

THIRD UNITED NATIONS CONFERENCE ON THE
LEAST DEVELOPED COUNTRIES

Brussels, 14-20 May 2001

Country presentation

by

THE GOVERNMENT OF SIERRA LEONE

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Presentation of the Government of Sierra Leone

Action Programme for the Development of Sierra Leone 2001-2010

This report was prepared under the responsibility of the Ministry of Development and Economic Planning, in consultation with the National Preparatory Committee consisting of ministries, departments and agencies of Government; the National Authorizing Office; the Bank of Sierra Leone; the Chamber of Commerce, Industry and Agriculture; the University of Sierra Leone, and the Sierra Leone Association of NGOs. As a process of consultation with, and sensitization of, the wider public on development issues, the report in draft was presented at a stakeholders' workshop. The Cabinet discussed the report and took note of it.

Freetown, Sierra Leone
December 2000.

THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

Action Programme for the Development of Sierra Leone 2001-2010

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CURRENCY EQUIVALENTS

Currency Unit	Leone (Le)
US\$1	Le2118.09 Average, Aug. – 00
Le100	US\$0.0472

ABBREVIATIONS

AFDB	-	African Development Bank
AFRC	-	Armed Forces Revolutionary Council
APC	-	All Peoples Congress
BSL	-	Bank of Sierra Leone
CBO	-	Community-Based Organization
CSO	-	Central Statistics Office
DFID	-	UK Department for International Development
DHT	-	District Health Team
ECOMOG	-	Economic Community of West African States Monitoring Group
ECOWAS	-	Economic Community of West African States
EU	-	European Union
FDI	-	Foreign Direct Investment
GDP	-	Gross Domestic Product
IFAD	-	International Fund for Agricultural Development
IMF	-	International Monetary Fund
LDC	-	Least Developed Country
MOF	-	Ministry of Finance
MRU	-	Mano River Union
MTISE	-	Ministry of Trade, Industry and State Enterprises
NCDDR	-	National Commission for Disarmament, Demobilization and Reintegration
NCDHR	-	National Commission for Democracy and Human Rights
NCRRR	-	National Commission for Reconstruction, Resettlement and Rehabilitation
NDB	-	National Development Bank
NGO	-	Non-Governmental Organization
NPA	-	National Power Authority
OAU	-	Organization for African Unity
ODA	-	Official Development Assistance
PHC	-	Primary Health Care
RAP	-	Rights Accumulation Programme
ROSCOLA	-	Rotating Savings and Credit Association
RUF	-	Revolutionary United Front
SAC	-	Structural Adjustment Credit
SAP	-	Structural Adjustment Programme
SAPA	-	Social Action and Poverty Alleviation
SLCCIA	-	Sierra Leone Chamber of Commerce, Industry and Agriculture
SLEDIC	-	Sierra Leone Export Development and Investment Corporation
SLRA	-	Sierra Leone Roads Authority
SPP	-	Strategic Planning and Action Process
U5MR	-	Under-five Mortality Rate
UN	-	United Nations Organization
UNCTAD	-	United Nations Conference on Trade and Development
UNDP	-	United Nations Development Programme
UNEP	-	United Nations Environment Programme
UNHCR	-	United Nations High Commission for Refugees
UNICEF	-	United Nations Children's Fund
UNIDO	-	United Nations Industrial Development Organization
WSD	-	Water Supply Division (Ministry of Energy and Power)
WTO	-	World Trade organization

FORWARD

The past decade was a difficult one for the Republic of Sierra Leone. Characterized by a brutal civil conflict, rapid contraction in income and wealth, and weak international prices for the country's traditional exports-among other drawbacks, the decade left the nation in greatly reduced circumstances and intense poverty.

In spite of tremendous strain in the current stream of affairs, however, the long-term viability of the nation is not in doubt. Richly endowed with human and natural resources, the country possesses good potential for rapid and sustained development in living standards and other aspects of well-being. However, the realization of these high expectations poses a formidable challenge. Our main concern, therefore, is to achieve simultaneously and consistently, the fundamental economic and social goals essential to the reduction of poverty, illiteracy, and disease, within the shortest possible time.

Several critically important areas of needs are obvious for the country. These include: strong and sustained effort to end the civil conflict and resuscitate the traumatized population; massive increase in food production to feed a rapidly growing population; greatly enlarged effort in education to improve the dismally low level of literacy and labour quality; substantial expansion of health facilities to lower the incidence of communicable diseases, and large capacity enhancement in the public and private sector to steer the development process in a path that will ensure rising income and productivity on a continuous basis.

This report presents a robust Programme of Action for the development of Sierra Leone in the coming decade. It describes the setbacks, constraints and iniquities that stood in the way of progress in the past, and sets out the development strategies, policies and priorities.

The country's low income and low levels of domestic savings, severely limit the ability to mobilize domestic resources for development. Moreover, the political and social upheavals have made the situation worse. Thus, considerable external assistance is crucial to the realization of the Programme of Action. We wish, therefore, to appeal to our development partners for support and assistance to attain the goals as detailed in this report. In the present context of Sierra Leone, external assistance is required for both investment and consumption. The rationale for a large amount of foreign assistance, as we see it from our vantage position, is not to keep the country in a perpetual state of dependency, but as an instrument to attain self-reliance by building strong institutions, which is indispensable for releasing the potential embodied in indigenous manpower and natural resources. To this end, the Government of Sierra Leone is committed to the adoption and implementation of policies and programmes that ensure effective deployment of development resources irrespective of their sources.

DR. KADI SESAY
MINISTER OF DEVELOPMENT AND ECONOMIC PLANNING

CHAPTER 1

INTRODUCTION

1.01 Sierra Leone has an area of about 74,000km² and a population estimated in mid-2000 at 4.9 million. The economy is dominated by agriculture and mining. In the 1990s about 47.3 per cent of GDP was generated in agriculture, while mining contributed nearly 13.7 per cent, making a total of 61 per cent for both sectors.

1.02 Agriculture has remained traditional and subsistence in character, incapable of satisfying the food requirements of the nation by a wide margin, and of improving the living standards of the broad mass of people (some 60 to 70 per cent of the population) who are employed in that sector. In the eastern and south-eastern sections of the country where export crops of coffee and cocoa are grown, income levels and productivity are much higher than average for the sector. It is in the food-crop subsector that poverty is pervasive and which must be modernized if the country is to break away from its present state of deprivation.

1.03 The mining sector comprises a dual system of production. In the extraction of bauxite and rutile, modern technology is employed by the multinational enterprises that operate the mines. Some diamond production is also done with heavy equipment. But the bulk of diamonds and gold outputs come from alluvial deposits, and are mined with the aid of rudimentary implements and with high labour intensity. In all, mining and the other industrial subsectors provided on average 23.5 per cent of GDP between 1990/91 and 1999.

1.04 The service sector contributed an average of 25.2 per cent to GDP in the 1990s, most of which came from wholesale and retail trade (12.2 per cent). Other contributions included transport (6.2 per cent), and Government services (3.2 per cent).

1.05 In September 1990, when the second UN Conference on the LDCs was convened in Paris, the state of Sierra Leone was at peace. But the peace was foreshadowed by economic and socio-political conditions that bore the hallmarks of degeneracy. Per capita GDP which measured US\$363 in 1980 had declined to US\$190 in 1990. Agricultural productivity in food production declined continuously between 1982 and 1990, and fell below the average for Africa after 1984. In education, primary enrolment which stood at 422,000 in 1985/86 fell to 414,000 five years later in 1990/91, during which period the primary school-age population grew by 13 per cent. The period around 1990 was also characterized by galloping inflation; shortages of essential commodities such as petroleum products and rice, the staple food; absence of electricity in Freetown, the capital city, as a result of major breakdown of the National Power Authority's generating plant, and a chronic shortage of foreign exchange. The civil conflict started in March 1991, six months after the Paris Conference.

1.06 A combination of factors was responsible for the difficulties that plagued the economy and society in 1990. These factors can be categorized under three headings, they are: poor governance; inappropriate social and economic policies; and weak international prices for the country's main exports. Faced with the attendant circumstances brought about by several years of decline, the Government in 1989/90 embarked on a Structural Adjustment Programme (SAP) which was endorsed by the

Bretton Woods Institutions and aimed at correcting the imbalances and distortions in the economy. The main objectives of the SAP included:

1. to achieve and maintain a stable macro-economic environment;
2. to redefine the role of the public sector while restoring the Government's capacity to provide basic services; and
3. to create an economic environment conducive to private sector development with a predictable transparent and fair regulatory framework.

1.07 The strategies adopted for realizing the above objectives included: (1) liberalization of trade and the exchange rate; (2) deregulation of prices; (3) strengthening of fiscal management and domestic resource mobilization; (4) elimination of subsidies (especially on petroleum products and the staple food, rice); (5) streamlining of the civil service, and (6) divestiture of state-owned enterprises.

1.08 These objectives and strategies still constitute the basic framework of Government's economic reform policy. After being in place for ten years however, no realistic assessment of the SAP would be possible because of the abnormal circumstances created by the civil conflict. Nevertheless, several developments associated with the SAP were recorded during the decade of the 1990s. On the positive side improvements on several fronts were realized. These included: (1) a sharp reduction in the rate of inflation, from an average of 67.3 per cent in the 1980s to 43.1 per cent in the 1990s; (2) the budget deficit declined from an average of 12.4 per cent of GDP in the 1980s to 6.9 per cent in the 1990s; (3) petroleum products and rice became freely available; (4) the exchange rate was more in line with market forces, than it had been in the 1980s, and (5) fiscal management was improved in terms of planning, recording, monitoring and controlling of expenditures. On the negative side, trade liberalization opened a floodgate, which allowed the free importation of goods and services with few exceptions. Unrestricted imports led to job losses in some manufacturing enterprises, most of which came into existence during the import substitution regime of the 1960s. Also, major job losses occurred in the civil service with the retrenchment of several thousand workers. It is hoped that the Poverty Reduction Strategy Paper approach to the adjustment process will to a large extent address these negative tendencies. This approach will also address the wider issue of poverty countrywide.

1.09 Sierra Leone is well endowed with human and natural resources. The population of about 4.9 million in 2000 is growing at 2.6 per cent per annum. One of the striking features of the population is its youthfulness. The proportion under 15 years is estimated at 45 per cent, and those under 50 years at 68 per cent. Thus, the human resource base is enormous and provides the impetus and urgency for socio-economic development. However, massive unemployment, underemployment, and chronic poverty depict the Sierra Leone situation. Yet, sizeable potential exists for the development of agriculture, agro-based industries, mining, fisheries, hydro-power and tourism.

1.10 The factors that have impeded socio-economic growth and development are basically structural in nature. Their roots can be traced to:

- Low level of human development and technology use
- Low productivity of labour, especially in agriculture
- Inadequate infrastructural facilities
- Acute shortage of skilled manpower
- High population growth rate
- Low status of women
- High dependence of output on agriculture and mining
- High dependence on the external sector
- Small domestic market
- Civil conflict in the 1990s

1.11 Sierra Leone has consistently ranked at the bottom of UNDP's Human Development Index in spite of its rich endowment of resources. Characterized by low life expectancy (37 years), high illiteracy (67per cent), low per capita income (US\$160), and poor health and nutritional standards, the country is caught up in a vicious cycle circumscribed by the structural factors mentioned above. Low human development coupled with low technology use, has stifled the country's development process.

1.12 Labour productivity has always been low. But one of the worrying aspects associated with very low levels of productivity is that, in food production, output per caput has been declining since 1982/83 as mentioned above. This decline is due in the main to: (1) reduction in the period land is allowed to lie fallow as a result of population pressure, (2) poor agronomic practices, and (3) inadequate inputs such as fertilizers and chemicals. The continuous reduction in food output per person has been accompanied by lower food intake and deterioration in nutritional standards.

1.13 Inadequate social, physical and institutional infrastructure severely limit access to services throughout the country. But the problem is particularly severe in rural areas. The scarcity of basic health and educational facilities, as well as feeder roads for the evacuation of farm products to markets, are serious constraints to development. This low endowment of social and physical infrastructure in rural Sierra Leone has led to rapid migration from rural to urban areas. In consequence, the urban areas are congested with unskilled migrants most of whom live in the squalor of slums, without jobs and without the opportunity to improve their lot. At the same time the agricultural sector which they deserted is beset with labour shortages.

1.14 One of the most pervasive and recurrent themes in the discussion on Sierra Leone's development relates to the acute shortage of skilled manpower. The situation has become even more critical during the past decade as skilled people leave for jobs outside the country to escape the consequences of the war. In view of the current inadequacy of the educational system to cope with the nation's manpower requirements, a strong justification exists for substantial investment in the educational sector as outlined in the Programme of Action at chapter 4.

1.15 The high population growth rate (estimated at 2.6 per cent per annum) is a cause for concern. The outlook for the next two decades is that mortality rate will decline at an increasing pace (in tandem with improvements in health services) but fertility rate will remain persistently high. Thus, in spite of Sierra Leone's current predicament, it is almost certain that rapid increases in population will occur during the next twenty

years. This development will have serious implications for the country, particularly in respect of food supplies, employment, provision of social services, and the productivity-inhibiting burden it will impose on subsistence agriculture.

1.16 The low status of women is steeped in deep cultural tradition. In traditional Sierra Leonean society, the wife and children are at the mercy of the male household head for practically all decisions pertaining to welfare of the family. Women have very little control or influence over decision-making, even on a matter as delicate as the number of children to have. Certain socio-cultural practices provide the leading cause of gender disparity and the inferior status of women as evidenced by: (1) high fertility rate; (2) high infant and child mortality rates; (3) high adult female illiteracy rate (82 per cent as compared with 55 per cent for male); (4) the exclusion of women from receiving certain services and instruments in rural areas such as land, extension services, credit, and farm inputs; (5) the disproportionate amount of the work load in agriculture (estimated at 60-80 per cent) allocated to women. The implication is that matters relating to the status and quality of life of women, must be accorded the highest priority.

1.17 Sierra Leone's economy is constrained by a narrow production (and export) base, highly dependent on only two sectors: agriculture and mining. These two sectors, as mentioned above, contributed in the 1990s nearly 61 per cent to GDP, and 97 per cent to export earnings. They were the major sources of economic growth in the 1960s and early 1970s. By the mid-1970s however, the stimulus to growth provided by the mining sector came abruptly to an end with the termination of iron ore mining brought about by the depletion of economic deposits. At about the same time production of alluvial diamonds took an unabated downward trend. In agriculture, the mid-1970s also witnessed the start of a long period of stagnation and decline. The overall effect of the sharp deterioration in mining and agriculture resulted in rapid contraction in national income, and highlighted the economic weaknesses associated with a narrow production base.

1.18 The economy of Sierra Leone is significantly dependent on the external sector. Between 1994 and 1995, exports of goods and services constituted over 22 per cent of GDP while the corresponding percentage for imports was as high as 27 per cent. Given these substantial proportions, the balance of payments out-turn have binding consequences on the development of the economy. It should however be noted that there is considerable scope to reduce the level of imports in the medium term. This can be done through import substitution in food which, between 1989 and 1998, averaged 38 per cent of total imports of goods and non-factor services. Import substitution in rice, cooking oil and vegetables can be achieved to a considerable degree by efficient management of the production potential in agriculture.

1.19 Sierra Leone is a member of ECOWAS (the Economic Community of West African States) and the moribund Mano River Union (a customs union comprising Sierra Leone, Liberia and Guinea). These regional groupings are potentially of great advantage to Sierra Leone in overcoming the inhibitions to sustained economic growth imposed by the smallness of the domestic market.

1.20 The civil conflict greatly undermined the country's development in the 1990s. Although a number of peace agreements were signed to end the conflict military engagements between Government forces and rebels of the Revolutionary United

Front (RUF) continue to destabilize the country. In July 1999, the latest peace agreement was signed in Lome, Togo, between the Government and the RUF. Known as the Lome Agreement, it affords the opportunity to forge and consolidate peace, effect reconciliation, and rehabilitate or reconstruct social and physical infrastructure destroyed by the war. The cost of the war in terms of lives, property and lost opportunities, has yet to be finally quantified. This will happen only after hostilities in all parts of the country are brought to an end, or nearly so. But even without quantification, it must be said that the economy and society were severely crippled in the 1990s and continue to be so in 2000. Agricultural production is often disrupted in rebel-held areas. Massive destruction of the key production area of conglomerate mining of rutile and bauxite has been reported and verified. Alluvial gold and diamond mining became the attraction of rebels, who increasingly have shown that the proceeds from the illegal sales of these precious minerals were used to purchase arms to fuel the conflict. In the tourism sector massive damage was inflicted on hotels. Untold number of schools, health centres, the Njala University College, teachers' colleges, dwelling houses, and community facilities, among others, were razed to the ground. On the human side, at one time or another millions became internally displaced and refugees, and thousands perished in the holocaust. Displaced and refugee camps within Sierra Leone and in neighbouring countries, respectively, have been in squalid conditions, though humanitarian agencies have continued to support them. Family "break-ups", missing persons, amputees, beggars and prostitutes are all growing phenomena associated with the war. The environment also, took a heavy toll as millions plundered the land to scrape a living.

