective MDAs and Councils. Further support and monitoring are being provided by the Budget Bureau in ensuring that the MTEF process is generally understood and properly implemented.

Special training programmes were undertaken for Budget Committees across MDAs in order to acquaint them with their roles and responsibilities within the budget process. Furthermore, reviews of the budget calendar and MTEF guidelines respectively have also been undertaken to strengthen the framework for budgeting and the budget process generally.

2011 – 2013 MTEF: Following the issuance of the budget call circular for the 2011 -2013 MTEF period, policy hearings and budget discussions were conducted for all MDAs in August 2010 during which MDAs presented their strategic plans and proposed plan of activities respectively, in accordance with the Agenda for Change. The budget call circular focused on prioritising the strategic priorities outlined in the PRSP 2—Agenda for Change— *Enhancing National Electricity, Developing the National Transportation Network, Enhancing Productivity in Agriculture and Fisheries and Sustaining Human Development* - thereby ensuring that programmes designed are in accordance with the Government’s priorities. The policy hearings attracted the participation of Budget Oversight Institutions and other Non-State Actors.

The Budget Bureau, in collaboration with the Local Government Finance Department (LGFD) and other divisions within Ministry of Finance and Economic Development, provided support to the MDAs and local councils in the budget preparation process for the 2011 – 2013 MTEF period. This support included a country-wide consultative meeting on budget process organised by the Ministry of Energy and Water Resources which was jointly facilitated by the Budget Bureau and LGFD.

MTEF in Local Councils: Chiefdom Councils benefited from technical support facilitated by Local Government Finance Department (LGFD) in conjunction with the Budget Bureau, PFMRU and the Decentralisation Secretariat to enable them properly formulate their budgets for the 2011 – 2013 MTEF period. The six-day consultative process targeted Treasury Clerks and Central Chiefdom Finance Clerks (CCFCs) of the one hundred and forty nine (149) chiefdoms with a view to enhancing their budget formulation, execution and reporting capacity and ensuring smoother coordination in the administration of revenue and expenditure.

The Local Government Finance Department (LGFD) during August 2010 engaged stakeholders of devolved sectors (including Health, Education, and Agriculture) and local councils as part of the budget formulation process. The four-day seminar, which was attended by Central Government Officials, Mayors and Chairpersons of Local Councils, Chief Administrators, Finance Officers and Professional Heads of the respective devolved sectors resulted in the clarification of the grants distribution for 2011 and expected contribution of local councils in pursuing the overall Agenda for Change.

The development of activities in accordance with the PRSP 2 – Agenda for Change—has been pivotal to the whole process with officials of MDAs and Local Councils provided with the relevant support in establishing their plan of activities designed to achieve the overall strategic objectives of the Agenda for Change. The Public Financial Management Reform Unit (PFMRU) liaised with Budget Bureau and Local Government Finance Department in coordinating the training of officials responsible for budget preparation, on the development of the budget for 2011 -2013 in accordance with the PRSP 2—Agenda for Change—to facilitate effective monitoring of activities both within the IFMIS utilised by the Central Government and Petra Financials utilised by the Local Councils.

MoFED (PFMRU, LGFD and Budget Bureau) provided technical support to Freetown City Council (FCC) during the “Strategic Sector Planning Retreat” organised by the Council for devolved functions sector Heads and Managers of other respective functions undertaken by the Council. The well-attended seminar was a step in the right direction in ensuring sound PFM in Local Councils

as it was designed to ensure that comprehensive and well thought-out MTEF strategic sector plans and annual work plans for 2011 are prepared in accordance with the PRSP 2 - Agenda for Change and other related policies. Funding gaps were further identified for areas needing major interventions for effective service delivery.

Monitoring the Budget Process: The District Budget Oversight Committees (DBOCs) undertake regular monitoring of activities in the respective localities. Periodic meetings are being held with the DBOCs which are chaired by the Director Internal Audit MoFED during which budget monitoring issues in the respective districts are addressed. Special training programmes were undertaken for District Budget Oversight Committee Members in order to acquaint them with their roles and responsibilities within the budget process.

Training on budgeting is being extended to non-state actors (civil society organisations) to enable them properly understand and generally monitor the MTEF process. Policy hearings are attended by members of the DBOCs together with other Non-State Actors, as MDAs present and defend their strategic plans and plan of activities/budgets for the ensuing year. Non-State Actors actively participated in the policy and budget hearings led by the Budget Bureau and contributed to the overall process as highlighted in the Non-State Actors (NSA)

### ***Revenue Generation***

Following test run on the ASYCUDA++ (Automated System for Customs Data Analysis) software earlier in the year by the National Revenue Authority (NRA), the software was fully launched in April 2010. This facilitates easy capture of trade data and minimizes physical contact at the Customs Department. Various Clearing Agents have been trained on the use of the software. It is expected that online lodging of customs declaration, auto-channelling and profiling of importers will to a great extent improve recording and accountability with respect to revenues generated by the Customs Department.

In partnership with the Anti-Corruption Commission, a customer charter to guide the relationship between NRA and its customers has been completed and already approved by the NRA Board. Following introduction of the Goods and Services Tax (GST) early this year, enhanced sensitisation drive has been

instituted to ensure that all key stakeholders are fully informed of the operations of the GST.

In a bid to minimise smuggling and further improve on revenue generation, plans are underway for the construction of eleven (11) border offices and customs posts. The proposed locations of these border offices and customs posts have been identified and an architect's report now available. These will be supplemented by cargo inspection equipments and infrastructure and border surveillance vehicles. A Domestic Tax Department (DTD) headed by a Commissioner and assisted by a Deputy Commissioner, has been established and is now fully operational. This DTD now oversees taxpayer services, returns and payments processing, collection, enforcement, debt management and investigation amongst others.

### ***Public Debt Management***

Debt Management Performance Assessment (DEMPA): Following the initial Debt Management Performance Assessment (DEMPA) undertaken last year covering debt management strategy, evaluation of debt management operation, coordination with fiscal and monetary policy, legal framework and auditing, loan guarantees and contingent liabilities amongst others, the Public Debt Management Unit (PDMU) of MoFED ensured compliance with basic international standards for debts management as evidenced in the report of the last DEMPA assessment. However, the fragmented legal framework noted from the assessment is now being addressed through the enactment of a new national debt law as highlighted within the legal framework discussed earlier.

Further consultations were undertaken during the last quarter of 2010 aimed at developing an internal team capable of undertaking self-assessment in accordance with the DEMPA guidelines, identify performance gaps from the 2009 DEMPA report and proffer appropriate recommendations geared towards achieving improved ratings when the next assessment is undertaken.