- 1.21 This chapter has provided an overview of the economy and society as well as the major constraints to development. The structural constraints are essentially of a long-term nature and would require sustained effort over a considerable period of time to ameliorate them. Nevertheless, worthwhile gains in the short to medium-term are possible especially in agriculture and in the health status of the population. Rapid improvement in health care can be realized through intensification of Primary Health Care. In agriculture, impressive results can be achieved within a short period through the provision of much needed and basic inputs to farmers.

CHAPTER 2

REVIEW OF THE SIERRA LEONE ECONOMY IN THE 1990s

2.00 ECONOMIC TRENDS

2.01 Economic analysis in Sierra Leone is handicapped by a weak data base. Thus, economic performance, measured in terms of official statistics, must be read with caution.

2.02 The economy of Sierra Leone suffered massive deterioration in the 1990s, as it contracted during the decade at the rate of 4.6 per cent per annum¹ (See Tables I and II). The years 1991/92 and 1997 witnessed the worst declines at -11.4 and -19.9 per cent respectively. The best or most positive years were 1993/94 and 1996, recording growth rates of 5.6 per cent and 5.0 per cent respectively, brought about largely by revival in food production. In terms of contribution to GDP, Agriculture including Forestry and Fishing, remained the most important sector. The average value added from agriculture for the decade was Le66,727 million. In percentage terms this amounted to nearly 47.3 per cent of GDP.

2.03 Industry, consisting of mining and quarrying; manufacturing and handicrafts; electricity and water supply; and construction surged between 1990/91 and 1991/92. Value added increased from Le34,887 million to Le57,003 million between the two years, representing a growth of some 67 per cent. This substantial performance arose largely from higher outputs of diamonds, and the exporting of which occurred through official channels. But the performance was not sustained. Mining and the other industrial sub-sectors took a declining trend after 1991/92 which continued to the end of the decade with only a mild recovery recorded for mining in 1996. Average value added by industry amounted to Le34,713 million for the decade or nearly 23.5 per cent contribution to GDP. Sub-sector average contributions to GDP for the decade were as follows: Mining and Quarrying 13.7 per cent, Manufacturing and Handicrafts 7.2 per cent, Electricity and Water Supply 0.5 per cent, and Construction 2.1 per cent.

2.04 Services constitute, Trade and Tourism; Transport, Storage and Communication; Finance, Insurance and Real Estate; Government Services; and Other Services. During the decade, performance in services fluctuated with a downward trend, from a peak value added of Le59,157 million in 1990/91 to a low of Le24,352 million in 1997. The average percentage contribution for the decade to GDP was 25.2 per cent with the best years averaging 27.5 per cent and the worst years, averaging 23.0 per cent.

2.05 A striking feature of economic trends in the 1990s as indicated in Table 1 is related to the wide fluctuations in sectoral contributions to GDP. In agriculture, the last three years of the decade (1997 to 1999) posted an average contribution to GDP of 58 per cent compared with 38 per cent for the three earlier years 1991/92 to 1993/94. In industry, the best three years of the decade, 1991/92 to 1993/94, had an average contribution of 32.3 per cent and the worst three years, 1997 to 1999, an average of 16.1 per cent. In services, contribution to GDP ranged between 32.6 per cent and 20.9 per cent. These wide fluctuations can be seen as reflection of the volatile security situation

1 At constant 1990/91 prices

under which economic activities were pursued. Relative performance within and between sectors mirrored the security situation much more strongly than productive capacity or sectoral potentiality.

2.06 Output per head of population (at 1990/91 constant prices) shrunk from Le45,406 in 1990 to Le24,138 in 1999, a reduction of 47 per cent. This decline in per capita income had serious poverty-related implications for the country, as elaborated below.

2.07 According to Table III, the highest inflation rates were recorded in 1990/91 and 1991/92 at 103 and 117 per cent respectively, on a year-to-year basis. These high rates were due to a number of factors including: a) deregulation of prices and removal of subsidies and controls as required under the SAP; b) large budgetary deficits necessitated by emergency defense spending in respect of Sierra Leone's contingent in ECOMOG serving in Liberia, and c) payment of arrears in respect of domestic and foreign debts. Single digit inflation was achieved in 1996 (at 6.4 per cent) but increased sharply in 1997, the year the AFRC junta took power in a military coup. Prices fell again in 1998 after the AFRC was toppled from power and constitutional order re-established. Relative peace prevailed in 1998 and the year saw a decline in the consumer price index by 5.6 per cent over the preceding year. There was however a sharp increase of 36.7 per cent in 1999, the year Freetown was attacked by RUF rebels.

2.08 In the area of Government Finance, Table IVA, shows a budgetary deficit throughout the decade, with expenditure exceeding revenue for each of the years. The fiscal deficit as a proportion of GDP fluctuated between a low of 5.3 per cent in 1991 and a high of 9.8 per cent in 1995. It averaged 6.6 per cent for the period 1990 to 1998 (See Table VIII). The deficit fell below expectation in terms of the 3.3 per cent of GDP target established under the economic stabilization programme. Budgetary performance was unsatisfactory for the following reasons:

1. Revenue mobilization effort in the 1990s was inadequate when compared with the record performance recorded for the mid-1970s. Between 1990 and 1998, revenue as a proportion of GDP averaged 8.2 per cent. This was only about 50 per cent of the record level reached in the mid-1970s when revenue averaged 16.5 per cent of GDP. Recent review of the tax system undertaken by Government with the support of the IMF identified serious deficiencies in tax administration. The review concluded that Sierra Leone's tax effort needed considerable invigoration.
2. Indirect taxes continued to be of overwhelming importance in the 1990s as in the past. According to available records, indirect taxes as a proportion of total revenue stood at 75 per cent in 1980, 78 per cent in 1990, and 73 per cent in 1998. These statistics signal that a great deal of effort is required if the yield from direct taxes is to be substantially improved in order to achieve a satisfactory balance in the structure of tax revenues.
3. Government's contribution to development expenditures averaged a low 3 per cent, the balance funding requirements came from foreign sources.

2.09 On the expenditure side, the functional classification of the recurrent budget estimates for selected years as presented in Table IV(B) is revealing. It shows that:

1. The civil strife commanded substantial budgetary allocations in the review period. Allocations to defense reached a peak in percentage terms in 1995/96 (that is 26.1 per cent).
2. Provisions for foreign interest payments were also disproportionately high, and in some years exceeded the combined allocations to health and education.
3. Allocation to health increased sharply from 3.5 per cent in 1992/93 to 6.2 per cent in 1993/94 of the recurrent budget, and attained a high of 8 per cent in 1998. The average of 6.1 per cent for the years indicated in Table IVB exceeded that for the LDCs as a group (estimated at 5 per cent), even though the country's health status was rated among the lowest in the world.
4. Education in Sierra Leone also received higher average allocation than the LDCs as a group; the respective proportions were 14.7 per cent and 12 per cent

2.10 Domestic financing of the deficit progressively increased during the decade, at least in money terms. It stood at Le10,641 million in FY1990/91 and Le88,807 million in 1999, peaking at Le118,223 in 1998. An important factor is that financing of the deficit in the 1990s did not come predominantly from domestic sources as occurred in the 1980s. Foreign financing of the deficit assumed substantial proportions between 1992/93 and 1996, and in 1999, as can be seen in Table IVA.

2.11 In external trade, except for 1991 and 1992, deficits were incurred in the trade balance for the remaining years (Tables VA and VB). The export trade virtually collapsed in the second half of the 1990s as the war intensified and, as a consequence, with the closure of bauxite and rutile mining in 1995. Total merchandise exports which averaged US\$146.6 million between 1990 and 1992, declined to US\$118.3 million in 1993. Between 1995 and 1997, average yearly merchandise exports stood at a mere US\$35 million, most of it in diamonds. Analysis of the import bill indicates that payment for food was by far the dominant item, accounting for nearly 38 per cent of the total. This was followed by machinery and transport equipment (17.6 per cent); fuel (16.4 per cent), and manufactured goods (9.6 per cent). In 1997 the Security Council imposed a trade embargo on Sierra Leone as a reaction to the AFRC coup.

2.12 With the exception of 1991, the current account remained in deficit throughout the period 1990 to 1997 for which data is available. In 1991, a positive balance on merchandise trade helped to achieve a current account surplus amounting to 1.5 per cent of GDP. For the remaining years, the deficit fluctuated from a low 0.7 per cent of GDP in 1992, to a high of 15.9 per cent in 1996. The average for the period was a deficit of 6.7 per cent of GDP (Table VB).

2.13 An important feature in the balance of payments during the 1990s related to the greater importance assumed by transfer payments than in the past. Transfer payments to Government which were estimated at US\$6.8 million and US\$7.1 million in 1990 and 1991 respectively, grew dramatically to US\$45.5 million in 1994 and attained a record high of US\$59.8 in 1996 (Table VA). As regards private transfer payments, 1995 and 1996 fetched record amounts of US\$24.2million and US\$25.8 million, respectively. These official and private transfers, from foreign governments,

international organizations, and expatriate Sierra Leoneans, brought relief to a substantial proportion of displaced persons and refugees.

2.14 Capital flight was apparent in the 1990s, largely as a consequence of the war. The capital account of the balance of payments recorded positive inflow of private capital for 1990 and 1991, but the situation was reversed to a positive outflow for each of the remaining years during the 1992-96 period (See Table VA). A small positive inflow (US \$ 0.5 million) was estimated for 1997.

2.15 Table VI on Exchange Rate shows a steady depreciation of the Leone from Le148.0 to the US dollar for the official exchange rate in FY1990/91, to Le1818.1 in 1999. This movement reflected in part the effect of the liberalization of the exchange rate. The parallel market rate also grew from Le180.0 to the US dollar in FY1990/91, to Le2399.8 in 1999. In 1989, the year before the reform programme was introduced, the official exchange rate which averaged Le59.82 per US dollar, was only 58.5 per cent of the parallel rate with an average value of Le102.25 per US dollar. One of the consequences of liberalization saw the convergence of both rates in the 1990s, albeit with some disruptions. By 1993 the average official rate had reached 97 per cent of the parallel rate with the tendency of both rates to move even closer. The situation was temporarily reversed in 1997 which witnessed the widening of the rates as a result of the AFRC coup, and also in 1999, the year RUF rebels attacked Freetown.

2.16 External debt and debt service under Table VII indicate a fairly stable situation during the review period. At the beginning of the decade in FY1990/91 total stock of external debt stood at US\$1,192 million and at the end of the decade in 1999 it was US\$1,211 million. External debt service payments averaged US\$49.4 million per annum between 1991 and 1999. They were highest in 1994 and 1995, for which US\$90.3 million and US\$88.2 million respectively were paid. These payments however, as indicated below, were largely met through foreign aid.

2.17 **OTHER KEY INDICATORS/BENCHMARKS:**

2.18 According to UNDP, Sierra Leone remained at or near the bottom position in the world in terms of human development throughout the 1990s. In the year 1990, Sierra Leone was ranked 126 out of 130 countries with a Human Development Index of 0.150. In 1995, it was ranked 173 out of 174 with an index of 0.221, and in 1998 it ranked 174 out of 174 and the index stood at 0.185. These low rates underscored the pervarsity of poverty and deprivation during the decade. Poverty was most severe in rural areas, but it was also of grave proportion in large urban centres. Several indicators point to substantial deterioration in well-being during the 1990s. The most telling was the 47 per cent decline in per capita income during the period, which left a huge proportion of the population with hardly enough to meet the basic of needs.

2.19 Life expectancy at birth was estimated from the 1985 Population Census at 37.57 years for males and 40.26 years for females. More recent estimates in the Human Development Report 1999, put the life expectancy numbers for 1997, at 35.8 and 38.7 respectively. Maternal mortality and morbidity were reported to rank among the highest in the world during the 1990s. Deaths were due largely to obstetric complications as well as aggravation of conditions existing during pregnancy or delivery. These problems worsened during the last decade according to fragmentary

data and information collected from referral hospitals. The country's under-five mortality rate (U5MR) which, according to UNICEF, is a critical indicator of the well being of children, also deteriorated during the decade as shown in Box 1.

Box 1: Movements in U5MR		
Year	U5MR	Source of Information
1974	.366	Population Census 1974
1985	.326	Population Census 1985
1990	.273	UNICEF
1998	.316	UNICEF ²

2.20 High infant and under-five mortality was due to poor access to basic health and sanitation facilities. The main causes of death among young children included malaria, diarrhoea, neonatal tetanus and measles, all of which were preventable. But the deaths were also deeply related to poverty and would require sustained improvement in living conditions over a long period for their alleviation.

2.21 In 1990, primary enrolment was estimated at 53 per cent, and secondary at 22 per cent³. Given the large displacement of people resulting from the war, and the wanton destruction of a substantial proportion of primary and secondary school facilities, it is almost certain that enrolment during the decade deteriorated markedly below the 1990 figures⁴.

2.22 In terms of gender, educational opportunities continued in the 1990s to be biased against women and girls as they had been in the past. Primary enrolment in the 1990s was around 59 per cent for boys as against 41 per cent for girls, and at the secondary level the ratios were 22 per cent and 13 per cent respectively. Nearly 70 per cent of the adult population was thought to be illiterate in 1995; for men it was 55 per cent and for women 82 per cent.

2.23 Sierra Leone ranked among the lowest in the world in terms of access to safe drinking water and basic sanitation. Before the advent of the civil war in 1991 it was estimated that nearly 40 per cent of the population had access to safe drinking water, although a wide differential in access ratios existed between the urban and rural areas, estimated at 60 per cent and 35 per cent respectively. At the end of the decade, most of the facilities developed during the UN Water and Sanitation Decade (1980 to 1990) had been destroyed or damaged by the war. In some parts of the rural areas access to safe drinking water was reported to be as low as 5 per cent in mid-2000. Basic sanitation facilities were also destroyed on a wide scale.

2.24 The Census of Population and Housing, which was to have been held in the mid-1990s, and which would have provided up-to-date and reliable information on the population was suspended because of the war. Nevertheless, it can be said in

² See UNICEF, *The State of the World's Children 2000*

³ Government of Sierra Leone, *Poverty Profile for Sierra Leone (1989/90)*, Department of National Development and Economic Planning (1995)

⁴ UNICEF estimated in 1997 that 67% of primary school children were not in school

general terms that the human condition in the 1990s was characterized by poor housing, absence of health facilities for a large segment of the population and widespread poverty.

2.25 Economic Management

2.26 The All Peoples Congress (APC) Government in power since 1968 was ousted in a military coup in 1992 by the National Provisional Ruling Council (NPRC) primarily because of poor economic management, as was alleged. Inadequate economic management was also the main concern in the rhetoric of the Revolutionary United Front (RUF) rebels. However, economic management when the coup occurred in 1992 had been guided by the World Bank/IMF, on the adoption of the Structural Adjustment Programme in 1989/90 and which continues to be pursued albeit in a state of “fits and starts”, as the rebel war permits. Conditionality associated with SAP such as, liberalization of the market and exchange rate, privatization of state-owned enterprises, and reduction of public expenditure, have all been adopted and implemented within the imperfect backdrop of the war. The fact that a democratically-elected Government came into being in February 1996, from a more or less peaceful transition from militarism to democracy, won the support of the international community. Multi-lateral and bi-lateral donor support had propped the economy, with grant and loan support programmes after the false start in the beginning of the decade in 1990, when the country was declared ineligible for IMF resources.

2.27 The main elements of the SAP were articulated in Government’s Policy Framework Papers prepared in consultation with the IMF and World Bank. The main objectives sought to:

1. create and maintain a stable macro-economic environment;
2. achieve positive growth in per capita income;
3. reduce poverty and protect vulnerable groups from the negative consequence of the SAP;
4. limit the role of government in the economy to the provision of basic services;
5. create an economic environment conducive to private sector development.

2.28 By early 1992 the country had made substantial progress in clearing debt arrears with its major creditors. In April 1992, the World Bank approved a quick-disbursing Reconstruction Import Credit (RIC) in support of the SAP for US\$ 43.4 million. This was followed in October 1993, by the Bank’s Structural Adjustment Credit (SAC) for an amount of US\$50 million, also to facilitate implementation of the SAP. Support for the SAP was also provided by the IMF under a SAF/ESAF arrangement following the Government’s successful implementation of a Rights Accumulation Programme (RAP).

2.29 From the targets established within the context of the IMF and World Bank’s support, some gains were made towards the achievement of the objectives. However, the success stories were not many, because of the debilitating effects of the war. Initial gains like inflationary control which was achieved in 1996 were reversed by the AFRC’s coup d’etat in 1997. Some progress however in inflation control was recorded in 1998 when the AFRC junta was ousted from power and constitutional government reinstated.