Debt Sustainability Analysis (DSA): In accordance with the Poverty Reduction and Growth Facility (PRGF) Programme a national Debt Sustainability Analysis (DSA) Workshop was undertaken in August 2010 in updating the national debt strategy thereby providing a guide in borrowing and debt management practices



in a bid to maintain debt sustainability. The focus of this year's DSA workshop also included the strengthening of the national DSA team's capacity to apply the improved DSA framework for Low Income Countries (DSA-LIC) methodology. Officials with responsibilities including macroeconomic management, external and domestic debt recording and analysis, aid coordination and management, poverty reduction programme MoFED and BSL participated in the sessions facilitated by the Director of Debt Management, West African Institute for Financial and Economic Management (WAIFEM).

Public Debt Bulletin: The annual public debt bulletin for 2009 (a publication since 2005) has been released and is now available. This provides an update of developments within debt management and risks affecting the public debt portfolio and provides comprehensive information on debt management to assist stakeholders in decision making.

Debt Buy-Back: The PDMU is facilitating the process of external commercial debt buy-back operation in accordance with the second external commercial debt reduction programme. This process is now underway.

Medium to Long Term Government Bonds: The PDMU in collaboration with the Central Bank and other key stakeholders within the financial sector organised an initial consultative workshop with a view to developing an issuance strategy for medium to long term government bonds.

### ***Public Procurement***

Procurement Forum: In accordance with its mandate, NPPA organised a procurement forum during February 2010 comprising participants from public and private sectors, non state actors and development partners. Participants were updated on progress made in the implementation of resolutions from the 2008 procurement forum and provided feedback regarding the conduct of procurement during 2009. The next procurement forum is scheduled for January 2011.

Development of a Procurement Cadre: In a bid to generally develop and retain procurement specialists within the central government, the National Public Procurement Authority (NPPA) has engaged relevant stakeholders within the Central Government including the Human Resource Management Office, in

directing efforts towards the establishment of a procurement cadre. With this in place, specific procurement officers will be recruited to undertake procurement activities in MDAs.

Thirty (30) procurement officers already recruited into the civil service during the fourth quarter and assigned to various MDAs.

Capacity Building: In addition to capacity building initiatives organized by the NPPA in enhancing the pool of qualified procurement trainers, the University of Sierra Leone has now introduced Procurement as majors in degree courses being offered. Furthermore, several training programmes were organized for personnel assigned procurement responsibilities both within the Central Government and Local Councils thereby increasing their awareness and technical abilities in carrying out procurement functions.

A one-day sensitization seminar for Councillors of Local Councils in the Western Area and private sector service providers respectively was conducted in September 2010 on the theme "Procurement for sustainable economic development in Sierra Leone". This seminar addressed several issues including:

- Procurement structures and the role of the local councillors in the
- procurement process
- Procurement overview and the role of the private sector service
- providers
- Understanding the effects of procurement monitoring and delivery at local levels
- Common errors in the bidding process
- Processes and procedures in the award of contracts
- Procurement ethics and issues of corruption

The sensitization seminar was regionally extended to Councillors of Local Councils and service providers in the Provinces during the last quarter of 2010.

Procurement Monitoring: Continuous monitoring exercise of procurement units in Ministries, Departments and Agencies within Central Government together with Local Councils is being undertaken by the NPPA to ensure that the dictates

of the prescribed regulations are adhered to. The reports of the monitoring visits are available for review. During the year, this was supplemented by a joint Country Procurement Assessment Review (CPAR). The CPAR is a joint assessment by the World Bank and NPPA of the procurement procedures and practises employed by MDAs and Local Councils for the period under review. The report of the CPAR is now available.

A general price survey and development of a price norm for 2010 was completed in August 2010 and report produced and widely disseminated to all MDAs and Local Councils. This serves as a guide for Procurement Officers in MDAs and Local Councils in the procurement process.

Procurement Operations: In support of the 2011 budget process, MDAs submitted draft procurement plans for 2011 to NPPA for review following which the final procurement plans were formally submitted to both the Ministry of Finance and Economic Development and NPPA. This forms part of the technical assistance proffered by NPPA to MDAs in a bid to facilitate the preparation of acceptable procurement plans and further guides the basis of procurement monitoring.

### ***Accounting and Recording***

Reporting: The Accountant General produced the financial statements for the year ended 31<sup>st</sup> December 2009 by 31<sup>st</sup> March 2010 in accordance with the regulations. These financial statements have subsequently been submitted to the Auditor General. The unaudited Financial Statements for year ended 31<sup>st</sup> December 2009 and statement of fiscal operations (consolidated fund) for period January – November 2010 have been published on the MoFED website.

Strengthening of AGD: Nineteen (19) employees were recruited at the Accountant General's Department (AGD) in May 2010 to further strengthen the Department's accounting, recording and control processes. Induction training covering various aspects of the Department's operations was conducted for these recruits in order to acquaint them with the processes.

Extra budgetary/subvented agencies and donor funded projects: Training on designing processes in MDAs to strengthen the reporting by Project

Implementation Units and Extra Budgetary/Subvented Agencies to the AGD was jointly conducted by the AGD and Budget Bureau for Vote Controllers and Accountants of Projects and Extra Budgetary/Subvented Agencies. The training, which was attended by over two hundred (200) participants, aimed to promote accurate fiscal reporting and reconciliation of fiscal and monetary data between the Central Bank and MoFED. The Other Government Accounts Units of the AGD continues to monitor and capture quarterly returns from these Agencies and produce regular information regarding activities of Projects and Subvented/Extra Budgetary Agencies.

Stores Control: Training aimed at strengthening the standard procedures in stores control for Stock Verifiers and Stores Clerks in all MDAs nationwide was conducted by the AGD in June 2010.

### ***Other PFM Reform Areas***

The government has also made tremendous progress in several other PFM reform areas including: public sector human resource management (which is elaborated on in the next section); the roll-out of the integrated Financial Management Information System; the introduction of ICT in the Ministry of Finance and Economic Development; financial management in the Local Councils; aid coordination; monitoring and evaluation of development programs; internal audit; and strengthening the participation of external oversight actors in PFM issues—Audit Service Sierra Leone, Parliament and Non-governmental Organisations. For detailed progress on these reform areas, please refer to “The Public Financial Management Reform Status Update Reports for 2010” obtainable from the Public Financial Management Reform Unit in MOFED or visit the website: [www.mofed.gov.sl](http://www.mofed.gov.sl).