2.30 As regards the macro-economy, targets established at the middle of the decade sought, inter alia, to: (1) lower inflation to 5 per cent by 1998; (2) stabilize GDP growth at 5 per cent after 1997; (3) reduce the current account deficit, excluding official transfers, to about 15 per cent of GDP by 1998; and (4) maintain budget deficit below 3.3 per cent of GDP. Inflation control came near the target in 1996, and exceeded it in 1998, with the rates of increase in prices recorded at 5.4 and - 5.6 per cent respectively, on a year-to-year basis. For the remaining years of the decade, the levels of inflation were disappointing. The GDP objective was achieved only in 1993/94 and 1996. For the decade as a whole, growth in GDP was substantially negative as mentioned above. The balance of payments (available for 1990 to 1997 only) show that with the exception of 1991, the current account was in deficit throughout the decade. The current account deficit in 1995, 1996 and 1997 excluding official transfers, amounted to Le96.7 billion, Le193.7 billion and Le77.7 billion respectively, or some 16.4 per cent, 22.3 per cent, and 8.3 per cent of GDP respectively⁵. Given the poor export performance in 1998, which was the worst year for exports during the decade, the current account would have deteriorated even further. In budgetary operations, deficit as a proportion of GDP averaged 6.6 per cent between 1990 and 1998, as compared with the target of 3.3 per cent or less, which was expected to be attained by 1995/96.

2.31 The considerable decline in per capita income during the decade (about 7.2 per cent reduction per annum) was in sharp contradiction with the objective to reduce poverty. The establishment of the Social Action and Poverty Alleviation (SAPA) Programme in 1993 was intended to address the negative consequences of structural adjustment. In 1996, SAPA's mandate was reviewed to address poverty conditions brought about by the war, and is now within the institutional framework of the National Commission for Reconstruction, Rehabilitation and Resettlement (NCRRR). Assessment of SAPA's impact had not been made by the end of the decade.

2.32 Public enterprise reform demanded privatization of 5 state-owned enterprises; divestment in 5 enterprises; liquidation of 6 enterprises; and contracting the management of 3 enterprises. The programme fell behind the schedule of 5 years contemplated in 1992. One limiting factor encountered related to implementation capacity constraints. It was also apparent that the envisaged package, involving 19 enterprises, was over-ambitious in an environment seriously affected by political upheavals. Nevertheless, the Government divested its shares in 3 public enterprises: the Petroleum Refining Company, Bennimix Food Company, and Sierra Fishing Company. It liquidated 2 enterprises: Wellington Distilleries and the National Diamond Mining Company. It also leased four state-owned hotels - Bintumani, Mammy Yoko, Lungi, and Cape Sierra - to private interests. The Government is desirous of pursuing a resuscitated privatization programme.

2.33 Design of the Civil Service Reform Programme entailed reorganization and rationalization to improve efficiency and capacity to deliver services. The elements included; (1) introduction of improved management practices; (2) restructuring of departments; (3) retrenchment of redundant staff; (4) improvement of the personnel

5 The year 1997 was an abnormal one as the UN imposed an embargo on the country in response to the AFRC coup.

management system, and (5) restructuring of the wages and salaries systems to improve remuneration packages. The programme which started in 1992, was far from completed at the end of the decade. Political instability and funding constraint turned out to be serious obstacles to implementation. The re-design of departments in line with the objective “to limit the role of government...to the provision of basic services” fell behind schedule. Although reduction in the work force did occur, the Government was unable to introduce improved salary scales because of budgetary stringency. This continues to have serious negative repercussions for public sector management.

2.34 Throughout the decade the Government expressed strong commitment to the objective of enhancing the role of the private sector as the main engine of economic growth and development. Accordingly, a number of measures were introduced, or in the process of formulation, by the end of the decade. The Sierra Leone Export Development and Investment Corporation (SLEDIC), established as an autonomous government agency came into being in 1993, to expand, diversify and promote exports and investment. Trade and exchange rate policies designed to: 1) promote import substitution, 2) remove licensing requirements in respect of imports and exports; 3) rationalize duty rates on imported goods; 4) remove trading monopolies, and 5) liberalize the exchange rate, were also established to create a favourable framework for private initiatives. Also, a new Investment Code was formulated to replace the Development of Industries Act 1983, which was repealed in 1993.

2.35 In 1995, a financial sector reform workshop was convened to deliberate on institutional and systemic problems in the banking sector. This initiative culminated in the drafting of measures to: 1) remove constraints in the conduct of monetary policy; 2) enhance capacity building in the banking sector through human resource management, training and computerization; and 3) regulate financial institutions. The workshop also reviewed matters relating to rural financial intermediation, and legal issues in banking and finance. Following the workshop, the Banking (Amendment) Decree of March 1996, was promulgated, which, among other things, gave enhanced supervisory role to the Bank of Sierra Leone. Other regulations earmarked for revision included: Bank of Sierra Leone Act 2000, Insurance Act 1971, the Companies Act, and other Financial Institutions Acts.

2.36 Although the achievements in economic reform were few, Sierra Leone’s donors (in particular the IMF and World Bank) continued to support the country’s development aspirations during the 1990s. It was widely appreciated by the donors that the inadequacies in implementation were largely due to extenuating circumstances created by the civil strife rather than disinclination on the part of Government to pursue reforms. With the backing of the IMF and World Bank, the country successfully negotiated its external debt with creditors under the Paris Club in 1992, 1994 and 1996. AFDB, EIB, IFAD and World Bank loans were successfully rescheduled. “Buy back” of debt arrangements in 1995 for commercial non-guaranteed debts, under the World Bank debt reduction facility, as well as resources from the EU, DFID, and other donors helped the Government to stabilize its debts.

CHAPTER 3

ASSESSMENT OF FACTORS THAT HAVE FACILITATED OR CONSTRAINED THE COUNTRY'S DEVELOPMENT

3.00 DOMESTIC OPPORTUNITIES AND CONSTRAINTS

3.01 **Peace and Social Stability:** Peace and social stability are the fundamental goals which the post-conflict aspirations dictate, and which the government adopted in February 1998 after it was returned to power following the removal of the AFRC junta from office. In pursuit of that goal the government in July 1998 established the National Committee for Disarmament, Demobilization and Reintegration (NCDDR) under the chair of the President of the Republic, to elaborate a programme of transition from war to peace. The DDR Programme is currently implemented within the context of the Lome Peace Agreement. It seeks, *inter alia*, to re-establish security in all parts of the country by disarming some 45,000 combatants, as well as demobilizing and reintegrating them into civilian life. Other initiatives aimed at peace-building and reconciliation are integral parts of the Government's effort to transform the country from a state of war to one of peace.

3.02 Economic Infrastructure (Transport, Water, Power and Telecommunications)

3.03 **Transport:** Sierra Leone's transport system in mid-1990s consisted of: about 11,300km of roads; inland and coastal boat traffic; three ocean ports; one international airport, and 12 airstrips. The road density compared favourably with some other countries in Sub-Saharan Africa.¹ Unlike most countries in Africa however, Sierra Leone does not operate a national railway to complement road transport; the Sierra Leone Railways closed in 1973.

3.04 The road system was in a poor state in the 1990s; paved roads accounted for only about 8 per cent of the total. A large segment consisted of low standard earth or gravel roads, some impassable during the rainy season. The Sierra Leone Roads Authority (SLRA), in which management of public roads is vested, prepared in 1995 a ten-year investment programme for the rehabilitation, improvement and maintenance of roads, and construction of bridges deemed of high priority. Most of the activities planned for the 1995-2000 period were postponed because of funding and institutional problems, as well as insecurity. The road transport infrastructure included in 1996, a motorized vehicle fleet of 57,600 units.

3.05 Inland and coastal water transport stimulated the development of several large towns during the 1940s to early 1960s. It is estimated that the navigable distance for vessels of 2.0 metre-draft nationwide is about 400km. Studies conducted in 1995 established that river transport was highly profitable to the owners and operators, and cost far less than road for passenger and freight movement².

¹ Sierra Leone's road density stood at 0.158km per unit of land area in mid 1990s, as compared with Ghana (0.168km); Togo (0.139km); Guinea (0.118km); Uganda (0.113km), and Tanzania (0.087km) - See the Statesman's Year-Book, 131st Edition, 1994-95

2. Government of Sierra Leone, Department of Transport and Communications, *Study on Transport Pricing in Sierra Leone, 1995*

However, river transport infrastructure consisting of jetties, warehouses, and transit sheds need considerable rehabilitation.

Also, navigational hazards, especially in coastal waters, accounted for several fatal accidents during the past ten years, and must be removed for safety reasons.

3.06 Of the country's three port facilities only the Freetown Port was operational in the 1990s. The two others, at Pepel and Bonthe, had long been out of use. The Freetown Port handles general cargo at the Queen Elizabeth II Quay, and oil imports at a jetty in Kissy. The Port was considered to be in a fair condition in the 1990s. Average berth occupancy was less than 20 per cent; a sharp reflection of the depressed state of the economy. International air transport is mainly handled at Lungi Airport. With a runway of 3,200 metres the airport can accommodate the largest aircrafts such as the Boeing 747. In 1995 the World Bank approved a Transport Sector Project with provision for the rehabilitation of the airport. The security situation delayed implementation, to the extent that work was still in progress in mid-June 2000.

3.07 **Water Supply:** In Freetown and large provincial centres water supply in the 1990s was severely restricted because of dilapidated facilities. Moreover, rapid population growth in urban areas had rendered demand to outstrip supply by wide margins. Programmes and projects for rehabilitation and expansion were formulated, and funding secured from the EU and IDA for the schemes in Freetown, Bo, Kenema, Lungi and Makeni. With regard to rural areas, access to safe drinking water was available to about 35 to 40 per cent of the population in or around 1990. A large proportion of the installed facilities were destroyed or damaged as a consequence of the war and would have to be rehabilitated, as a first priority. As elaborated in Chapter 4, plans have also been drawn for the expansion of rural schemes.

3.08 **Power Supply:** Power supply was unsatisfactory in the 1990s. Generation of electricity by the National Power Authority (NPA) declined from 196 GWh in 1984 to an all-time low of 17.5GWh in 1991. For the 1990s as a whole, average generation amounted to 64.1GWh. With severely restricted power supply in Freetown and elsewhere, consumers resorted to private generation utilizing mostly small, inefficient petrol or diesel-driven machines. The difficulties of NPA contributed to the economic decline experienced during the last decade. The economic cost included: job loses in small enterprises that required electricity for their operations; foreign exchange consumed to import thousands of small generators; wasteful consumption of fuel in small generators, and loss of perishable items (especially food) at household level because of lack of refrigeration.

3.09 **Telecommunications:** The telecommunications network was severely damaged during the rebel war, both in Freetown and the provinces. Freetown remained cut-off from the rest of the country at the end of 1999. In spite of the constraints imposed on the telephone company, Internet Protocol (IP) services were introduced in 1998. In that year, 150 customers were connected to the internet. The company has now prepared a 5-year corporate plan which will see an increase in telephone penetration from the current 0.47 to 1.04 for every 100 inhabitants by year 2004. The network will be digitalized and will contain 75,500 direct exchange lines as compared with 25,750 at present. Total investment over the planning period is estimated at US\$151.2 million and total revenue at US\$215 million.

3.10 Postal Services: The rebel war dealt a severe blow to the postal services in the 1990s. As the war intensified, post offices in areas which fell to rebel occupation suffered unrestrained devastation from looting and burning of structures. From 28 post offices in the provinces in the pre-war times, only 5 remained in operation. Prior to the war, the postal services provided inexpensive communications facility throughout the country.

3.11 Policy Reforms: Mention has already been made about the policy reforms that the Government has been pursuing since 1989/90 under the watchful eye of the IMF/World Bank. Partly or largely due to the war the prime objectives of sustained economic growth and poverty alleviation have not been realized as was anticipated. Moreover, the circumstances under which policy implementation took place make it impracticable to conduct a realistic assessment of the reform process. However, it is pertinent to call attention that, after ten years of policy reforms to effect stabilization and structural transformation of the economy, signals have been raised that there are certain missing elements in the adjustment process that would hamper realization of the desired goals to any appreciable degree. First, the matter of financial intermediation, or the weakness of it, has been identified as one of the missing elements. Needless to say, without an effective institutional mechanism to mobilize savings and put them to work, the dynamism that is usually associated with the private sector will not be released. The second point (and this is closely related to the first) is the conspicuously low and declining share of bank credit to agriculture, which accounts for the largest proportion of GDP. Commercial banks' credit to agriculture declined from an average share of 6.6 per cent between 1990 and 1992, to an average of 3.3 per cent in 1996 and 1998. Third, the informal sector, like agriculture, is starved of credit. But the absence of credit is only one of several difficulties that confront the informal sector, and which have yet to be addressed by policy reforms. In view of the importance of informal activities in job creation and income generation, it is now seen as vital that a policy framework be developed to address the problems associated with the activities.

3.12 Private Sector Development: As mentioned earlier, the promotion of private sector initiatives has been established as the centerpiece of the adjustment programme. With the collaboration of the World Bank, reform of the legal and institutional framework for private sector participation has proceeded since the early 1990s. Reference to some of the specific measures of reform has already been made in Chapter 2, including the repeal of the Industrial Development Act of 1983. It was an Act established in an era when the thinking on development was based on the premise that government should lead in investment and economic growth with the private sector playing a supportive but minor role. SLEDIC has since its inception concentrated on the development and promotion of non-traditional export products, mostly in agriculture. Funding and logistical constraints, as well as the war, have been the major difficulties in the Corporation's effort to widen the export base. Also, risk and uncertainty associated with the war have not been conducive to private sector development. But the effort of the government to promote private activities has not been wasted. Government functionaries now better understand the demands and requirements of the private sector. On their part the business community have acquired some capacity to consult with government on policy issues. This capacity enhancement was acquired through technical assistance provided by

UNDP/UNIDO. But there is much more needed by way of capacity strengthening in both the public and private sector to facilitate strong partnership between the two sides in the

pursuit of development. The Programme of Action for development of the private sector in the 2000s is described in Chapter 4 and Annex 3.

3.13 Domestic Resources Mobilization: Domestic savings have been particularly weak following a downturn in the economy since the early 1980s, when falling national income coupled with high rates of inflation left little room for savings. At the official level, revenue mobilization has been on a declining trend since the mid-1970s. As mentioned earlier, fiscal revenue as a proportion of GDP plunged from 16.5 per cent in the mid-1970s to an average of 8.2 per cent in the 1990s. In an effort to invigorate the tax system, the Parliament of Sierra Leone enacted the New Income Tax Act 2000, which among other things, is aimed at strengthening tax administration. The Government has also declared its intention to establish an Independent Revenue Authority to enhance the institutional capacity of revenue agencies. The 1980s and 1990s saw an attempt to develop rural banking systems, as an attempt by the Central Bank to organize simplified banking systems for rural farming communities. But the experiment proved to be less than successful largely because of institutional and managerial difficulties. The final blow to rural banking came from the war, as facilities were completely destroyed.

3.14 In terms of business savings decapitalization started in the early 1980s with the closure of many transnational companies. This was in response to the downturn in economic activities, and negative or very low rates of return on investment. The problem was intensified in the 1990s largely as a result of the war. Also, private capital outflow to the tune of 55.8 million dollars, was recorded in the balance of payments between 1992 and 1996.

3.15 Household savings mobilization is also weak. It is constrained by a number of factors: 1) the absence of institutional channels for savings other than the commercial banking system; 2) the tendency of real rates of return on savings and time deposits to be negative; and 3) the propensity of the Sierra Leonean public to hold large cash balances which may be a reflection of low confidence of people in the banking system³. Outside the formal setting, ROSCOLA (known in Sierra Leone as Osusu) thrives as a means of savings and a source of credit, both in rural and urban areas, and in several strata of society. Osusu operates as a rotating credit/loan scheme in the informal sector. Besides inculcating the savings habit, it generates resources for both business and domestic uses. Although hard facts and figures are not available it is known that the impact of osusu on its members is tremendous, especially among operators of small-scale enterprises and market women.

3.16 Governance: The UNDP had been instrumental in leading discussions and debates on governance issues. This initiative thrived from the mid-decade with the regime of the NPRC (1992-96), and contributed greatly to the evolution of policies on good governance as elaborated in the Programme of Action at Chapter 4. All national institutions are now open to media and civil society scrutiny. Open debates on political and social issues have increasingly been tolerated by governments, except during the AFRC era, in 1997-98, when civil liberties were jeopardized. Newspapers reporting freely on matters of national importance, and public phone-in programmes in the broadcast media, have created a far more open society than in the decade of the

³ As at 31 December 1998, currency in circulation amounted to 65.2 billion leones of which Le61.5 billion leones (94%) were estimated to be outside the banking system.

1980s. In 1994, the National Commission for Democracy was established by the NPRC regime as one of the elements in the transition programme to return Sierra Leone to democratic constitutional rule. The Commission, subsequently transformed to the National Commission for Democracy and Human Rights (NCDHR), was given wide responsibility for public enlightenment and civic education. The NCDHR made a significant impact on governance development in Sierra Leone. This dynamic and novel institution was able to sensitize in principles of democracy, elections and voting, patriotism, and popularized a national pledge, among other things. In March 1996, constitutional government was reinstated. The new government made it clear at the onset that it would promote popular grassroots participation in all aspects of the development process.