### ***Key Challenge***

There is a heavy reliance on contract staff to undertake key PFM reforms over the years. The challenge is the mapping out of an exit strategy to ensure sustainable human resource capacity in MoFED to pursue prudent Public Financial Management as the number of contract staff declined overtime.

## **4.2 Strengthening the Civil Service**

The government has continued to pursue programmes aimed at strengthening service delivery in the public sector. In 2010, the focus was on the following areas:

- Staff Rationalization/ Recruitment of critical skills
- Teacher Record Management Project
- The Civil Service Code, Regulations and Rules
- Improvements in Systems and Tools
- Training and Training Policy
- Creation of Policy and Planning Units and the development of Service Charters
- Monitoring Visits to Ministries
- Joint evaluation of Diaspora Project
- Effective Public Sector Collaboration

### ***Staff Rationalization/ Recruitment of critical skills***

PSRU continued to usefully engage and collaborate with the Human Resource Management Office (HRMO) and the Leadership of the Civil Service, including the Public Service Commission and the Secretary to the Cabinet and Head of the Civil Service. We continued to provide technical backstopping in areas that would enhance Civil Service productivity. Through our shared expertise:

- a) Job Descriptions for all Civil Service Positions were reviewed and updated
- b) Civil Service numbers were reduced from 17,560 in 2007/2008 to **13,631** in March 2010 (although this increased to 15,703 in May 2010 and steadily increased due to recruitment to service the Free Healthcare Initiative)

Progress on ensuring the optimal mix of size and skills in the MDAs continued with recruitment of technical staff for Ministries, and issuance of retirement letters by the HRMO. By November, over **300 technical positions** across MDAs had been filled through the Public Service Commission (PSC). In December, the PSC advertised over 150 posts in both the technical and administrative divisions across the Civil Service. The recruitment process is on-going and will be concluded in early 2011.

Work also progressed on identification of obsolete positions to be removed permanently and a number of staff was identified for retrenchment. While rightsizing of the Public Service is necessary, it must be implemented with caution, to ensure minimal long-term costs to human development and stability in the country.

### ***Teacher Record Management Project***

Management of teacher records has posed considerable challenges in the past. Of the 74,268 public sector workforce, there are over 35,377 Teachers. The creation and management of a personnel file for every teacher marked the first step towards establishing a reliable human resource data management system that will support a clean payroll and a credible database for human resource development relating to teachers and our schools.

On **10 August 2010**, GoSL provided PSRU with the sum of **Le464.8m** as payment for Component One of the First Phase, i.e., creation of Files for Teachers. Work commenced in mid August by the IRMT/RMIP, and an interim Presentation was made on 2 September 2010. Component Two payment of the first phase to the tune of Le435.2m was also released to PSRU, bringing the total GoSL funding for the first phase to Le900m.

Between September and December, the Records Management Team, under PSRU supervision, sorted and reviewed over 112,000 Teachers Records Forms held at Ministry of Education, and created files for every teacher (35.305) currently on the Accountant General's Payroll at MEYS. In the next phase, due to commence early 2011, the files will be matched with the individual teachers through a physical verification, to be followed by a consolidation phase including electronic scanning, to ensure that the paper-based evidence can be effectively managed and stored over time and linked to the pay-roll. A data-testing exercise was conducted, reinforcing the need for the physical verification of teachers (Second Phase) without delay. Discussions are nearing completion with the ADB for funds to embark on the second and final phase of the project.

### ***The Civil Service Code, Regulations and Rules***

Over the last five decades, the Civil Service has been locked up in old-fashioned "Regulations and Rules", which although useful in the past, are no longer

tenable in a fast-moving, knowledge-based environment. The Civil Service and indeed Civil Servants have to overcome entrenched attitudes as part of the Change Process. To address the obsolescence of the General Orders, a new "Civil Service Code, Regulations and Rules" has been drafted and will be presented to H.E. the President in early January. This is a "must read" for all Public Servants.

### ***Improvements in Systems and Tools***

Given the importance of ICT in governance, efforts have been made to install systems and tools in MDAs to enhance service delivery. Action commenced to modernize the ICT platform, with modest supplies of essential equipment to the Cabinet Secretariat, Human Resource Management Office, Public Service Commission and the Public Sector Reform Unit.

With support from UNDP, an E-Government Unit with its supporting Steering Committee has been established at the Ministry of Information and Communications. This will ensure a common platform for Government and fast-track the E-Governance project, which is a significant component of the National ICT Policy.

### ***Training and Training Policy***

Since the closure of the Civil Service Training College, training in the Civil Service has been extremely uncoordinated and ad hoc, and often not regarded as part of the Human Resource Management process. There is need to train and retrain civil servants in relevant areas. To ensure coherence, a National Training Policy has been drafted, which ensures that Civil Servants are exposed to periodic training as a way of capacity development.

In 2010, as part of the short/medium term plan for capacity-building, PSRU and HRMO designed and implemented training programmes for Middle and Senior Level Civil Servants in Records Management, Human Resource Management, Public Policy and Policy Analysis, Procurement Management, Civil Service Ethics, Business Writing and Communication, Strategic Leadership and Management, Local Governance and Devolution, etc. Over 150 Middle and Senior Civil Servants benefitted from the programme, which took the form of weekend seminars and short courses.

In September alone, 40 middle/senior Administrative officers attended a specially designed course in Strategic Leadership and Change Management Programme at the Institute of Public Administration and Management (IPAM). In November and December 2010 four training sessions were held targeting 93 middle/senior civil servants. Funding was provided by UNDP, under the existing PSR Framework. Similarly, Civil Servants benefitted from higher level training supported by the African Capacity Building Foundation at the Ghana Institute of Management and Public Administration (GIMPA). Also a number of Civil Servants benefitted from ACBF funding for training in Public Sector Policy Formulation and Management within the Mano River Union Basin.

Also, 75 officials of the Ministry of Lands, Country Planning and the Environment completed Phase I of the training in Geographic Information Systems and related technology at Fourah Bay College, University of Sierra Leone. During the same period, Records and Human Resource Officers benefitted from relevant training programmes at the PSRU.

### ***Creation of Policy and Planning Units and the Development of Service Charters***

In collaboration with the Strategy and Policy Unit, the creation of Policy and Planning Units and the development of Service Charters across MDAs is planned. When created, the Policy and Planning Unit will support the Minister in developing ministerial plans, policies and the strategic framework for achieving the targets set in the Work Plan and performance contracts for the Minister and senior management. The Unit will also help to create an environment in which agreed strategies, including those reflected in the Management and Functional Reviews are implemented. It will provide the Ministry with analysis and research on the basis of which it can take informed decisions, and maintain a structure for monitoring progress in the implementation of set targets.