3.17 With the assistance of UK (DFID) and UNDP, a National Strategy for Good Governance was formulated in 1997. The strategy contains two fundamental and complementary principles on governance. The first is the principle of subsidiarity which involves the delegation of responsibility, along with the necessary authority and resources, to those best placed to receive and use them effectively. It encompasses the ideas of democratically-elected governments at all levels, grassroots participation, empowerment of civil society, decentralization of authority, and respect for human rights. The second principle is the social contract, which postulates that every institution and organization must account to its stakeholders and demonstrate transparency that it is making a net contribution to the welfare of the society. Within the context of this strategy the government has established a programme for good governance based on: local government reform and decentralization; a soundly administered legal and judicial system; the protection of human rights; effective economic management and planning; public sector reform that discourages corruption and fosters transparency and accountability, and the empowerment of communities and citizens to participate fully in national development.

3.18 Sierra Leone has embarked on an approach to national development known as the Strategic Planning and Action Process (SPP) which employs a participatory approach to arrive at consensus on development priorities. SPP methodology entails four main components relating to: 1) assessing the current state of development; 2) identifying development aspirations; 3) selecting development options; and 4) establishing benchmarks and targets for monitoring and evaluation purposes. The most critical aspect of the process is that it affords the opportunity to sensitize the public and to receive stakeholders' feedback. The Sierra Leone SPP has appeared on the World Bank's Website as the "Best Practice" example of participatory approach to development, and has been "exported" to Guinea and Senegal.

Box 2: The Strategic Planning and Action Process*

SPP is a methodological procedure for effecting participatory development planning. Through the process, citizens from across the country, and from all walks of life, are engaged to identify development priorities and strategies for poverty reduction, and benchmarks to assess the degree of performance in the delivery of public services. Key objectives of the process include:

1. creating a broad-based representation in the development of government policy objectives, especially on poverty reduction;
2. facilitating the requisite awareness to keep stakeholders interested and involved in the process;
3. developing a sense of ownership and empowering communities;
4. adopting a transparent and accountable implementation process;
5. creating a result-oriented approach to planning;
6. breaking down bureaucratic barriers;
7. promoting decentralization and good governance.

SPP is still in its infancy. It has not moved as fast as was envisaged when it was launched in 1996 because of disruptions arising from the civil strife. Nevertheless, worthwhile progress has been made to allow brief but decisive comments on the viability of the approach to be made, and to evaluate its attainment so far. The basic aim of the process is to bring together citizens to deliberate in focus groups on, and provide answers to, 4 questions: (1) Where are we now?; (2) Where do we want to be?; (3) How do we get there?; and (4) How do we know we are getting there? To answer the first question, Where are we now?, focus groups are asked to identify the key determinants of poverty. The second question, Where do we want to be?, is answered by encouraging participants to forge a common vision for the country's development by fixing realistic medium-term goals for poverty alleviation. The question, How do we get there?, utilizes the Budget Game Technique to identify and rank broad and specific priorities, as well as micro-activities and their expected outcomes. The Budget Game entails the allocation of a limited amount of "votes" to each participant which are "cast" against one or more of the available options in order to indicate preference, and to arrive at consensus on priorities. The fourth question, How do we know we are getting there?, relates to the charting of progress towards a desired goal. It is concerned with the establishment of benchmarks or indicators that are monitorable. These benchmarks/indicators represent critical tools to communicate the national vision and priorities, and build transparency and accountability for achieving set goals. A prominent feature of establishing benchmarks under SPP is that both formal and informal (or popular) ones are used. "Formal benchmarks" are formal statistical benchmarks, which, in Sierra Leone, are notoriously deficient. Furthermore, statistical benchmarks are unlikely to be digested at grassroots level. For these reasons, "informal or popular benchmarks" have been developed as provisional instruments that serve as proxies for the formal benchmarks. These popular benchmarks embody elements of the overall vision of the country. They are simple and strongly appeal to grassroots' participants and are established and measured using the Smiley Game Technique. This technique uses facial expressions to indicate a participant's level of satisfaction regarding the level of attainment of a desired goal in respect of the provision of public services. As such, the Smiley Game measures perceptions. These perceptions are ascertained periodically to chart trends in the public delivery system, as seen by beneficiaries.

Box 2 (Contd).

The five top development priorities for Sierra Leone were established in 1998 by a process of consultations with focus groups. They are: Security; Education; Good Governance; Agriculture, and Health. The relative importance of these priorities in August 1999, and in April to May 2000, as revealed by the Budget Game, was as follows:

Main Priority Area	Voting Pattern (%)	
	1999	2000
Security	20.9	26.8
Education	24.2	23.7
Good Governance	16.5	19.5
Agriculture	22.4	15.9
Health	16.0	14.1
	100.0	100.0

As regards popular benchmarks for the charting of progress, five have been identified and tested by the Smiley Game Technique. They relate to: (1) Physical Security; (2) Food Security; (3) Opportunities for advancement (in education and employment); (4) Family health, and (5) Community Integrity (which measures the level of corruption in the community as perceived by the focus group). Smiley benchmarks are “calibrated” to depict five assessment alternatives. The range of scores is zero to four, with zero being the lowest possible assessment and four being the highest. In 1999, and again in 2000, Smiley Profiles, aggregated for the nation as a whole, were revealed as follows:

Popular Benchmark	Rating Level		Level Change
	1999	2000	
Physical Security	1.2	1.9	+0.7
Food Security	1.5	1.9	+0.4
Health Security	1.5	2.0	+0.4
Opportunities for Advancement	1.2	1.8	+0.5
Community Integrity	1.4	1.9	+0.5

What these profiles mean is that, between 1999 and 2000, the “satisfaction rating” of the nation in term of the delivery of public services improved in respect of all five established benchmarks. The largest increase in satisfaction occurred in the physical security situation, with the rating level moving from 1.2 to 1.9, out of a maximum rating score of 4.

The SPP has proved to be extremely popular. Communities throughout the country have been adopting the methodology for their own use. At the official level, the SPP provides useful guidelines for determining priorities in the preparation of the national budget. It also serves as an instrument for reviewing the country’s poverty situation and for formulating some donor-assisted programmes.

*This Box borrows heavily from reports furnished by the SPP Technical Committee.

3.19 **Women:** From a policy point of view women have been accorded a lot of support. However, in practical terms, women have not attained any major improvements of their status. The standards set by the Abuja Declaration in the 1990s were regarded as ambitious. It was expected that African women in their respective countries should *inter-alia*, have gained gender parity in literacy; 40 per cent of university enrolment, which should include 20 per cent in the field of science and technology; 20 per cent of government's professional posts; and one out of eight major policy-making positions (e.g. Ministers of Government, Heads of Ministries etc.). Participation to all-important conferences on women, such as Abuja, Nairobi, Dakar and Beijing Conferences were attended by Sierra Leonean Women, throughout the decade. A UN sponsored report, "Gender and Development Consultancy on Special Needs of Women" in 1996 identified some crucial areas for action:- a) poverty reduction for four vulnerable groups: displaced women, market women, war widows and girl mothers, b) educational improvement through increased enrolments; c) health care access particularly for maternal mortality reduction and promotion of adolescence health. During the 1990s, it was also agreed by many workshop resolutions on women that serious remedial action was needed to legally empower women in the areas of marital, family and inheritance law.

3.20 **The Environment:** Environmental problems identified towards the end of the 1990s included:

- land degradation brought about by a variety of factors such as agriculture and mining activities, cattle grazing, recurrent bush fires and population pressure;
- deforestation due to an increase in the demand for agricultural land and urban requirements for forest products such as timber and fuel wood;
- loss of biodiversity;
- pollution of fresh water resources due to mining and municipal wastes,
- poor municipal waste management.

3.21 In addition to the above problems the rebel war had serious impact on the environment through the destruction of water resources and uncontrolled mining activities. During the 1990s substantial effort was made to address environmental concern. In 1992 a draft environmental policy was formulated establishing broad objectives and strategies to achieve sustainable development. The policy was revised in 1994 and accompanied by a National Environmental Action Plan. With the support of the World Bank and UNEP a draft legislation was prepared to give clout to the policy and action plan. Political difficulties however delayed the passing of the draft legislation into law until February 2000 when it was promulgated by the Parliament of Sierra Leone. The Environment Protection Act, as the law is known, provides for effective protection of the environment, and establishes the administrative machinery to implement the necessary measures. A major difficulty relates to the weak institutional capacity for policy implementation. The administrative machinery created under the Act would require substantial support of trained manpower and other resources to operate effectively.

3.22 Human Resources Constraints: At 4.9 million persons in 2000

and given the growth rate of 2.6 per cent, Sierra Leone had become progressively poorer during the 1990s, since GDP per capita registered a negative growth for the decade. Human resource capacity diminished due to deterioration of the educational system, the exodus of professionals and skilled workers, as well as a decline in health, sanitation and nutrition standards. The restructuring of the formal educational system in 1993 gave priority to basic education consisting of nine years of schooling under the 6-3-3-4 system. The restructuring was seen as a step to make both formal and non-formal education more relevant to the developmental needs of the nation. Implementation of the new system however was severely hampered by funding constraint for acquisition of teaching aids, equipment, and tools for practical work in schools.

3.23 Enrolment rates fell in the education system because of war-related causes. Pupils who were forced to leave school before reaching class 4 when they would have acquired the rudimentary skills in reading and numeracy, lapsed into illiteracy. Some training programmes for teachers were discontinued as teachers' colleges had to close down or were relocated under make-shift conditions.

3.24 A National Population Policy came into force in 1989. It was prompted by awareness of the precarious human condition at the time as evidenced by the country's dismal social indicators. Although the policy did not establish targets because of data inadequacies, its main thrust sought to alleviate poverty and to develop and utilize human resources. The policy is still relevant for Sierra Leone. It is seen as a post-war measure to address the difficult circumstances that confront the nation. The policy objectives are:

1. to achieve a rate of population growth that contributes to the effectiveness of efforts to reach higher levels of human development, that is consonant with free decision regarding family size;
2. to achieve a significant reduction in morbidity and mortality especially among mothers and children;
3. to achieve and improve spatial distribution of the population; and
4. to provide increased employment opportunities to all, particularly women.

3.25 Agriculture and the Rural Sector: Four subsectors comprise the agricultural sector: crop, livestock, forestry and fisheries. In value-added terms crop production contributed the largest share to agricultural GDP (61.3 per cent), followed by fisheries (25.6 per cent), forestry (7.9 per cent) and livestock (5.2 per cent). Agriculture and related activities employ an estimated 70 per cent of the population in mostly subsistence activities. Recent figures compiled by the Ministry of Agriculture, Forestry and Marine Resources, indicate that in 1998/99, 413,627 hectares were under cultivation, or roughly 7.7 percent of the country's arable land estimated at 5.4 million hectares. The comparative figures for 1999/2000 were 322,445 hectares and 52 per cent, respectively. In the crop subsector average farm size was estimated at 1.8 hectares. Rice - the most important staple food - occupied in 1998/99 nearly 284,684 hectares, 69 per cent of the total area under cultivation. Cassava - the second most important food crop - took 46,200 hectares, and sweet potato 11,000 hectares. Other food crops grown in the country include groundnut, maize, and some legumes. In the area of tree crops, cocoa and coffee are grown largely for exports. Others include kolanuts and oil palm. Livestock in the 1990s suffered massive devastation from rebel atrocities. It is estimated by the Ministry of Agriculture that, in 1999, the livestock population declined to only about 7 per

cent of the pre-war amount, largely as a result of war-related factors. In 1998/99, there were, as estimated, 28,800 cattle, 12,850 sheep, 7,785 goats, and 345,000 chickens. In the forestry subsector, high forests cover only about 5 per cent of the country. There are no reliable estimates of consumption of forest products. But it is known that deforestation is proceeding at a rapid rate of nearly 12,000 hectares per annum to meet the national requirements for timber and fuel wood. The fisheries subsector consists of an artisanal or small-scale fishery carried out in marine and fresh water; an industrial fishery (which is primarily marine), and an aquaculture fishery. In the 1990s, fish production was greatly affected by insecurity. In 1990, official records put the total catch from industrial and artisanal fisheries at 230,000 metric tonnes. This level of performance declined almost continuously to 61,948 metric tonnes in 1999.

3.26 In the 1990s the agricultural sector continued to be plagued by several problems and difficulties. First and foremost, the issue of low yield and productivity remained largely unattended. This state of affairs prevailed in the entire sector but was most pronounced in crop production. Characteristically, crop production occurred in a small farm of less than 2 hectares and in a setting severely deprived of institutional facilities. The typical farmer exhibited very poor knowledge of agronomy and was inhibited by the absence of institutional credit as well as organized market for farm produce. Second, an inadequate sectoral policy framework, which can be traced to the mid-1970 and which contributed in large measure to the decline in productivity that commenced in the early-1980s, was not rectified in the 1990s because of war-related conditions. In other words, the reform programme in national policy and management that started in the early-1990s did not filter through into agriculture to bring about a decisive improvement in production. Significantly, the liberalization of prices and the exchange rate, which should have boosted production of both food and export crops through improved financial incentives to farmers, did not have the intended effect.

3.27 In 1996, the Government set the overall national development goal in agriculture. The over-riding objective is to ensure food self-sufficiency, and food security primarily at the household level, on sustainable basis, while enhancing income of farmers and foreign exchange earnings. The key elements in the strategy include:

1. diversification of food production;
2. increased private sector involvement in the supply of inputs and other requirements;
3. promotion of improved agronomic practice;
4. promotion of farmers' associations and cooperatives;
5. timely delivery of inputs and provision of credit and,
6. improved planning and management of the agricultural development programme.
7. liberalization of agricultural commodity prices.

3.28 The sector has the potential of providing sustained increases in employment, income, and food production, as well as supporting agro-based industrial activities. To this end, it must be transformed from a largely subsistence system to a largely commercial one, by the adoption of modern, appropriate technology. This is a long-term enterprise, but one that is entirely feasible given the country's rich resource base. The new policy framework is meant, among other things, to effect a techno-economic transformation of agriculture in which free market forces would operate to accelerate the pace of realization of the sector's goals.

3.29 The Government's agricultural programme for the next decade will have a direct impact on development of the rural areas. In addition, the development effort in other sectors such as health, education, water supply and roads, have a strong rural bias. Of immense importance also, is the high priority the Government has accorded to rural development, in terms of budget allocations and service delivery.

3.30 **HIV/AIDS Control:** Official statistics on HIV/AIDS exhibit serious inconsistencies as Box 3 indicates. Nevertheless, it can be said by closely examining the data available, that the syndrome had not acquired pandemic proportion in Sierra Leone by end 1998. However, deaths from the scourge was decisively on an upward trend. In terms of distribution, 78 per cent of deaths occurred in the 15 to 44 age groups (77.7 per cent for male and 78.5 per cent for female). Those below 15 years of age constituted 5.2 per cent of all deaths, and those over the age of 45 years accounted for 6.1 per cent of the total. The ages of the remaining 10.7 per cent were not stated.

Box 3			
Year	Absolute AIDS New Cases	HIV Infested Individuals	AIDS Reported Deaths
1987	2	10	2
1988	13	30	5
1989	12	40	13
1990	7	45	21
1991	17	47	31
1992	32	61	49
1993	23	36	66
1994	27	31	83
1995	29	57	125
1996	62	81	186
1997	67	82	235
1998*	46	76	294

* January to September only.
 Source: Ministry of Health and Sanitation, quoted in *Situation Analysis of Women and Children in Sierra Leone*, Government of Sierra Leone, 1999

3.31 The HIV/AIDS Control Unit set up in the Ministry of Health and Sanitation in the early 1990s remained small with only one doctor assigned to it. The Unit speculates that underreporting and inadequacy of testing facilities may account for the reported low incidence of the disease. Public awareness campaigns organized by the Ministry of Health and the NGO community have been inadequate because of funding constraint. An urgent requirement is the provision of resources to organize intensive and sustained educational campaigns and other preventive measures. A threat to HIV/AIDS has surfaced from thousands of peacekeeping forces in the UN contingent, especially from endemic countries. Increased awareness programmes as well as methods of precaution, targeting particularly the most vulnerable age groups, should be given top priority.

3.32 **EXTERNAL OPPORTUNITIES AND CONSTRAINTS**

3.33 **Official Development Assistance(ODA):** Data on ODA to Sierra Leone can be obtained from a number of foreign sources. But the various estimates show wide variations and may have been compiled under different sets of definitions. This would obviously render their comparison meaningless. Moreover, the Government's system for aid coordination and management is seriously ineffective, so much so that there is very

little attempt to compile and collate ODA data on a systematic basis. Thus, analysis of ODA in this section will be sketchy and limited in scope as well as coverage.

3.34 Net ODA is shown in Table X. Between 1993 and 1998, an average of US\$183.05 million was received annually as grants or concessional loans, equivalent to US\$41.6 per capita and representing 20.7 per cent of GDP for the period. It should be noted that ODA grew sharply between 1990 and 1993 (from US\$62.8 million to US\$207.7 million) largely as a result of positive donors' response in support of the country's economic reform programme.