In like manner, the development of Service Charters in all MDAs will ensure that the ultimate beneficiaries of services are provided the opportunity not only to assess the performance of the institutions providing the services, but also the quality of services provided. It will also inform beneficiaries of their responsibilities in helping the institutions to meet their targets.



Specifically, Service Charters will:

- Make public institutions and public servants accountable
- Ensure value for money
- Ensure value for customers/clients/citizens
- Ensure transparency
- Ensure the right to information without compromising security
- Adopt a stakeholder approach
- Maximize the use of time
- Prevent Corruption

### ***Monitoring Visits to Ministries***

In 2010, the PSRU embarked on three main sessions of monitoring visits to Ministries. These monitoring meetings, which were meant to complement regular monitoring of the progress of implementation of the recommendations from the MFRs, were held between PSRU staff and the senior management team of the various Ministries. In addition to discussions on the progress of implementation, constraints, and the way forward, these visits also focused on the human resource strength of Ministries. Comprehensive staff lists and vacancy profiles were collected from each Ministry. This data was analysed to gain insight into the specific needs of each Ministry and provide remedial action. The data proved useful in informing recruitment and manpower planning.

### **4.3 The Decentralisation Process**

The Government has continued with implementation of the decentralisation programme to ensure sustained involvement of local communities in the national development process. The devolution process has been accelerated through the setting up of a National Task Force on Devolution and recruitment of at least ten professional staff in each council. A Capacity Development Fund has been established to provide an opportunity for councils to finance their annual capacity development plans.

There has been sustained funding of local council programmes from the centre. Between 2008 and 2009, Le28.1 billion was transferred to local councils for their development projects. About Le23.8 billion<sup>8</sup> was earmarked for transfer in

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<sup>8</sup> Data is not available on the actual amount transferred in 2010.

support of 62 service delivery projects by the 19 local councils in the country. Additionally, councils have been receiving funding through the Decentralised Service Delivery Programme supported by the World Bank, begun in February 2010.

To improve the work environment and administrative efficiency in local councils, the government has embarked on the construction of state of the art local council office complexes with support from the World Bank under the IRCBP. As at end 2010, nine offices had been completed and handed over to the relevant councils including Makeni City Council, Bo City, Kenema City, Kailahun District, Pujehun District, Port Loko District, Tonkolili District, Moyamba District and the Western Area District Council.

#### **4.4 The Judiciary**

Strengthening the judiciary has been deemed critical in the fight against poverty in Sierra Leone through according justice to the poor in a fair and timely manner. To this end, the government has embarked on a number of reforms and measures, including:

- New Courts have been constructed at Masiaka, Mile 91 and York
- Additional courts have been built in the Western Area. The one at Pademba Road has been completed.
- Backlog Courts were set-up in Freetown and in the provinces to clear backlog cases and decongest prisons.
- An Information, Communication and Technology (ICT) department has been established within the judiciary sector to enhance effectiveness and efficiency in service delivery.
- The establishment of a National Judicial and Legal Training Institute has been underway.
- The government has established a Fast Track Commercial Court.
- Itinerant courts have been introduced to improve access to justice by the people in the East, South and Northern Region
- The government is also piloting a legal aid scheme dedicated to providing legal assistance to the poor and the vulnerable.

## **Human Rights**

A key policy area that has attracted the attention of Human Right Activists is the running and administration of Prisons in the country. The Government has enormously heeded to these concerns as demonstrated by the various reforms and interventions taking place within the security sub-sector. A draft Bill to modernise the Prisons Services is under preparation to meet international standards.

Additionally, various detention centres have been rehabilitated with a special focus on the need to reduce overcrowding and stem the risks of related deaths of inmates. The interventions have been associated with the drastic reduction in prisoners' death toll "recorded in the past three years"<sup>9</sup>. The Government has also encouraged frequent visits to prisons by non-state actors and human rights activists to ensure that the welfare and human rights requirements of prisoners are met.

## **4.5 Security**

The people of Sierra Leone have continued to enjoy improved security since the end of the war. The government has continued to implement the security sector reform programme that was developed following the end of conflict. The establishment of the Office of the National Security (ONS) has improved coordination across the security sectors in the country.

### **The Police**

The Sierra Leone Police is now engaged in intensive reforms in the areas of change management, training, crime management, operations and support services. To improve on the service delivery and welfare of the force, the government is embarking on the construction of a Police Station and Barracks at Hill Station, in addition to rehabilitation and other estate and infrastructural works taking place at various police posts and barracks across the country.

### **Illegal Drugs**

The Government has raised the red flag, with increasing concern over Sierra Leone's security exposure to the threat of illegal drugs. The Government has

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<sup>9</sup> See Government of Sierra Leone, 2010, "*Sierra Leone: The Turn Around—Three Years of Transformative Achievements*", The Office of the President, Freetown, Sierra Leone.

passed the National Drug Control Act 2008, seeking to address the issue of illegal drugs and related matters. Several drug traffickers have been arrested, prosecuted and convicted as a result of the Government's robust anti-drug activities.

### ***Armed Forces***

With support from development partners, the Sierra Leone Government has recorded tremendous success in reforming the army, ensuring robustness and flexibility within the sub-sector, and contributing to the overall socio-economic and political development of Sierra Leone and beyond. The armed forces of Sierra Leone have been participating in a number of international peace keeping missions. More recently, the country's soldiers have been part of the peacekeeping operations in Darfur, Sudan.

For the first time in the nation's history, the Republic of Sierra Leone Armed Forces (RSLAF) are now training foreign cadet officers. In September 2010, 9 Liberian and 30 Sierra Leonean cadets trained by the RSLAF were commissioned at the Armed Forces training Centre at Benguema<sup>10</sup>. Various training centres for the army have been rehabilitated including the Recruits Bilets. The Military Hospital has also been rehabilitated.

To improve the welfare and moral of the army, the government has restored the rice supply programme to the RSLAF. Financial management within the force has also been improved drastically to ensure accountability and transparency. Payment of soldiers' salaries is now done through banks. Mosques and churches for the army have been refurbished, as well as Soldiers' Canteens, Mess Halls, and Dwellings. Government also supported the army to establish agricultural units in Moyamba in the South and Tonkolili in the North and has established an RSLAF's Industrial Training Complex to ensure cost effective production of armed uniforms.

### ***Other Security Sectors and Issues***

The government has also been keen on improving management and operations in other security institutions, including the National Fire Force, which has improved its preparedness to respond to fire disaster; the National Registration

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<sup>10</sup> See Government of Sierra Leone, 2010, "*Sierra Leone: The Turn Around—Three Years of Transformative Achievements*", Office of the President, Freetown, Sierra Leone.