3.35 Classification of external assistance by type is available for the period 1992 to 1995 only (Table XA). For that period, investment projects attracted the largest proportion of total assistance (35.2 per cent), followed by emergency and relief (25.9 per cent), technical assistance (17.9 per cent), balance of payments support (11.6 per cent), and investment-related technical assistance (6.9 per cent). Although data for the remaining years of the decade are not available, it is almost certain in view of the political upheavals and civil strife between 1997 and 1999, that food aid, emergency relief and balance of payments support assumed great importance in keeping the country afloat.

3.36 In spite of substantial technical assistance provided under various aid packages in the 1990s, institutional capacity within the public sector remained low as revealed by numerous assessments made by the IMF, World Bank and UNDP. Moreover, capacity constraint was evident in virtually all sectors. Factors that undermined institutional performance included: the absence of modern managerial systems and procedures; lack of motivation due to low pay and poor working conditions; absence of a coherent programme of in-service training, and low technical and managerial skills.

3.37 The bulk of investment went into energy and road projects. In energy, the hydro-electric dam and transmission project at Bumbuna received funding from the Italian Government and AFDB. In the roads sub-sector the IDA and EU provided major assistance.

3.38 Humanitarian aid and relief met the immediate basic needs of refugees and displaced people. Food, clothing, temporary shelter materials and basic tools, were furnished on a large scale by a number of donors. The Food Aid mentioned in Table XA under "Type of Assistance", was provided mainly by WFP in respect of food-for-work activities and other developmental oriented programmes.

3.39 With the collaboration of UNDP the government has established a new framework for aid coordination entitled: Integrated Approach to Aid Coordination (IAAC). The approach utilizes sector and thematic groups to forge a consultative process to promote the sharing of information on aid flows between the government and its development partners. The expected end results include the enhancement of aid mobilization and the establishment of procedures to ensure that such aid is consistent with the nation's priority needs.

3.40 **External Debt Burden:** Total external debt stock between 1990 and 1998 fluctuated between a low of US\$1,124 million in 1995 and a high of US\$1,392 million in 1994. It averaged US\$1,223 million, and represented on average, 133 per cent of GDP

and 1424 per cent of merchandise exports, for the period. Debt servicing payments on external accounts totaled US\$445 million, between 1991 and 1999.

3.41 The debt structure for selected years in the 1990s is shown in Box 4. For the period shown 52.9 per cent of debt on average was owed to multilateral institutions; 33.5 per cent to bilateral creditors; 11.1 per cent to commercial creditors, and 2.5 per cent to other creditors.

Box 4												
Stock of Sierra Leone's Disbursed Outstanding Debt (US\$M)												
(Incl. Principal Arrears)												
	1993/94	%	1994/95	%	1995/96	%	1996/97	%	Dec 1977	%	Dec 1998	%
Bilateral:												
Paris Club Creditors	334.3	28.9	361.6	34.8	328.6	30.5	310.0	27.0	311.4	26.7	285.9	24.7
Other Bilaterals	50.9	4.4	52.5	5.0	51.5	4.8	54.2	4.7	55.7	4.8	52.3	4.5
Total Bilateral	385.2	33.3	414.1	39.8	380.1	35.3	364.2	31.7	367.1	31.5	338.2	29.2
Multilateral:												
African Dev. Bank	65.9	5.7	79.9	7.7	100.6	9.3	120.9	10.5	124.5	10.7	123.5	10.7
World Bank (IDA)	174.4	15.1	223.2	21.5	249.6	23.2	271.0	23.6	278.3	23.9	286.2	24.7
IMF	143.6	12.4	141.8	13.6	157.9	14.7	177.6	15.5	178.5	15.3	194.6	16.8
Other Multilateral	65.2	5.6	82.8	8.0	87.7	8.1	79.8	7.0	82.0	7.1	82.6	7.1
Total Multilateral	449.1	38.8	527.7	50.7	595.8	55.3	649.3	56.6	663.3	57.0	686.9	59.3
Other Creditors:												
Commercial & Short-Term	6.6	0.6	10.9	1.0	13.5	1.3	46.5	4.1	46.4	4.0	45.6	3.9
Grand Total	1155.9	100	1040.2	100	1076.9	100	1147.5	100	1164.3	100	1158.2	100

Source: Bank of Sierra Leone

3.42 As mentioned previously, the country enjoyed substantial debt relief facilities during the decade, following the satisfactory progress made between 1990 and 1992 in settling debt arrears. In November 1992, under the London Terms, US\$164 million of principal and interest payments were consolidated and rescheduled, and of which US\$82 million were written off.

3.43 In July 1994, again under the London Terms, the Paris Club agreed to consolidate and reschedule US\$42 million of principal and interest, paving the way for cancellation of bilateral debts that amounted to US\$13.7 million, and to reschedule that not written off on more favourable terms. Also in 1994, the country received a grant of US\$29.7 million under the IDA debt-reduction facility, to "buy-back" US\$411 million non-guaranteed commercial debts. This represented 31 per cent of total debt stock of nearly US\$1.3 billion as at end December 1994. It resulted in a sharp drop in commercial debts between 1993/94 and 1994/95 as shown in Box 4.

3.44 At the Paris Club meeting in November 1996 the country was offered the Naples Terms, under which 67 per cent of eligible bilateral debts were to be written off followed by substantial debt relief by the end of 1997. The arrangement however was aborted by the coup d'etat of May 1997.

3.45 The traditional measures employed to assess debt burden (such as proportion of debt service to GDP and/or export earnings, etc.) give an illusory picture when applied to the Sierra Leonean situation in the 1990s. This is because the overwhelming share of resources employed in servicing the country's debts came as grants from foreign donors;

not from export earnings. This is the context within which debt servicing performance must be viewed.

3.46 Market Access for Goods and Services: The traditional mineral and agricultural products of Sierra Leone in world trade include: rutile, bauxite, illmenite, diamonds, cocoa, coffee, fish and shrimps. During the first half of the 1990s, official statistics show that rutile was the most important export item accounting on average for 49 per cent of the total, in value terms. This was followed by bauxite (19.2 per cent), diamonds (15 per cent), cocoa (4 per cent), coffee (3.2 per cent), and illmenite (3 per cent). Access to external markets was not a problem in respect of mineral products. Production and sales of rutile, bauxite and illmenite were done by multinationals with well established marketing channels. Diamonds were accessible to markets in Belgium, Israel, USA and India. Coffee and cocoa also entered foreign markets with relative ease. But fish and shrimps, encountered stiff barriers especially in the EU and USA markets. A ban imposed by the EU on fish and shrimps from Sierra Leone on sanitary grounds went into force in mid-1990s. Officials in SLEDIC see the ban as curious on the grounds that some of the poachers in the country's territorial waters sell their catch in the EU. Nevertheless, the ban points to the need for establishing and maintaining prescribed quality standards on export goods. In this regard a Bureau of Standards has been recently reconstituted, but will need institutional support to function effectively (see Annex 3 (1)).

3.47 Foreign Direct Investment (FDI): Foreign direct investment amounted to a total of US\$30.8 million in 1990 and 1991. For each year between 1992 and 1997 disinvestments occurred as foreign investors withdrew their capital presumably because of the civil strife (see Table VA). Data on FDI flows by sector is not available. It is known however, that most of the capital inflow in the late 1980s and early 1990s went to the mining sector, for both replacement of worn-out equipment and expansion of production capacity. Substantial capital was secured in 1999 from the International Finance Corporation of the World Bank for rehabilitation and expansion of the rutile mines. But the funds remained unutilized because of security reasons.

3.48 Investment possibilities are substantial, both for the production of domestically consumed goods and services and for export goods, and there is a huge potential in each market segment for direct foreign investment. In the past, mining, tourism and banking provided attractive avenues for foreign capital. Foreign involvement in banking has been wavering and tourism has flattened because of the civil war. But mining continues to excite foreign interests especially in respect of rutile, kimberlite diamonds, and oil exploration. Other areas which have been identified to hold great promise for investment include: fisheries, forestry, agro-based industries, information technology, hydro-electricity and tourism. In fisheries, several foreign registered trawlers ply Sierra Leone's territorial waters, some legally and some as poachers. But onshore investment to process and export fish and fish products has been minimal. Agro-based industries considered to be of high potential in the domestic market, and within the ECOWAS and MRU sub-regions include: sugar refining, confectionery, tobacco processing, fruit canning, and forestry products. Hydro-electricity has emerged as a potential candidate for foreign investment following the Government's declared policy to open electricity to privatization. In tourism, Sierra Leone's fine beaches, excellent scenery, and rich cultural heritage, cannot be rivaled as tourist attractions within the West African Region.

3.49 The level of response of foreign capital to the investment opportunities will

largely be dictated by situations on several fronts. First and foremost, political stability coupled with peace and security, must be firmly established. In the macro-economy stability has not been achieved as was anticipated in the early 1990s. However, the policy instruments and strategies for putting the macro-economy on a sound footing once the war is over have been set in motion. Moreover, government's economic managers now have better understanding and control of economic policy issues than, say, ten years ago.

3.50 Regional Cooperation: The country is a member of two sub-regional groupings: the Mano River Union(MRU), and the Economic Community of West African States (ECOWAS). The MRU, established in 1973 to foster cooperation among Sierra Leone, Liberia, and later Guinea, stalled in the late 1980s and 1990s because of political upheavals and civil strife in Sierra Leone and Liberia. The training institutions that had been established under the Union collapsed, and joint projects set for implementation were suspended. ECOWAS was instrumental in forging stability in the sub-region, with peace-keeping contingent drawn from member states. ECOWAS also had limited successes in terms of free movement of persons and goods, and the move towards establishment of a common currency. Sierra Leone's exports to the region were negligible in the 1990s. In terms of imports, ECOWAS countries accounted for 3.9 per cent of the total in 1993; 24.3 per cent in 1997, and 13.6 per cent in 1998. In the 1990s, the West African Clearing House was transformed to the West African Monetary Authority, with headquarters in Freetown.

3.51 Vulnerability to Shocks: Sierra Leone has an open economy as evidenced by a large foreign sector. The country's main traditional exports - rutile, bauxite, diamonds, cocoa, coffee - are all subjected to wide price fluctuations in international markets, a serious source of instability. Terms of trade for Sierra Leone (1995 = 100), as determined by the African Development Bank, averaged 66 for the period 1990 to 1998. Given the state of the country's current low technological development it is almost certain that it will, for a considerable time to come, be subjected to the risk and uncertainty associated with market fluctuations in respect of its exports of minerals and agricultural commodities. As regards imports, the 1990s saw a substantial proportion of the total (38 per cent average) spent on food, more than a third of which went to rice purchases, the country's staple food. According to the FAO, world market price for rice was reasonably buoyant in the 1990s, and that was not in Sierra Leone's interest. Another potential source of major difficulty is related to oil imports. Fortunately for the country in the 1990s the crude oil price index declined almost continuously after the Gulf war in 1991. But the outlook for the immediate and long-term future sees substantial upward movement in oil prices. Thus, before long, the country might have to face steep rises in foreign exchange requirements to purchase oil.

3.52 Instability within the sub-region was a prominent feature hampering progress in the 1990s. Between 1990 and 1992 the country hosted nearly 200,000 Liberian refugees. This occasioned large financial allocations on refugees relief operations. In addition, the Government had a contingent serving with ECOMOG in Liberia. The strains on the budget imposed by these developments coupled with the internal rebellion which started in 1991, led to a sharp expansion of bank credit to the Government which was partly responsible for generating the highest inflation rates of the decade between 1990 and 1992.

3.53 The heavy reliance on foreign aid to finance development programmes and

to meet debt servicing obligations is also a source of instability. In the Development Budget for 2000, for instance, foreign loans and grants are expected to contribute 94.5 per cent of the financial requirements with domestic resources providing the remaining 5.5 per cent. This has been the pattern for the past 15 years, and it has arisen because of the country's weak tax mobilization effort. As regards foreign debt servicing, Sierra Leone achieved satisfactory performance in the 1990s, a feat that would not have been possible without strong donor support. The ground for concern now, is that ODA flows to LDCs have been declining in both dollar and real terms. According to UNCTAD, ODA from OECD countries to LDCs declined by 29 per cent in dollar terms between 1990 and 1997. If ODA flows from one year to another cannot be assured, and is subject to wide fluctuations, that would have serious negative implications for planning and economic stability.

CHAPTER 4

PROGRAMME OF ACTION

DEVELOPMENT GOALS AND OBJECTIVES

4.01 The long-term development goals of Sierra Leone have repeatedly been stated by the Government in various documents and pronouncements. They are, in summary, to:

- promote political and economic stability
- increase the welfare of the broad mass of people
- achieve a more equitable distribution of income and wealth
- attain a higher degree of self-sustaining economic growth.

4.02 The pursuit of these goals at a rapid pace is of vital importance to the stability of the State and for improving the quality of life of the people. The evidence however, as reflected in the country's social and economic indicators, points to continuous deterioration in all aspects of material well-being over the past twenty-five years. The fundamental challenge posed by these dismal socio-economic indicators is not merely how to arrest and reverse the declining trends, but how to do so effectively given the situation of a damaged macro-economy and shattered socio-political system. It is obvious that, in the current situation, the Programme of Action must give first priority to pacification and resettlement of the displaced population. This should be quickly followed by a vigorous programme to reconstruct and/or rehabilitate the economic, social and institutional framework, so as to put the country on the path to progressive development.

4.03 Based on these considerations, the Programme of Action will seek the following broad objectives:

- to promote and consolidate peace initiatives.
- to reactivate economic and social activities through the rehabilitation and reconstruction of social, physical and institutional infrastructure damaged by nine years of civil conflict.
- to build and strengthen the capacity to sustain good governance practices in support of private sector driven development.
- to hasten the process of human resource development
- to halt and reverse the declining trend in agricultural productivity.
- to promote employment creation activities, particularly in the area of Micro-small Enterprises.

SECTORAL POLICIES AND STRATEGIES

4.04 The economic instruments and strategies for achieving the above objectives will have to depend on four factors. These are: (a) the development potentials and

constraints, (2) the priorities assigned to the different objectives within the context of the problems and issues they are designed to address, (3) the rate at which resources for development can be mobilized internally and externally, and (4) the capacity of the country to implement development projects and programmes.

4.05 As mentioned previously, Sierra Leone is endowed with sizeable natural resources. But the capacity to generate investible resources is severely limited by low income and low domestic savings. Moreover, gross domestic savings will continue to be very low or negative for at least the first-half of the coming decade. This limitation would be compounded by very heavy debt servicing obligations, unless of course debt service relief is obtained. It is clear therefore that the effort to mobilize concessional foreign assistance must be intensified. Thus, the overall strategy assumes that the bulk of the resources for implementing the action plan would come from foreign sources. The overall strategy also gives adequate consideration to low-cost projects and programmes that promise to provide substantial benefits in the short to medium-run. Such benefits would accrue in the form of improved health, higher employment, and better living conditions. At the same time, they will enhance productivity and the ability of the economy to respond to supply-related stimuli.

4.06 PEACE AND SECURITY: As has been said, the government has embarked on a policy objective to end the civil conflict and pursue peace and reconciliation. In this regard, the DDR programme has been designed as the strategic framework for restoring peace and security, and for effecting reconciliation. Essentially, the DDR programme contains three main elements aimed at:

- (a) surrendering of all conventional and other weapons by combatants as a contributing measure to increase short-term security;
- (b) receiving combatants; providing them with basic necessities; preparing them for a return to civilian life through psycho-social counseling and other pre-discharge orientation activities, and providing them with a discharge allowance;
- (c) providing ex-combatants with a monetized settling-in package to assist them adapt to civilian life; encouraging them to undertake skills/vocational training; providing information, counseling and referral services about job opportunities and other activities relating to community development to which they can participate.

4.07 The measures outlined under (b) and c) are peace-building initiatives as conceived under the DDR programme, and they relate to the transformation of ex-combatants into civilians. Complementary projects and programmes confined largely to the civilian population and geared to promoting the reintegration process, and to consolidating peace through reconciliation, are also being implemented by the National Commission for Resettlement, Rehabilitation and Reconstruction, and NGOs, with funding assistance from UN agencies, World Bank, AFDB, DFID and EU. These projects and programmes have similar objectives and design structure. The objectives, elements of strategy, and activities common to all of them include: (i) provision of humanitarian aid to strengthen coping capacity; (ii) counselling and trauma healing; (iii) restoration of basic social facilities; (iv) skills development; (v) re-generation of economic activities for sustainable livelihood; (vi) strong community participation in project/programme activities, and (vii) special support for vulnerable groups such as the disabled, children and women most afflicted by the war. An important

aspect of similarity in the assistance programmes provided by various agencies/donors is that they are all demand driven; they are furnished in support of the communities' own initiatives.

4.08 It is envisaged that disarmament and demobilization of ex-combatants would be completed before the end of 2000, or early 2001. Thus, in Matrix 1, only reintegration activities in respect of ex-combatants to be undertaken in 2001 and 2002, are included under item A. Under item B, activities in respect of social and economic revival of communities, which are also aimed at reconciliation and peace, are indicated. These activities will be implemented within the context of the mandate of NCRRR.