Secretariat which has been modernised with high tech equipment, including installation of biometrics system, and the Immigration Department which is also being restructured to meet security related international migration challenges.

#### **4.6 Private Sector Development**

The government recognises that the private sector constitutes the main engine for economic growth and development it aspires—noting that only about 20 percent of the national businesses are in the hands of the state, the rest, though operated mostly informally, are in the hands of the private sector. Thus, within the framework of the national poverty reduction strategies, key reforms and programmes have been sought to place the private sector in the driver’s seat for promoting economic growth and enhancing job creation.

During 2010, a national trade policy was developed and launched, including initiating the process for developing of an industrial policy. UNIDO supported the operations of three growth centres in the country with the aim of improving the value chain in their operations. Resources were accessed to support projects under the Enhanced Integrated Framework Programme, including projects in the fisheries sector, tourism, and trade, with focus on small and medium size enterprises (SMEs).

Significant strides have been made with respect to removal of administrative barriers to investment, including notably the following:

- The National Revenue Authority no longer requests advance tax payments from businesses to obtain a tax clearance certificate for business registration.
- Mandatory involvement of legal practitioners in certain business arrangements has been eliminated. The mandatory involvement of a solicitor is no longer a must for preparation of Memorandum and Articles of Association required for registering limited-liability companies. This has led to the reduction of the cost of doing business in the country from US\$ 1700 to UD\$79.
- Work and residence permits have been merged from four to single permit and validity date extended to 5 years.
- Company, Bankruptcy and Payment Systems Bills have been passed into law.

- To shorten the time of business registration, a One Stop Shop has been established in the office of the Administrator and Registrar General.
- The Sierra Leone Investment and Export Promotion Agency (SLIEPA) has been established to assist investors in obtaining permits, licenses, and facilitation of registration business enterprise.

As a consequence, Sierra Leone is currently rated well in the World Bank’s Ease of Doing Business Report (2010)—ranking 4 out of 16 countries in West Africa; 26 out of 53 African countries; and 143 out of 183 countries globally.

#### **4.7 Tourism**

The government has continued to pay great attention to the tourism sector, given its potential to contribute revenue towards national development. A Strategic Tourism Action Plan has been developed and plans are underway to develop a National Tourism Policy and also review the 1990 Tourism Development Act.

Although tourist arrivals have been fluctuating in the last three years, as Table 4.7.1 indicates, the number of visitors is expected to rise as the economy continues to boom, security improves, and branding of the country is stepped up.

**Table 4.7.1: Tourist (Visitors) Arrival**

<b>Year</b>	<b>By Purpose of Visit</b>	<b>By Place of Residence</b>
2008	35,679	35,688
2009	26,122	26,152
2010	31,271	31,271

#### **4.8 The Mining Sector**

The government aims to ensure the fullest utilisation of Sierra Leone’s huge mineral potential for the benefit of the population. All mining agreements have been reviewed with a view to increasing the contribution of the sector to socio-economic development. A New Mines and Minerals Act is now in place to guide Government’s activities in the sector. Also established is a new institutional

framework with a stable, predictable, and competitive investor-friendly legal framework and fiscal environment.

Huge employment opportunities exist with the increased in investors in the mining sector, including African Minerals (AML) operating at Ferengbeya in Tonkolili District, and Pepel in Port Loko District, which has provided jobs to hundreds of youths. As the mines become fully operational, the tax revenue could be raised significantly, with the potential to employ over 11 thousand Sierra Leoneans. The London Mining Company for the exploitation of Marampa Iron Ore in Lunsar is expected to significantly add to state revenues, including employment opportunities. Revenue from the ten largest mining companies in 2010 is provided in Table 4.8.1.

**Table 4.8.1: Revenue from The Mining Sector, 2010 (Million of Leones)**

No.	Name of Mining Company	Mining Activity/Type of Mineral	Tax Type													Total	% Cont.
			Mining Licences	Mineral Resources Royalty	Prospecting Right	Mining Lease	W/H 5% Contract	W/H 10% Rent	Payroll Tax	Corporate Tax	GST on Contract	Import Duty	Ecowas Levy	Import GST	W/H Income Tax		
1	African Minerals	Iron Ore, Gold, Diamond, Prec.	10	-	-	-	2,124	46	68	-	9,570	4	0	7	2	11,831.3	34.3
2	Koidu Holdings	Diamond, Gold & Base Metal	471	5,365	-	779	161	2	-	-	-	909	0	-	1	7,687.0	22.3
3	London Mining Co. LTD	Iron Ore	-	-	-	-	-	-	57	5,123	-	-	-	-	-	5,180.3	15.0
4	Sierra Mineral Holding LTD	Bauxite	-	3,718	-	-	159	-	-	-	-	-	-	-	-	3,877.4	11.2
5	Sierra Rural LTD	Titamun, Zircon & Monazite	399	777	-	-	1,820	-	47	239	-	-	-	-	-	3,282.0	9.5
6	Cluff Gold (SL) LTD	Gold	880	121	-	-	194	17	-	-	-	-	-	-	-	1,211.8	3.5
7	West African Zircon	Not Specified	707	-	-	-	-	-	-	-	-	-	-	-	-	706.6	2.0
8	Kripto Intn'l (Mining SL) Ltd	Not Specified	12	-	326	-	-	-	-	-	-	-	-	-	-	338.7	1.0
9	Sierra Leone Exploration & Mining Co.	Bauxite	258	-	-	-	-	-	-	-	-	-	-	-	-	257.8	0.7
10	Marampa Iron Ore (SL) Ltd	Bauxite, Gold, Precious & Base Metals	-	-	20	-	88	-	-	-	-	-	-	-	-	107.3	0.3
<b>Total</b>			<b>2,735.8</b>	<b>9,981.0</b>	<b>345.8</b>	<b>778.7</b>	<b>4,546.7</b>	<b>65.0</b>	<b>171.5</b>	<b>5,362.1</b>	<b>9,570.3</b>	<b>913.0</b>	<b>0.5</b>	<b>6.8</b>	<b>3.0</b>	<b>34,480.2</b>	<b>100.0</b>
<b>Analysis</b>																	
Total Mines Revenue from first Ten (10) Largest Companies								2,772.40									
Total 2010 Mines Revenue								08,636.50									
Total NRA Revenue								55,662.00									
Nominal Gross Domestic Product (GDP)								,705,300.00									
Total Mines Revenue from first Ten (10) Largest Companies % of Total 2010 Mines Revenue								57.80									
Total Mines Revenue as % of Total NRA Revenue								11.40									
Total Mines Revenue from Ten (10) Largest Companies as % of Total NRA Revenue								6.60									
Total Mines Revenue as % of Nominal GDP								1.40									



## **Challenges**

- Limited returns for the government from the mining sector;
- Weak governance and transparency in the running of the sector.