4.09 GOVERNANCE AND DEMOCRATIZATION: The promotion of good governance and state management has been accorded the highest priority by Government of Sierra Leone. It is seen as an indispensable condition for accelerating economic and social development. The objective is to install a public administration system that is participatory, accountable, efficient, transparent, and responsive to people's needs. The Government intends to implement this programme through a strategy that focuses on seven interrelated elements:

- restoration of local government administration and the devolution of power from Freetown to District and Chiefdom levels.
- civil service reform through reconstruction, adoption of modern methods of organization and management, and improved remuneration.
- strengthening the judiciary, police and prisons to establish a credible system of justice.
- increasing the level of awareness of people about their rights, privileges and responsibilities.
- strengthening of Parliament to effectively execute its role as custodian of the people's interest
- enhancing the capacity for macro-economic analysis, policy formulation and coordination in support of private sector driven development.
- reform of the Armed Forces

4.10 Closely tied to the promotion of good governance is the development of technical knowledge and proper institutional structures for the conduct of free and fair elections. Needless to say, a well-managed electoral process, free from political interference, is an essential pre-condition for peace, political stability and development.

4.11 The funding requirement for translating the strategy into programmes of action has been estimated at US\$42.48 million. Funds will be required for rehabilitation/reconstruction of physical facilities; training and equipment; the conduct of democratic elections at the central, district and chiefdom levels, and for strengthening the institution of Parliament, and technical assistance. The details are provided in Annexes 2(1) to 2(5).

4.12 PRIVATE SECTOR DEVELOPMENT: In the effort to rebuild the economy Government's policy is that the private sector will be the engine of growth. This policy, as might be expected, is an inevitable outcome of an increasingly globalize market-oriented world economy. The Government has been reforming the legal and regulatory framework to create an enabling environment for private sector initiatives. But the private sector is weak and poorly organized, and may not be able to respond adequately to the challenges

that the new dispensation entails. The immediate task, and an important feature of the development strategy, is to improve the overall capacity of the private sector to organize itself to be in strong partnership with the Government to rebuild the war ravaged economy, and to enhance living standards through rapid economic advancement. In this regard, the development of an Interactive Policy Formulation Process (IPEP) between the public and private sector has been proposed in the Programme of Action. The IPEP would entail, among other things, establishment of a Joint Economic Commission, with membership drawn from the top echelon of government, and representatives of the private sector. In the Matrices on private sector programmes at Annex 3, three main projects have been included with objectives aimed at : (1) enhancing the capacity of the Bureau of Standards to perform its role of ensuring that established standards of both exports and domestically consumed products are met in full. (2) organizing the private sector to cope with the requirements and challenges of development, and (3) promoting job creation through skills development for self-employment in small-scale enterprises.

4.13 AGRICULTURE: The development programme in agriculture during the next decade consists of three distinct phases. The first phase, which is a programme for rehabilitation and reconstruction, will be implemented in the short to medium-term and its main thrust will be to restore pre-war production levels of food and cash crops as well as livestock. In this regard the Ministry of Agriculture, Forestry and Marine Resources has designed a rehabilitation programme which entails, (i) reconstruction of farm buildings and other infrastructure; (2) provision of planting materials, farm implements, and other inputs; and (3) rehabilitation of nurseries for production of high yielding varieties of tree crops. A management unit will be established to implement the rehabilitation programme.

4.14 The second phase will seek to reverse the declining trend in food production (particularly rice), reduce food importation, and expand exports. This is the Diversification Programme. It will commence around the year 2004 and run for four years to 2008. The strategy hinges on: (1) adoption of modern agronomic techniques by farmers; (2) provision of efficient extension services and farmers' training, and (3) timely delivery of farm inputs and credit. Women's programme in crop production will also be encouraged through special credit schemes and training. It is estimated that by 2008 value added in agriculture would be growing at a sustained rate of 3 percent per annum.

4.15 The third phase in agriculture will commence between 2008 and 2009. It will be aimed at the consolidation of gains achieved, as well as the assessment, planning, and programme formulation for future development. (Matrix of the Agricultural Programme is at Annex 4).

4.16 FISHERIES: Exports of marine resources contribute sizably to the country's foreign earnings. In addition, fish is an important source of protein and other nutrients in the national diet. The development programme in fisheries contains two main objectives. These are: (1) to expand and develop the artisanal fisheries to a semi-industrial level, and (2) to provide an efficient marine resource protection service so as to eliminate illegal fishing by foreign vessels within the country's 200 miles Exclusive Economic Zone (EEZ). The investment programme in summary is contained in Annex 4 (6).

4.17 MINING: The Mining Sector is overwhelmingly the single largest contributor to the country's foreign earnings. During the first half of the 1990s exports of minerals contributed an average of nearly 87 per cent of receipts on merchandise trade. This proportion is based on official statistics which, because of the smuggling of gold and diamonds, understate the real situation. As stated earlier, the proceeds from smuggled

precious minerals have been identified as the main funding source for a wide-range of parallel market activities and, more importantly, for the purchase of weapons by the Revolutionary United Front.

4.18 The Mining Sector is also an important source of employment. Recent figures are not available to allow precise statements to be made on the relative importance of the sector to employment. As regards wage employment however, the 1985 Population Census showed that 7.5 per cent of workers aged 10 years and above, were engaged in mining, the third most important activity after agriculture (39.4 per cent) and commerce (31.8 per cent).

4.19 The employment potential of artisanal mining for gold and diamonds is largely unfulfilled. One of the constraints of prospective miners who wish to be self-employed has always been lack of seed capital to acquire the necessary implements. These implements are rudimentary and cost in total only a few hundred dollars. In the absence of a regulated institutional source of funding for artisanal activities, business people forge exploitative arrangements in exchange for the financial support they provide to mining workers. It is widely believed that these business people are also largely responsible for widespread smuggling of precious minerals.

4.20 Mining is essentially a private sector affair. In his address delivered to Parliament in May 1998, the President of the Republic indicated the main thrust of Mining Policy as "the rebuilding of confidence of the investors and other interested parties to resume operations in the Mining industry as soon as the mining areas are adequately secured."

4.21 Elements in the strategy for the attainment of the policy objectives include:

1. adopting of anti-smuggling programme;
2. improving the regulatory and legal framework for mining operations;
3. providing support to small-scale mining.

The mining matrix is at Annex 5.

4.22 TRANSPORT: The overall goal of the National Transport Policy " is to develop the transport sector in support of national economic and social objectives of the country, which are to induce a sustainable private sector-led growth, poverty alleviation and rehabilitation of war-affected areas." Within the context of this goal, the objective of the roads subsector is to maintain the entire National Road System at an acceptable level of serviceability in order to ensure that it fulfills its role in development of the economy and society. This objective will be pursued through the following strategy:

- well-focused effort under a 10-year reconstruction and rehabilitation programme to clear the backlog of deferred maintenance;
- strengthening the capacity of Sierra Leone Roads Authority to manage the maintenance programme;
- making maximum use of the private sector for design, construction, construction Supervision, and maintenance;

The investment programme for the Transport Sector is at Annex 6.

4.23 **POSTAL SERVICES:** The strategy for postal services development is premised on the need to provide inexpensive and efficient communications facility to people, especially in rural areas. The Sierra Leone postal services also provide facilities for remittance of money, insured services, money order, postal order, and mobilizes household savings through the Post Office Savings Bank. Investment is required to rehabilitate and extend these services, and to strengthen managerial and operational capacities through technical assistance, training and logistical support. The investment programme for the period 2001 to 2004 is estimated at US\$9.7 million, as shown in Annex 7.

4.24 **TOURISM:** The long-term objective in tourism is to optimize the economic and social advantages of the industry through: 1) foreign exchange earnings, 2) job creation, and 3) enhancement and preservation of the country's rich cultural heritage. The strategy for development emphasizes that the private sector will be the principal supplier of tourism services and facilities. In this regard, four government-owned hotels have been leased to private interests. The Government intends to develop wildlife and cultural attractions that will offer a 'total' African experience to the tourist. Also, the administrative capacity of the Ministry responsible for tourism, to plan and coordinate sector-related activities, will be enhanced.

4.25 Two public sector projects have been developed to attract private sector investment in tourism. They are: 1) rehabilitation of the Hotel and Tourism Training Institute to meet the manpower needs of the sector, which has been costed at US\$1.06 million, and 2) rehabilitation and restoration of Bunce Island as a national heritage and tourist attraction. Bunce Island is of historic interest in that it served as a major slave trading post during the slave trade in the seventeenth to early nineteenth centuries. The Bunce Island rehabilitation project is estimated at US\$4.7 million in 2000 prices. These public sector investments will command high priority when the security situation is brought under control and tourism revived. Developments in other sectors of the economy such as improvements in water and electricity, as well as the network of roads, and ferry services will support and complement growth of the sector.

4.26 **ENERGY:** The energy sector in Sierra Leone is in crisis. Electrical power supply system operated by a state monopoly, the National Power Authority (NPA), is in a serious state of disrepair. This applies to both the machines and transmission infrastructure, as well as the management and financial systems. The problem has persisted for over 20 years and it is due to corruption and inadequate policy direction, as recent studies have revealed.

4.27 Failure of NPA to supply electricity on a reliable basis undermines economic performance. Private generation of energy by local industries increases cost of production unduly and lowers the competitiveness of local goods in relation to imports. In addition, the potential of many small enterprises to create jobs remains largely unfulfilled as a result of poor electrical supply.

4.28 Another cause for concern in energy is the uncontrolled and haphazard destruction of forests and wooded areas to provide fuel wood for cooking and industrial purposes. Reliable estimates on deforestation and related statistics are unavailable. But the gravity of the situation can be visibly seen throughout the country. So much so that Government through the Ministry of Agriculture, Forestry and Marine Resources, has been launching media awareness campaigns on the dangers of environmental degradation brought about by rapid and unplanned deforestation. There is very little

evidence however that the campaigns are producing the desired change in behaviour, largely because of poverty.

4.29 The Government of Sierra Leone is aware that effective management of the energy sector is crucial for economic and social advancement. Thus, the focus of energy policy and strategy, as it relates to electric power and biomass (wood fuel), is aimed at:

- mobilizing communities to improve or extend wood fuels through development of agro-forestry practices;
- improving the power sector through effective management, and competition;
- encouraging the private sector in electricity generation and supply;
- reducing the dependence on imported oil for power generation by pursuing the early completion of the Bumbuna Hydro-electric Scheme
- pursuing the development of alternative sources of energy.

4.30 The Programme of Action in respect of fuel wood production is spelt out under Agriculture (Annex 4 (5)). As regards the NPA and electric power generation and sales, the following activities will be implemented.

1. The NPA will be strengthened by rehabilitating the generators and transmission lines as well as the management and financial system;
2. Technical assistance will be sought to develop procedures for privatization;
3. The Bumbuna Hydro-Electric Project which is about 80 percent completed, will be taken to operational level.

The energy matrix is at Annex 8.

4.31 EDUCATION: The long-term development vision in education, as expressed in the National Education Master Plan 1997-2006, is that by year 2020 free universal and compulsory education will be provided for all Sierra Leoneans. It is also envisaged that, by that same year, eradication of illiteracy would have been achieved. This is a desirable goal. The Government of Sierra Leone is aware that achievement of the goal would positively influence the pace and pattern of the development process. It must be said however, that, with the current illiteracy rate at 80 per cent, the country has an enormous ground to cover to achieve the stated goal.

4.32 Within the context of the long-term goal, the programme in education during the coming decade will give the highest priority to the expansion and improvement of primary education. Strong support will also be given to a programme of adult education encompassing literacy courses for youth and adults, as well as community education for developing health, agriculture and other occupational skills.

4.33 The Action Programme for education (see Annex 9) consists of four components summarized as follows:

(a) Support for Basic Education: Formal and Non-Formal

Under this component it is intended to : (1) substantially increase enrolment at primary and junior secondary levels, (2) pursue adult and non-formal activities focused especially on raising levels of adult literacy as well as technical/vocational skills, (3) increase the participation of women and girls,

(4) create special facilities for the handicapped and disadvantaged who now represent a disproportionate share of the population as a result of the civil conflict, (5) reinstate and strengthen physical health education and sports, as a vital component of the education curricula, and (6) promote skills development for the youths.

(b) Training of Education Sector Personnel

Pre and in-service training of teachers will receive top priority. The emphasis will be to upgrade the teaching staff at the primary level which contains currently nearly 47 percent of unqualified teachers.

(c) Strengthening the Management and Administration of the Education System

The focus of support will seek to : (1) decentralize management and administration to District and Chiefdom levels; (2) improve the statistical data information system; (3) develop the capacity for policy analysis, planning, monitoring and evaluation at all levels.

(d) Construction/Rehabilitation of Schools

Construction of new primary schools and rehabilitation of existing ones will be undertaken to cater for the expansion on enrolment. The rehabilitation of physical facilities destroyed by war will be undertaken.

4.34 HEALTH: The health policy of Sierra Leone, formulated in 1993, states that the focus of health care will be on the development of preventive services while strengthening existing secondary and tertiary health structures. The major items in the strategy to pursue the policy goal have been selected by the Government with equity consideration in mind. They are:

- strengthening the network of primary, secondary and tertiary health facilities through adequate staffing and logistical support.
- promoting environmental health and controlling communicable diseases;
- fostering community participation and inter-sectoral co-operation;
- promoting co-operation with international agencies and NGOs;
- decentralizing health care delivery to district levels;
- privatizing specific health services where appropriate.

4.35 Implementation of the policy has been seriously hampered by the civil war. Large amount of the activities that were to be undertaken between 1995 and 2000 have not been done. The policy objectives however are still relevant, at least for the foreseeable future. In this respect the activities to be undertaken in the Programme of Action have been classified under five main headings as follows:

(a) Support to Primary Health Care (PHC)

PHC includes activities in pursuit of Disease Prevention and Control; STD/AIDS Prevention and Control; Maternal and Child Health (MCH); Immunization; Reproductive Health/Family Planning; Food and Nutrition; Environmental Health; School Health, and Health Education. The PHC programme is the main thrust of the development effort in health. It is the most cost-effective way of making basic health services available to the entire population.

(b) Rehabilitation of Peripheral Health Centres and Health Referral Facilities

Deterioration of health facilities due to lack of maintenance and repairs, as well as wanton destruction arising from the civil war, is hampering health delivery services. The rehabilitation and equipment programme is designed to complement and facilitate PHC, especially in rural areas.

(c) Provision of Medical Supplies and Equipment

Activities under this head include: (1) procurement of all essential and specialized drugs, medical equipment and supplies; (2) training of staff in stores management, and establishment of an efficient supplies management system, and (3) rehabilitation of storage facilities.

(d) Decentralization of Health Services Management

The objective of decentralization is to make the District Health Team (DHT) the responsible organ for all operational aspects of health delivery at the District and Chiefdom levels. Activities will be undertaken to enhance the capacity of DHTs to plan and manage health care at local level.

(e) Human Resource Development

The manpower plan for the health sector which was formulated in 1994/95 will be updated to reflect changed conditions arising from the emigration of professionals because of the civil conflict. Other activities include: rehabilitation of training institutions; local and external staff training; and revision of the syllabi to meet identified needs.

The health sector Matrix is at Annex 10.

4.36 WATER AND SANITATION: Safe drinking water and basic sanitation fall within Primary Health Care and should accordingly be included in the health programme. A separate treatment however is justified because firstly, the institutional arrangement for implementing water and sanitation activities falls within the mandate of Ministry of Energy and Power (Water Supply Division or WSD), and secondly, the level of development effort required in the water and sanitation subsector within the time-frame of this Programme of Action is extremely large in comparison with other PHC components (see Annex 11).

4.37 The proportion of the rural population with safe drinking water supply increased from 2 per cent in 1980 to 35 per cent in 1990, a period that coincided with the UN International Drinking Water Supply and Sanitation Decade. In fact, the activities planned for the 1980s sought to achieve the objectives and targets established by the UN. Sierra Leone's achievement fell far short of expectation, in that the UN had established a target of 70 per cent to be reached by 1990. However, the level of performance was considered within the country as fairly satisfactory, by virtue of the fact that the take-off point in 1980 was very low at 2 per cent. The civil war has now reversed most of the gains achieved in the 1980s. Currently, WSD estimates that in some areas in rural Sierra Leone, access to safe drinking water has been reduced to less than 5 per cent.

4.38 The overall goal of the subsector is to attain universal coverage in safe

drinking water and basic sanitation at the shortest possible time. The programme for the next decade consists of three phases: (1) the rehabilitation of existing facilities throughout the country; (2) extension of coverage in rural areas, and (3) preparation of a master plan for future expansion aimed at achieving universal coverage.

4.39 Development of water and sanitation facilities is to be achieved through a strategy with the following elements:

1. strengthening WSD to formulate, monitor and supervise projects and programmes;
2. promoting strong user participation in the rehabilitation/construction, maintenance and care of facilities;
3. training and deploying rural people (including unemployed youth and ex-combatants) as technicians and construction workers.
4. improving the awareness of communities on good hygiene practices relating to the collection and storage of drinking water, the use and maintenance of sanitation facilities, and other environmental sanitation matters.

4.40 HOUSING / SHELTER: During the past three decades, Sierra Leone experienced a high rate of population growth relative to housing provision, particularly for the lower income groups. In recent times the civil strife has seriously aggravated the situation. Deliberate burning and willful destructing of houses, is a recurrent episode of the war. Currently, the absence of shelter poses a major difficulty in resettling displaced persons in their original places of habitation.

4.41 An immediate concern of Government is to resettle the displaced population so as to promote the resumption of economic and other activities. In this regard the first priority is to secure funding for implementing a basic housing repair/reconstruction programme. The strategy for the rebuilding project relies on aided self-help methods. Also, youth and ex-combatants will be given crash training in shelter construction which will further advance the reintegration and reconciliation process.

4.42 Government's medium to long-term policy thrust is to provide an enabling environment for the mobilization of resources from the private sector, and to make use of the potentials of communities in the housing development process. This will entail provision of appropriate legislative and administrative framework to facilitate efficient shelter delivery as well as the mobilization of private sector savings into the housing sector. The means to pursue the policy goal contain the following elements:

1. promotion of local building materials;
2. skills development for constructing affordable shelters;
3. creation of the legal and administrative framework for private sector-led development in housing;
4. enhancement of the Ministry of Land, Housing and Country planning's capacity to facilitate the process of effective housing delivery.

The shelter investment matrix is at Annex 12.

4.43 THE ENVIRONMENT: The goal of environmental policy in Sierra Leone is to achieve sustainable development through sound environmental management. In this

regard environmental protection and management will be pursued through the following measures:

- capacity strengthening of environmental agencies;
- development of a regulatory framework and policies that link sustainable environmental management of national resources to critical areas of development;
- promotion of environmental awareness through extensive public education;
- provision of increased budgetary resources for environmental protection;
- cooperation with other countries to address environmental issues of global and regional concerns.

The Programme of Action in respect of the environment is summarized in Annex 13.

4.44 **STATISTICAL SERVICES:** The inadequacy or unavailability of official statistics has been repeatedly stated in this document. The repetition has been deliberate, as it seeks to highlight the urgency of strengthening the statistical services, which, needless to say, is indispensable for socio-economic development planning. Basically, official statistics exhibit several inadequacies. They are either incomplete, or obsolete, or unreliable, or a combination of all these defects. The problem is due to: 1) low technical skills, 2) poor logistical and other support services for statistical compilation, and 3) absence of guidelines and procedures for compiling and collating statistics. Current effort to strengthen the Central Statistics Office is guided by the pursuit of activities in six areas as follows:

1. training of personnel at all levels;
2. provision of adequate resources;
3. provision of modern equipment and related items;
4. establishment of a coordinating arrangement, which will, *inter-alia*, provide guidelines for statistical compilation;
5. strengthening of routine data collection mechanisms;
6. updating socio-economic statistics indispensable for development planning.

Annex 14 summarizes the development programme in statistical services.

4.45 EXTERNAL FUNDING REQUIREMENTS

4.46 Any attempt at this point in time to construct a macro-economic framework for the medium to long-term would face several imponderables because of war-related factors. Needless to say, such a framework is necessary to establish in fairly concrete terms the investment effort needed to meet growth targets and to determine the external financing that will be required. However, in the absence of quantitative dimensions setting-out the macro-economy over the medium term, a broad generalization of the parameters that would be critical for meeting the economy's exploitable potentials and capacities, is in order.

4.47 The current account of the balance of payments was in deficit for most of the 1990s, attaining a record deficit level of 15.9 per cent of GDP in 1996. This deficit is almost certain to increase at least during the next four to five years, before it will start to decline. If the security situation is quickly brought under control and normal economic activities are commenced, it would require at least three years to rehabilitate the agricultural sector to pre-war conditions. During that period the country would continue to

rely heavily on food aid and other humanitarian forms of assistance. Moreover, the import requirement of the agricultural rehabilitation programme is huge at approximately US\$79.5 million. The current state of rutile and bauxite mining facilities is unknown. Thus, the import requirement for rehabilitation of those facilities before mining operations are resumed cannot be determined at this point in time. Importation in respect of other rehabilitation programmes will also bear on the country's external funding requirement. Of critical importance as far as Sierra Leone's balance of payments are concerned, is the recent upward trend in crude oil prices. The forecast for the immediate future and the medium-term is that the trend would continue to go up. As regards debt servicing, the country received substantial relief during the 1990s, and should look forward in the future to continued assistance in support of its economic reform programme. This of course will depend on the capacity to manage the reform programme while keeping within the conditions set by donors, most notably the IMF and World Bank.

4.48 Performance in exports will again depend critically on the security situation. Once stability is restored and confidence regained, it is expected that rutile, bauxite, and kimberlite diamonds would be the leading export commodities in the 2000s, after the rehabilitation programmes are completed. Coffee and cocoa exports are unlikely to reach full potential quickly. This is because extensive rehabilitation of plantations is needed which would require about three years to complete. The situation in respect of export prices of coffee and cocoa is likely to be unfavourable in the short to medium-term, judging from current trends.

4.49 In summary, the balance of payments' viability during the next five years or so will critically be dependent on the country's effort at attracting large external funding at concessional terms. External funding is required for both consumption and investment. The need for humanitarian aid and relief will be indispensable for resettling the displaced population and putting them back to work. The investment requirement to reconstruct the economy and society will also need major foreign assistance because of the low capacity to generate domestic savings.

4.50 INSTITUTIONAL FRAMEWORK / IMPLEMENTATION CAPACITY

4.51 There is an established institutional framework for promoting development in each of the priority sectors appearing in this Programme of Action. Responsibility for agricultural development is vested in the Ministry of Agriculture, Forestry and Marine Resources. The governance programme is co-ordinated in a secretariat located in the Office of the President. Economic management falls within the responsibility of the Ministry of Finance. The Ministry of Trade, Industry and State Enterprises with collaboration of SLEDIC provides the institutional framework for private sector development. Education and health matters are handled by the Ministries of Education and Health respectively. Electrical energy generation and distribution are the responsibility of Ministry of Energy and Power, which also promotes development of water and sanitation facilities. The roads programme is implemented by the Sierra Leone Roads Authority. Housing development is coordinated in the Ministry of Lands, Housing and the Environment, and Mining by the Ministry of Mineral Resources.

4.52 Although the institutional framework is well established, the capacity for pursuing the objectives of development projects and programmes in the public sector is extremely weak. One of the central aims of the Governance action programme, as detailed in this chapter, will be to develop skills and technical competence through

extensive training. In addition, the Civil Service Reform Programme will address issues relating to organization and management in the public sector.

4.53 The benefits of the proposed and on-going capacity enhancement projects and programmes in the public sector are not expected to be realized in the short-term. Indeed, Civil Service Reform is a lengthy process with several stages to completion. In the meantime, technical assistance on a massive scale will be required to implement the Programme of Action. The cost of such assistance is included in the programmes' overall costing.

4.54 Separate implementation units will be established for the agricultural programme. The units will be responsible for ensuring that the programme is implemented on a timely basis, and for monitoring and evaluating the various activities. Implementation of the roads programme will be done by the Sierra Leone Roads Authority (SLRA). It is a policy of the SLRA to make maximum use of private-sector resources for the design, construction of civil works, construction supervision, and maintenance of road programme, with the Authority confining its role to planning and monitoring. In this way implementation capacity is considerably enhanced. The private sector will also assume a substantial role in the reconstruction and rehabilitation of war-damaged infrastructure.

4.55 The collaboration of NGOs in the implementation of development programmes has gained considerable importance in recent years. Government of Sierra Leone has forged strong partnership with both local and international NGOs in carrying-out a wide range of activities in health, education, agriculture and rural development. There is wide scope for effecting implementation arrangements with NGOs. But it will be necessary as a precondition to ensure that transparency is guaranteed, whatever arrangement is made.

4.56 COST AND FINANCING

4.57 The total cost of the Programme of Action amounts to US\$1065.23 million with breakdown as follows:

Programme	Total Cost (US\$ M)
DDR&R	248.00
Governance	42.48
Private Sector Development	10.17
Agriculture	234.03
Mining	0.71
Transport	97.12
Postal Services	9.66
Energy	40.42
Education	207.54
Health	95.15
Water and Sanitation	36.24
Shelter Development	35.91
The Environment	2.51
Statistical Services	5.29
GRAND TOTAL	1065.23

Four programmes – DDR&R, Agriculture, Education and Health (including Water and Sanitation) – account for 77 percent of the total or US\$821 million. They are seen as the highest priority programmes within the context of the current state of economic, social and political developments in the country. The goals of these programmes taken together seek to promote peace and security, food production, and human resource development.

4.58 It is roughly estimated that about 80 percent or some US\$850 million of the total cost will be in foreign exchange and the remainder US\$215 million in local currency. The cash flow requirements (in 2000 prices and exchange rate) are depicted in Table 4.0 (page 46). The Government's capacity to finance development programmes and projects is extremely low. The long period of civil conflict has not only ruined the fabric of the economy including the production base, it has also severely weakened the institutional mechanisms established to pursue development goals and objectives. In terms of financial resources, the coffers of the Government of Sierra Leone are nearly empty. In the 1990s, Government's actual contribution to the development budget was a mere 3 per cent, on average. The overwhelming 97 per cent came from foreign donors. It must be said however that a significant proportion of the 3 per cent attributed to the Government was provided as gifts by foreign sources.

4.59. The tax mobilization effort of the Government is expected to improve greatly as a result of measures currently under implementation to reform the tax legislation as well as the revenue collecting departments. Some of these measures are being undertaken under the Public Sector Management Programme mentioned in this report. However, the massive scale of the problem facing the country makes it unrealistic to expect that the level of funding available for development would greatly exceed that reached in the 1990s. Given this reality, officials of the Government of Sierra Leone responsible for formulating the development budget, have estimated for the next decade, the proportion of domestic funding that is likely to be available at about 6 to 7 per cent. Thus, it is anticipated that between 93 to 94 per cent of the required funding would be raised through foreign assistance, as loans and grants.

Table 4.0: COST SUMMARY OF PROGRAMME OF ACTION (in 2000 prices)

Sector/Programme	Total Cost	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
DDR&R	248.00	81.70	66.30	50.00	50.00						
Governance	42.48										
■ Judiciary	2.88	0.24	1.41	0.96	0.27						
■ Local Government	36.81	1.76	5.85	28.50	0.10	0.10	0.10	0.10	0.10	0.10	0.10
■ Civil Service Reform	0.90	0.20	0.70								
■ Public Sector Management	1.26	0.50	0.26	0.15	0.05	0.05	0.05	0.05	0.05	0.05	0.05
■ Parliamentary development	0.63	0.41	0.22								
The Private Sector	10.17										
■ Bureau of Standards	2.68	0.62	1.21	0.85							
■ Private Sector Development	5.18	1.39	0.90	0.64	0.30	0.45	0.30	0.30	0.30	0.30	0.30
■ Micro Small Enterprises	2.31	0.28	0.22	0.22	0.22	0.27	0.22	0.22	0.22	0.22	0.22
Agriculture	234.03										
■ Rehabilitation	83.74	28.47	31.18	24.09							
■ Diversification	94.39				32.26	16.83	21.16	24.14			
■ Work Oxen	7.44			2.14	2.06	1.77	1.47				
■ Information Systems	9.36		5.02	2.03	2.91	2.81	3.12	0.52			
■ Forestry	10.70				1.67	1.98					
■ Fisheries	28.40	12.27	7.78	5.37	2.98						
Mining	0.71	0.01	0.15	0.32	0.23						
Transport (Roads)	97.12	2.20	1.70	7.30	7.75	7.75	14.31	14.31	13.86	13.97	13.97
Postal Services	9.66	1.66	2.00	2.00	2.00	2.00					
Energy	40.42	10.12	10.00	15.00	5.30						
Education	207.54										
∞ Primary	90.69	11.21	11.01	12.44	12.75	9.01	8.75	9.25	9.05	3.75	3.47
∞ Adult and Non-formal	50.17	5.03	4.99	4.99	4.99	5.00	5.02	5.02	5.04	5.05	5.04
∞ Junior Secondary	34.02	2.37	2.85	3.35	4.35	4.85	4.35	4.35	3.99	2.35	1.21
∞ Education Information	1.32	0.61	0.31	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
∞ Senior Secondary	8.30	0.44	0.94	0.94	1.05	1.05	0.55	0.75	0.77	0.77	1.04
∞ Technical and vocational	18.89	1.56	1.56	1.56	1.31	1.31	2.32	2.32	2.32	2.32	2.31
∞ Physical Health Education	4.15	0.86	0.86	0.86	0.85	0.26	0.26	0.05	0.05	0.05	0.05
Health	95.15										
■ Primary Health Care	38.25	5.40	3.90	3.90	3.90	3.90	3.90	3.90	3.15	3.15	3.15
■ Infrastructure	22.10	4.42	4.42	4.42	4.42	4.42					
■ Essential Drugs	7.39	2.47	2.65	1.49	0.30	0.30	0.18				
■ Human Resource Management	12.41	0.75	1.74	1.74	1.74	1.74	1.74	0.74	0.74	0.74	0.74
■ Planning and Information	15.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Water and Sanitation	36.24	1.15	3.95	4.93	4.95	4.95	4.95	2.84	2.84	2.84	2.84
Shelter Development	35.91	10.00	10.00	10.00	0.91		2.00	3.00			
The Environment	2.51	0.55	0.74	0.64	0.25	0.15	0.06	0.05	0.05	0.02	-
Statistical Services	5.29	1.60	1.52	0.41	0.46	0.15	0.15	0.35	0.15	0.15	0.35
GRAND TOTAL	1065.23	191.75	187.84	192.79	151.88	72.65	76.51	73.81	44.23	37.38	36.39

THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

Action Programme for the Development of Sierra Leone 2001-2010

ANNEXES

PROGRAMME/PROJECT MATRIXES

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ANNEX 1: **Disarmament, Demobilisation, Reintegration and Reconstruction**

Objective	Strategy	Main Activities	Cost (US\$ M)	Expected Outputs/Targets	
To support the Encampment, Disarmament, Demobilization and Reintegration Programme in Sierra Leone which is the strategic framework for reconciliation, reconstruction, security and lasting peace.	<ul style="list-style-type: none"> ◆ Disarming of combatants ◆ Counseling and trauma healing ◆ Re-establishing of ex-combatants in civilian life and pursuits ◆ Training for skills acquisition ◆ Funding assistance for self-employment ◆ Supporting community based initiatives ◆ Organizing community sensitization activities on peace building and reconciliation 	<p>A. <u>Reintegration of Ex-combatants</u></p> <ul style="list-style-type: none"> ◆ Promote reintegration activities <ul style="list-style-type: none"> ■ Training Courses ■ Public Works ■ Provision of micro credit ■ Support for agricultural pursuits ■ Social integration activities ■ TSA payments ◆ Administrative activities 	43.4	<ul style="list-style-type: none"> ◆ 45,000 ex-combatants reintegrated into civilian life ◆ Social and physical infrastructure rehabilitated ◆ Agricultural production restored to pre-war level by 2004 ◆ Improved security situation ◆ Improved access to basic social services ◆ Economic and social activities regenerated 	
			4.6		
		<p>B. <u>Reconciliation and Reconstruction for Peace and Security</u></p> <ul style="list-style-type: none"> ◆ Sensitization of communities ◆ Support to community initiatives ◆ Skills development/training ◆ Revitalization of basic social facilities 	200 ²		
			<u>200</u> ST		
			<u>248</u> GT		

47

1. In these Annexes, ST stands for Sub Total, T for Total and GT for Grand Total.
2. This estimate is derived largely from data and information obtained from a rapid assessment of war-related damages conducted in 1997 to formulate a quick action programme (QUAP). It is tentative and may contain a wide margin of error. A firm estimate covering the entire country would have to await improvement in the security situation and a complete end to hostility.

ANNEX 2 (1): **Judicial Reform**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
<p>To establish a credible, effective and efficient judicial system which will serve as a guarantor and protector of human rights</p>	<ul style="list-style-type: none"> ◆ Refurbishment of the physical infrastructures of main Law Courts Building, High Courts and Magistrate Courts. ◆ Building-up the Court Registry System ◆ Provision of Technical Assistance ◆ Provision of training 	<ul style="list-style-type: none"> ◆ Project management activities. ◆ Provide technical assistance. ◆ Refurbish the physical infrastructure of Courts nationwide ◆ Establish a modern stenographic reporting system 	<p>0.90</p> <p>1.01</p> <p>0.67</p> <p>0.30</p> <p style="text-align: right;"><u>2.88</u> T</p>	<ol style="list-style-type: none"> 1. Institutionalization of the rule of law and prompt delivery of impartial justice 2. Trained court clerks, magistrates and other professionals in the judiciary and law enforcement system 3. Modern management system for storage and retrieval of records 4. Laws reviewed and revised to ensure high technical quality and consistency with democratic and private sector development aspirations.