## **Recommendations**

- Develop a framework to ensure more private sector participation
- Develop and strengthen human resources in the sector
- Improve the regulatory and efficiency of artisanal and small-scale mines
- Ensure transparency in the exploitation of minerals in the country and maximize revenue.

## **4.9 The Environment**

Much data was not received on this cross-cutting issue for 2010. However, the national environmental coordinating institution, the Sierra Leone Environmental Agency (SLEPA), is now fully operational.

The specific focus in addressing environmental issues continues to be:

- Strengthening the National Environmental Management Institution
- Ensuring integrated environmental management mechanism
- Strengthening environmental compliance and enforcement
- Mainstreaming environmental and disaster management issues
- Strengthening the Environmental Impact Assessment (EIA) Framework

## **4.10 Anti-Corruption Commission (ACC)**

The ACC made laudable strides in the execution of its mandate during 2010. Out of 119 cases lodged with the ACC, 20 cases were closed and 99 were officially said to be corruption cases. Out of the 99, 86 were still under investigation while 13 were concluded for prosecution. Of the 13 prosecuted, there were 7 convictions. Additionally, the ACC undertook Anti-Corruption System and Process Reviews for three ministries: Health, Education, and Energy.

## **Chapter 5: Monitoring and Evaluation Process**

### **5.1 The Coordinating Role of MoFED**

As mentioned in the introductory chapter, the year 2010 witnessed sustained monitoring of development projects under the coordination of the Ministry of Finance and Economic Development (MoFED). In the last quarter of 2009 and during 2010, four nationwide monitoring and evaluation (M&E) exercises were conducted. The Office of the President has been complementary in carrying out these exercises, and all were conducted with the participation of civil society organizations. The line MDAs were also active in their routine monitoring responsibilities as a good number of them now have functional M&E units.

While, in the current M&E framework, meetings of planned sector working groups on thematic areas were not taking place effectively as in the PRSP I, MoFED ensured constant follow-ups with each relevant line MDAs to submit periodic status update on the implementation of projects within the PRSP II. These updates were verified during the quarterly M&E exercises coordinated by MoFED. The District Councils were instrumental during the M&E field visits in terms of facilitation and supply of additional project data. Most updates submitted by MDAs to MoFED were based on data provided by District Offices. Figure 6.1 depicts the institutional framework for the monitoring of the PRSP II, which largely remains the same as the framework for the implementation of the PRSP I.

### **5.2 The Office of the President (OP) and Role of Cabinet**

As noted above, the complementing role of the OP in conducting national M&E exercises has been critical to the achievement of results during 2010. The OP, led by the President, made a number of field visits countrywide to ascertain progress made in the implementation of projects. The OP's participation ensured quick response to problems for a number of projects across the country. Additionally, the OP had continued with the Government's Performance Management Appraisal System for tracking quarterly progress in the implementation of projects by each MDA. This has

significantly brought about a change in reporting culture for development results.

Cabinet met on the outcomes of the quarterly M&E exercises carried out nationwide. It proffered useful recommendations in terms of actions needed to ensure improved project implementation.

### **5.3 The Role of Statistics Sierra Leone (SSL)**

Statistics Sierra Leone plays a critical role in support of sector M&E activities. The SSL has deployed seven statisticians in seven Ministries to improve on sector M&E and statistical systems. This has the effect of improving quality of data systems and ensuring effective reporting on sector progress. The Ministries with statisticians include: Labour and Employment, Education, Transport, Tourism, Gender and Children's Affairs, Agriculture, and Trade.

### **5.4 Participation of District Budget Oversight Committees, Civil Society, and Parliament**

District Budget Oversight Committees played significant role in all M&E exercises conducted during 2010. They carried out advance ground work in terms of alerting district officials and offices, as well as providing baseline information and settlements maps for upcoming M&E visits. The DBOCs also helped sensitize the communities about these visits and their role in providing information on project activities. The DBOCs facilitated radio discussions during the M&E visits to engage communities on their perception about project effectiveness in the districts.

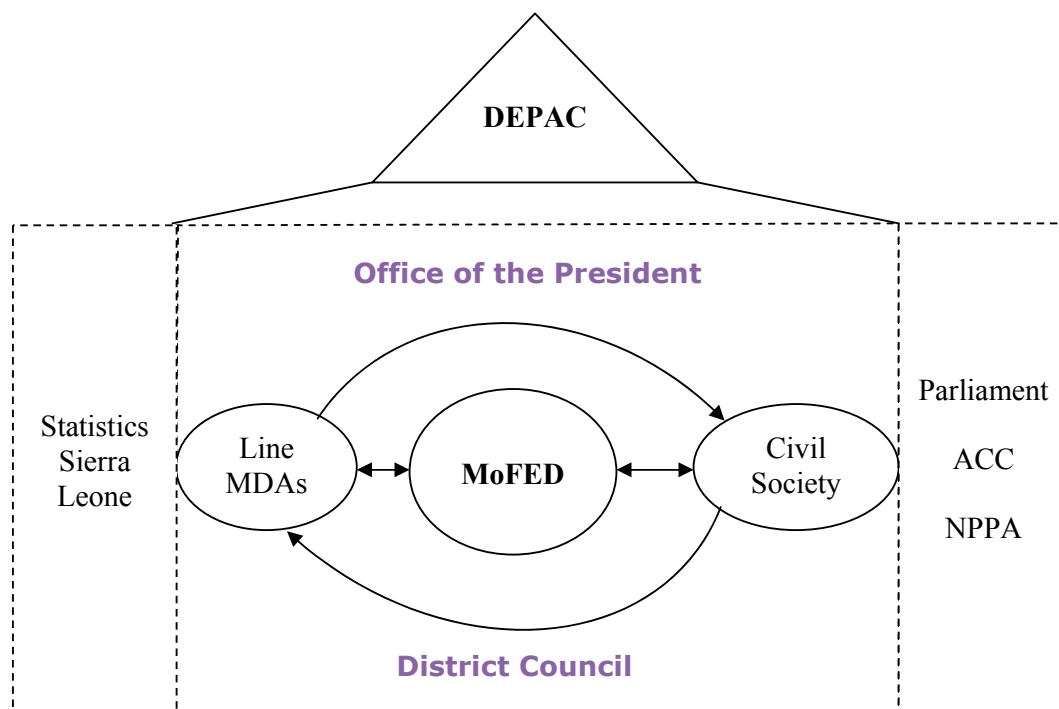
The Government, through MoFED, devised an integrated strategy for monitoring projects. There were civil society (CS) representatives in all M&E teams constituted to carry out field visits. The CS representatives took part in radio discussions to sensitize the people on their role in the M&E process. As part of the process, public hearings were conducted at regional level to gauge ordinary people's perceptions on the effectiveness of programme implementation.

Parliament has also been participating in national M&E exercises. Parliamentarians have, in particular, been monitoring projects implemented in their respective constituencies. There are plans to have them included in the upcoming exercises coordinated by the MoFED, including other oversight institutions such as the National Public Procurement Authority (NPPA) and the Anti-Corruption Commission (ACC).

### 5.5 Donors and the M&E Process

At the quarterly Development Partners' Committee (DEPAC) meetings, donors as well as the government were updated on progress made in the implementation of the PRSP, and feedback was received towards improved implementations. The DEPAC, as in the first PRSP, is the highest policy level bringing donors and government together to discuss progress in the implementation of the national development agenda.

**Figure 5.1: Monitoring and Evaluation Framework for The PRSP II-Agenda for Change**



## **5.6 Challenges and Recommendations**

### Key Challenges

- Limited intra-and inter-sectoral coordination of development monitoring and evaluation. Coordination between the centre and the local level also needs strengthening.
- There is limited capacity for the discharge of the important role of the District Budget Oversight Committees, especially in terms of logistics and transportation to enable members visit projects sites within the districts.
- In general, Monitoring and Evaluation is grossly under-funded in Sierra Leone. At a time when the Government has drastically shifted attention towards development financing, it is extremely critical that there is constant funding for M&E exercises if the desired results should be realized.
- There is limited capacity in terms of logistics and staff in the Central Planning Monitoring and Evaluation Division in MOFED to ensure effective coordination of the national M&E for PRS implementation and development planning in general. This, by itself, could affect the participation of the Civil Society in the PRS process.
- There have not been effective meetings of sector working groups on the PRSP II. This would limit civil society participation—each of these groups was meant to have civil society representation.

### Recommendations

- Improve sectoral coordination, and coordination between the centre and the local level.
- Strengthen the capacity of the DBOCs.
- Strengthen the coordinating role of the Central Planning Monitoring and Evaluation in MoFED.
- Revive sector working groups on PRS implementation.
- Set up special fund for M&E at MoFED

## Chapter 6: Summary and Conclusion

### 6.1 Summary

Overall, significant progress was made in implementing the Agenda for Change during 2010, especially in road infrastructure, energy, implementation of the FHCI, and agriculture.

On the basis of progress thus far, it is expected that findings from the ongoing Integrated Household Survey conducted by Statistics Sierra Leone would reveal a reduced incidence of poverty for Sierra Leone. The Sierra Leone MDGs Report 2010 reports the incidence of poverty at 60 percent against 70 percent in 2005. Table 5.1 summarise progress made in achieving targets for the strategic priority areas.

**Table 6.1: Summary of Performance in PRS Strategy Priority Areas**

Outcome Indicator	Baseline (2008)	2009	Target for 2010	Current Status
<b>Electricity</b>				
National electricity generation capacity	24MW	74.06MW	78.26MW	87.7MW
Electricity generation capacity in W/A	17MW (Rented)	13.5MW	10MW (NPA)	26.5MW
Electricity generation capacity in North	1.3MW	51.0MW	51MW	51.2MW
Electricity generation capacity in South	2MW	3.26MW	5.26MW	4MW
Electricity generation capacity in East	6MW	6MW	6MW	6MW
% of households with access to electricity	7%	7.5%	8.5%	-
% of electricity lost during transmission & distribution	40%	40%	35%	45%
% of billed electricity revenue collected	78%	83%	88%	
<b>Agriculture</b>				
Rice (Metric Tons)	640,000	784,730	909,240	1,062,000
Cassava (Metric Tons)	4,058,288	2,516,600	3,183,100	4,474,275
Sweet potato (Metric Tons)	180,068	160,700	203,100	187,344
Groundnuts (Metric Tons)	133,059	75,050	94,370	146,697
Maize (Metric Tons)	57,120	29,640	37,790	78,693
Cattle (Metric Tons)	390,638	390,640	445,920	517,000
Sheep (Metric Tons)	470,000	470,400	582,000	682,000

<b>Outcome Indicator</b>	<b>Baseline (2008)</b>	<b>2009</b>	<b>Target for 2010</b>	<b>Current Status</b>
Goat (Metric Tons)	550,162	530,160	730,000	803,000
Poultry (Metric Tons)	6,202,293	6,502,870	8,600,000	9,460,000
Cocoa Export (Million of US\$)	14.9	9.5	10.45	26
Coffee (Million of US\$)	1.5	1.5	1.65	1.7
Palm Oil (Million of US\$)	2.00	3.0	-	4.0
<b>Education</b>				
Gross Primary Enrolment	1,324,968	1,353,723	1,353,723	N/A
Gross JSS Enrolment	195,215	252,162	-	N/A
No. of NPSE Passes: Boys	74,731	74,970	-	72,429
No. of NPSE Passes: Girls	31,696	33,743	-	33,448
No. of BECE Passes: Boys	14,851	16,481	-	18,539
No. of BECE Passes: Girls	7,692	8,692	-	9,721
<b>Health, Water, and Sanitation</b>				
Proportion of deliveries taking place in health facilities	17.8	45.5%	50%	57.00%
Percentage of children receiving Penta-3 before 12 months of age	50.7%	72.9%	70%	82.00%
Prevalence of underweight among children 6-59 months	6.5%	7.6%	4%	6,9%
Percentage of children under five years of age who slept the previous night under an insecticide treated net	38.3%	59.0%	60%	23.20%
% of under fives with fever in the last 2 weeks who received appropriate anti-malarial treatment within 24 hours from onset of fever	77.2%	81.4%	85%	38%
HIV-infected pregnant women receiving a complete course of antiretroviral prophylaxis for PMTCT	642	645	-	289
Percentage of smear-positive pulmonary tuberculosis cases treated successfully	89.6%	86.6%	94%	86.60%
No. of health facilities providing screening services for Hypertension, diabetes and sickle cell anaemia.	35	35	80	35
Percentage of households with access to improved sanitation	4.80%	NA	-	-
% of population with access to safe drinking water	50.30%	NA	-	-
% of PHUs reporting uninterrupted supply of tracer drugs	43%	57.1%	70%	52%
% of population living within 5 km of a health facility	73%	NA	85%	NA
No. of Regional Hospitals with Physician, Gynecologist, Surgeon and Dentist	0	2	2	1
Number of PHUs with at least 2 health care staff	456	780	900	759

<b>Outcome Indicator</b>	<b>Baseline (2008)</b>	<b>2009</b>	<b>Target for 2010</b>	<b>Current Status</b>
No. of partners contributing to pooled funding account	0	0	4	0
Proportion of GoSL planned budget that is disbursed to the health sector	4.40%	NA	12%	7.80%
% of monthly ICS reports submitted on time by PHUs to districts	8.40%	35.2%	60%	82.00%
Number of PLHIVs who received ART in the last 12 months	6,592	7,077	8,501	5,606
Number of Condoms Distributed	9,000,000	12,605,328	10,299,615	10,744,810
Number of Health care facilities Providing STI services	850	-	950	1,050
Number of Pregnant women receiving complete course of ARV prophylaxis	3,095	3286	3,338	2,642
HIV/AIDS prevalence amongst Antenatal clinic attendants	3.5%	3.1%	3.2%	3.0%

Notwithstanding this progress, huge challenges remain, key among which include:

- Limited fiscal space to finance priority projects and programs under the agenda for change;
- Inadequate domestic capacity continues to limit PRS implementation;
- Negative attitudes and fraudulent behaviour of many contractors towards execution of public contracts, many of whom already lack capacity to undertake contracts;
- Delayed donor disbursement of funds for public works; and
- Limited intra- and inter-sectoral coordination on one hand, and coordination between the central government and local councils on the other in respect of certain development instances, such as procurement.

(For more on the challenges, see M&E Reports by MoFED, various issues; or visit website: [www.mofed.gov.sl](http://www.mofed.gov.sl) on the page of the Central Planning Monitoring and Evaluation.)



Risks to the outlook emanate from (i) probable malignant evolution of the global economic environment (for example, increasing commodity prices may adversely impact the domestic economic situation and poverty conditions); and (ii) financing development/project spending may be constrained by donor perceptions, in particular, as we draw closer to the 2012 elections; and (iii) high expectations from exploration of the mining sector could trigger donor fatigue and further constrain 'non-mineral' fiscal revenue. These risks are dampened somewhat by economic prospects stemming from the massive exploration of iron ore by African Minerals Limited and London Mining along with the discovery of petroleum complemented by efforts of government to encourage private sector activity by easing the costs of doing business.

## **6.2 General Recommendations**

In addition to the specific sector recommendations, the following require attention:

- Develop a comprehensive policy framework to regulate behaviour of contractors in Sierra Leone;
- Ensure timely release of donor funds for projects;
- Ensure sustained/continuous monitoring of all infrastructural projects and the Free Healthcare Programme;
- Develop a comprehensive M&E Policy and procedures for Sierra Leone;
- Ensure integration of district M&E and Planning Units with the national M&E system to ensure routine and regular reporting of development programme by District Councils to MoFED;
- Strengthen the functionality of Regional Planning Offices to ensure effective coordination of District Planning and M&E Units.
- Strengthen the work of the District Budget Oversight Committees and integrate them into the national M&E system.
- Enhance domestic revenue, especially from the mining sector.
- Seek additional donors to support the Agenda for Change.

- Build strong capacity in the civil service to ensure effective delivery of basic services on a timely basis.

## Annex 1: Updated estimated PRSP financing gap

(In Le '000)

Policy Area	PRSP Estimate					Actual Spending		Projected Spending			Financing Gap for 2012
	2009	2010	2011	2012	Total	2009	2010	2011	2012	Total	
<b>Strategic Priorities 2009-12</b>	<b>568,430</b>	<b>414,090</b>	<b>360,850</b>	<b>1,208,532</b>	<b>2,551,902</b>	<b>646,759</b>	<b>891,590</b>	<b>959,186</b>	<b>816,461</b>	<b>3,313,996</b>	<b>392,071</b>
Enhancing National Electricity	119,150	76,100	61,750	269,516	526,516	202,297	236,240	170,588	177,463	786,589	92,053
Developing National Transportation	187,750	123,500	128,750	471,997	911,997	140,810	256,264	289,428	254,821	941,323	217,176
Enhancing Productivity in Agriculture and Fisheries	86,900	59,600	48,500	135,674	330,674	102,093	113,768	144,422	121,590	481,872	14,084
Promoting Human Development	174,630	154,890	121,850	331,345	782,715	201,560	285,318	354,747	262,587	1,104,213	68,758
<b>Preconditions for achieving the strategic priorities</b>	<b>162,167</b>	<b>139,820</b>	<b>110,190</b>	<b>226,629</b>	<b>638,806</b>	<b>110,143</b>	<b>192,187</b>	<b>140,401</b>	<b>171,726</b>	<b>614,457</b>	<b>54,902</b>
Consolidating Peace, Good Governance and Security	123,862	107,450	93,965	202,986	528,263	93,277	109,892	121,243	149,423	473,835	53,563
Growing the Private Sector	17,500	12,000	9,500	10,412	49,412	13,280	75,730	8,837	10,387	108,233	25
Building and Sustaining a Responsible Financial Sector	2,500	1,500	1,000	1,096	6,096	-	-	-	-	-	1,096
Framework for Effective Management of Natural Resources	18,305	18,870	5,725	12,135	55,035	3,586	6,565	10,322	11,916	32,389	219
<b>Capacity Building, Coordination, Monitoring and Evaluation</b>	<b>52,650</b>	<b>70,100</b>	<b>41,250</b>	<b>45,210</b>	<b>209,210</b>	<b>38,396</b>	<b>110,441</b>	<b>77,998</b>	<b>17,239</b>	<b>244,073</b>	<b>27,971</b>
Building Public Sector Capacity	28,900	52,600	25,500	27,948	134,948	23,307	101,230	55,990	8,013	188,541	19,935
Strengthening Parliamentary and Civic Oversight	7,250	6,500	6,250	6,850	26,850	9,666	8,310	22,007	6,461	46,445	389
Monitoring and Evaluation of PRSP	16,500	11,000	9,500	10,412	47,412	5,422	900	-	2,765	9,088	7,647
<b>Grand Total</b>	<b>783,247</b>	<b>624,010</b>	<b>512,290</b>	<b>1,480,371</b>	<b>3,399,918</b>	<b>795,297</b>	<b>1,194,218</b>	<b>1,177,585</b>	<b>1,005,426</b>	<b>4,172,526</b>	<b>474,944</b>

Note: Financing Gap is calculated for future spending in the PRSP II period, i.e., FY 2012.