ANNEX 2 (2): Restoration/Strengthening of Local Government Administration, and Conduct of Elections

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
<p>1. To provide greater access to the machinery of Government and give the electorate greater democratic control for the development of their local communities.</p> <p>2. To support the electoral process through the conduct of free and fair elections.</p>	<ul style="list-style-type: none"> ◆ Sensitization of the public about the benefits to be derived from local government. ◆ Recruitment and training of local government staff in management planning, financial management, human resource management, and organizational management. ◆ Holding of elections to central and local government bodies 	<ul style="list-style-type: none"> ◆ Publish policy and legislative framework as well as rules and procedures for local government administration. 	0.01	<ol style="list-style-type: none"> 1. Well-established proposal for reactivation of local government. 2. A better-informed public on local government. 3. A decentralized system of government. 4. Trained work-force for local government. <p>Solid foundation for political stability and a renewed development process.</p>
		<ul style="list-style-type: none"> ◆ Hold sensitization workshops/seminars and publicity campaigns. ◆ Rehabilitate/reconstruct physical facilities and provide furniture and equipment. ◆ Strengthen capacity of Ministry of Local Government and Rural Development to monitor local authorities ◆ Establish Local Government Service Commission. ◆ Implement training ◆ Conduct elections nationwide 	<p>0.75</p> <p>4.00</p> <p>0.35</p> <p>0.50</p> <p><u>1.20</u></p> <p>6.81 S T</p> <p><u>30.00</u></p> <p><u>36.81</u> G T</p>	

ANNEX 2 (3): **Civil Service Reform**

Objective	Strategy	Main Activities	Cost (US\$Million)	Expected Outputs/Targets
To improve the responsiveness, efficiency, effectiveness and integrity of the Civil Service	◆ Realignment of the size and structure of the Civil Service with the role of Government.	◆ Establish and equip personnel management office and train staff	0.20	1. Rules and Procedures for efficiency firmly established by 2002 2. Personnel records updated and fully computerized 3. Training policy in place 4. Training college fully operational in 2002
	◆ Adoption of realistic remuneration packages	◆ Formulate training policy and prepare training programme	0.20	
	◆ Adoption of results-based management.	◆ Resuscitate Civil Service Training College	0.50	
	◆ Personnel training.		<u>0.90</u> T	
	◆ Promotion of integrity and accountability.			

ANNEX 2 (4): **Public Sector Management**

51

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
<p>To build a strong private-sector-led economy by building the capacity of economic and financial managers to perform their duties efficiently and effectively</p>	<ul style="list-style-type: none"> ◆ Development of a comprehensive and integrated training policy and programme. ◆ Improvement of incentive system ◆ Restructuring of key Ministries ◆ Provision of technical assistance. 	<ul style="list-style-type: none"> ◆ Train key staff in macro-economic management (policy analysis, investment appraisal and programming procedures, budgeting, aid coordination and management) ◆ Establish computerized database to link macro-economic sectoral ministries ◆ Review contracting procedures for competitive bidding. ◆ Enhance local capacity to organize and conduct training programmes in Economic Management and Policy Analysis. 	<p style="text-align: center;">0.60</p> <p style="text-align: center;">0.15</p> <p style="text-align: center;">0.01</p> <p style="text-align: center;"><u>0.50</u> <u>1.26</u> T</p>	<ol style="list-style-type: none"> 1. Key staff in macro-economic sectors trained in economic policy formulation, co-ordination and budgetary planning. 2. Public investment and programming procedures strengthened. 3. Increased capacity for aid-coordination and management. 4. Improved procurement procedures. 5. The Institute of Public Administration and Management strengthened and is able to fulfill its mandate. 6. Training policy developed and yearly training activities established.

ANNEX 2 (5): **Parliamentary Development Support**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To strengthen Parliament's capacity to effectively perform its role as guardian of the peoples' interest.	<ul style="list-style-type: none"> ◆ Improving skills and capacity of MPs and Parliamentary Staff ◆ Reforming of management and procedures ◆ Providing essential logistics support 	◆ Provide technical assistance, internal and external training of MPs and staff	0.40	<ol style="list-style-type: none"> 1. Parliamentary Procedures updated in consonance with constitution. 2. Effective performance of Parliament in pursuit of good governance 3. Records of Parliamentary business produced accurately and on a timely basis
		◆ Provide equipment and logistics	0.15	
		◆ Provide project management support	<u>0.08</u>	
			<u>0.63</u> T	

ANNEX 3 (1) : **Development of Bureau of Standards**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To strengthen the capacity of the Sierra Leone Bureau of Standards to facilitate trade, industry and other economic activities and to protect consumers' interest.	<ul style="list-style-type: none"> ◆ Provision of technical assistance in standardization, certification, and quality management. 	<ul style="list-style-type: none"> ◆ Provide technical assistance 	0.36	<ol style="list-style-type: none"> 1. Personnel of SLSB Trained in Quality Management, Metrology and Standardization. 2. Enhanced capacity to meet quality standards of exports as established by WTO, EU and other bodies. 3. Improved measures in place to protect consumers from harmful products. 4. Enhanced ability to monitor quality of locally manufactured goods. 5. Improved export prospects for fish and fish products, coffee, cocoa, and other agricultural products.
	<ul style="list-style-type: none"> ◆ Training of local staff. 	<ul style="list-style-type: none"> ◆ Provide logistics and equipment 	0.48	
	<ul style="list-style-type: none"> ◆ Provision of equipment and logistical support 	<ul style="list-style-type: none"> ◆ Provide in-house and overseas training 	0.34	
	<ul style="list-style-type: none"> ◆ Provision of equipped specialized laboratories 	<ul style="list-style-type: none"> ◆ Construct and equip specialized laboratories 	<u>1.50</u>	

ANNEX 3 (2): Private Sector Development

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To enhance the capacity of the private sector to organise itself to met the challenges of development.	◆ Strengthening the capacity of SLEDIC to formulate policies and programmes, and to conduct activities on export and investment promotion	◆ Provide technical assistance to SLEDIC	0.60	<ol style="list-style-type: none"> 1. Comprehensive strategy for export and investment promotion 2. Enhanced capacity to advise on matters relating to the legal and regulatory framework for private sector development 3. Improved business environment and revitalized private sector 4. Improved capacity to collect and process business and industrial statistics on a timely basis 5. Enhanced capacity for policy analysis and research 6. Advisory service in place on overall private sector development 7. Improved access to foreign markets
	◆ Strengthening of Ministry of Trade, Industry and State Enterprises as facilitator of industrial and private sector development	◆ Pursue on-going activities for the development of non-traditional exports	0.20	
	◆ Promoting interactive policy formulation process (IPEP) between the public and private sectors	◆ Conduct periodic surveys on small and medium enterprises to establish appropriate strategies for their development	0.30	
	◆ Guaranteeing of loans and advances to the private sector from ODA and international financial institutions, through NDB and rural banks	◆ Formulate and organise training programme	0.80	
	◆ Training of staff.	◆ Provide technical assistance to MTISE and SLCCIA.	1.24	
		◆ Open credit window for private operators	2.04	
		<u>5.18</u> T		

Annex 3 (3): **Micro-Small Enterprises Development**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To promote Micro-small enterprises (MSE) development	<ul style="list-style-type: none"> ◆ Strengthening the capacity of selected governmental and non-governmental organisations including the private sector to formulate policies and implement programmes on employment creation ◆ Supporting targeted groups through training, information, access to credit, provision of equipment and provision of advisory services 	<ul style="list-style-type: none"> ◆ Conduct training on policy analysis and formulation in support of micro-small enterprises development. ◆ Provide yearly training, advisory services, and credit facilities to 3000 youths, ex-combatants and retrenched workers. ◆ Conduct surveys on the needs and gaps in the provision of MSE support services. ◆ Provide support to skills development training institutions 	<p style="text-align: center;">0.01</p> <p style="text-align: center;">1.00</p> <p style="text-align: center;">0.10</p> <p style="text-align: center;"><u>1.20</u> <u>2.31</u> T</p>	<ol style="list-style-type: none"> 1. Twenty (20) participants from key relevant Ministries, NGOs and other support organizations trained in formulating and implementing MSE policies 2. MSE Development policy in Sierra Leone. 3. 3000 new/existing micro-small enterprises established/strengthened, of which 50% must be women. 4. 7000 jobs created/maintained (50% women)

ANNEX 4(1): **Agriculture Rehabilitation**

Objective	Strategy	Main Activities	Cost (US\$Million)	Expected Outputs/Targets																												
To restore the productivity of both food and cash crops as well as livestock nationwide, to pre-war levels.	<ul style="list-style-type: none"> ◆ Promotion of improved crop husbandry practices ◆ Timely delivery of inputs and provision of credit ◆ Promotion of Food-For-Work activities ◆ Active participation of farmers associations, community and local leaders in project activities. ◆ Reconstitute Rural Banks 	<ul style="list-style-type: none"> ◆ Establish and equip Project Management Unit (PMU), recruit and orient staff, provide management activities. ◆ Procure farm inputs, planting materials, and processing equipment ◆ Procure livestock ◆ Provide food-for-work ◆ Train extension staff and farmers ◆ Rehabilitate farm structures, food and cash crops ◆ Provide extension, conduct monitoring and evaluation. 	<p style="text-align: right;">2.58</p> <p style="text-align: right;">3.96</p> <p style="text-align: right;">16.79</p> <p style="text-align: right;">5.30</p> <p style="text-align: right;">1.27</p> <p style="text-align: right;">45.84</p> <p style="text-align: right;"><u>8.00</u></p> <p style="text-align: right;"><u>83.74</u></p> <p style="text-align: center;">T</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Year <u>2001</u></th> <th style="text-align: center;">Year <u>2002</u></th> <th style="text-align: center;">Year <u>2003</u></th> </tr> </thead> <tbody> <tr> <td>Area rehabilitated (ha)</td> <td style="text-align: right;">142,000</td> <td style="text-align: right;">189,000</td> <td style="text-align: right;">142,000</td> </tr> <tr> <td>Ruminants and chickens restocked</td> <td style="text-align: right;">456,000</td> <td style="text-align: right;">608,000</td> <td style="text-align: right;">456,000</td> </tr> <tr> <td>Food imports*</td> <td></td> <td style="text-align: right;">-5%</td> <td style="text-align: right;">-15%</td> </tr> <tr> <td>Food exports</td> <td></td> <td style="text-align: right;">+10%</td> <td style="text-align: right;">+10%</td> </tr> <tr> <td>Meat Production (tons)</td> <td></td> <td></td> <td style="text-align: right;">200,000</td> </tr> <tr> <td>Reconstructed farm structures (No)</td> <td></td> <td></td> <td style="text-align: right;">167</td> </tr> </tbody> </table> <p><u>Other Expected Benefits</u></p> <ol style="list-style-type: none"> 1. Export revenue from cocoa and coffee increased. 2. Sharp reduction in imports of vegetable oils 3. Improved nutritional status 4. Enhanced agricultural productivity <p>*Note: Minus sign signifies decrease</p>		Year <u>2001</u>	Year <u>2002</u>	Year <u>2003</u>	Area rehabilitated (ha)	142,000	189,000	142,000	Ruminants and chickens restocked	456,000	608,000	456,000	Food imports*		-5%	-15%	Food exports		+10%	+10%	Meat Production (tons)			200,000	Reconstructed farm structures (No)			167
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ANNEX 4 (2): **Agriculture Diversification**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets																																																																						
To reverse the country's declining trend in food crop production and to contribute to attainment of food self-sufficiency and food security on a sustainable basis	<ul style="list-style-type: none"> ◆ Intensification of small farmers cultivation practices through use of improved agricultural practices ◆ Provision of improved seeds, fertilizers and other inputs on a timely basis ◆ Strengthening of adaptive farming systems research ◆ Training of extension staff and farmers ◆ Concentration of effort on development of Inland Valley Swamps (IVS) and adjacent areas to obtain highest possible yields. 	<ul style="list-style-type: none"> ◆ Establish management unit and conduct management activities. ◆ Organize training for extension staff and farmers ◆ Develop Inland Valley Swamps ◆ Develop Adaptive Crop Farming System ◆ Provide extension services ◆ Provide inputs ◆ Provide special assistance to women headed households ◆ Establish crop protection service ◆ Seed multiplication ◆ Monitor project activities on a continuous basis. 	7.49 4.92 10.18 4.35 8.54 31.79 9.24 1.54 12.11 4.23 <u>94.39</u> T	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%; text-align: center;">Year <u>2004</u></th> <th style="width: 10%; text-align: center;">Year <u>2005</u></th> <th style="width: 10%; text-align: center;">Year <u>2006</u></th> <th style="width: 10%; text-align: center;">Year <u>2007</u></th> </tr> </thead> <tbody> <tr> <td>New area cultivation (000ha)</td> <td style="text-align: right;">20.6</td> <td style="text-align: right;">51.1</td> <td style="text-align: right;">89.7</td> <td style="text-align: right;">133.3</td> </tr> <tr> <td>Rice Paddy (000MT)</td> <td style="text-align: right;">17.8</td> <td style="text-align: right;">49.1</td> <td style="text-align: right;">95.7</td> <td style="text-align: right;">153.9</td> </tr> <tr> <td>Food Crops (000MT)</td> <td style="text-align: right;">44.4</td> <td style="text-align: right;">112.9</td> <td style="text-align: right;">217.7</td> <td style="text-align: right;">356.5</td> </tr> <tr> <td>Farm Families</td> <td style="text-align: right;">9160</td> <td style="text-align: right;">13720</td> <td style="text-align: right;">17520</td> <td style="text-align: right;">20580</td> </tr> <tr> <td>Increase in yield (%)</td> <td></td> <td style="text-align: right;">2.8</td> <td style="text-align: right;">11.6</td> <td style="text-align: right;">16.7</td> </tr> <tr> <td colspan="5"><u>Other Benefits</u></td> </tr> <tr> <td>1.</td> <td colspan="4">Increased farm income</td> </tr> <tr> <td>2.</td> <td colspan="4">Improved food self-sufficiency and food security</td> </tr> <tr> <td>3.</td> <td colspan="4">Import of food sharply reduced</td> </tr> <tr> <td>4.</td> <td colspan="4">Improved nutritional standards nationwide</td> </tr> <tr> <td>5.</td> <td colspan="4">Improved cultivation techniques on upland rice, inland valley swamp rice, cassava, sweet potato, maize, vegetables, groundnut, and other cereals</td> </tr> <tr> <td>6.</td> <td colspan="4">Women food crop production firmly established</td> </tr> <tr> <td>6.</td> <td colspan="4">Incidence of pests and plant diseases reduced by 10% in 2005.</td> </tr> </tbody> </table>		Year <u>2004</u>	Year <u>2005</u>	Year <u>2006</u>	Year <u>2007</u>	New area cultivation (000ha)	20.6	51.1	89.7	133.3	Rice Paddy (000MT)	17.8	49.1	95.7	153.9	Food Crops (000MT)	44.4	112.9	217.7	356.5	Farm Families	9160	13720	17520	20580	Increase in yield (%)		2.8	11.6	16.7	<u>Other Benefits</u>					1.	Increased farm income				2.	Improved food self-sufficiency and food security				3.	Import of food sharply reduced				4.	Improved nutritional standards nationwide				5.	Improved cultivation techniques on upland rice, inland valley swamp rice, cassava, sweet potato, maize, vegetables, groundnut, and other cereals				6.	Women food crop production firmly established				6.	Incidence of pests and plant diseases reduced by 10% in 2005.			
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ANNEX 4(3): **Work Oxen Rehabilitation**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets															
To rehabilitate and promote animal draft technology in the form of work oxen to meet the demand for farm land expansion	◆ Promotion of draft power through: extension training and campaign	◆ Establish and equip Project Management Unit	0.19																
		◆ Train extension staff	0.11	<table border="0"> <tr> <td></td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Year</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>2003</u></td> <td style="text-align: center;"><u>2004</u></td> <td style="text-align: center;"><u>2005</u></td> <td style="text-align: center;"><u>2006</u></td> </tr> <tr> <td>Number of Oxen-Pairs</td> <td style="text-align: center;">600</td> <td style="text-align: center;">600</td> <td style="text-align: center;">600</td> <td style="text-align: center;">600</td> </tr> </table>		Year	Year	Year	Year		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	Number of Oxen-Pairs	600	600	600	600
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		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>														
	Number of Oxen-Pairs	600	600	600	600														
	◆ Provision of credit	◆ Provide infrastructure and logistics for training of oxen	2.70	Incremental acreage															
	◆ Training of local village craftsmen.	◆ Train blacksmiths and other craftsmen	0.38	Under Rice Cultivation 3600 7200 10800 14400															
		◆ Establish credit scheme	1.03	<u>Other End-of Project Situation</u>															
		◆ Re-equip workshop and manufacture implements	2.11	1. Increased productivity of small-scale farms															
		◆ Conduct education campaign and demonstration	0.13	2. Expanded farm land area															
	◆ Provide extension and husbandry	0.68	3. Draft power technology firmly established																
	◆ Monitor project on a continuous basis	0.11																	
			<hr style="width: 50px; margin-left: 0;"/> 7.44 T																

ANNEX 4 (4): **Agriculture Information Rehabilitation**

Objective	Strategy	Main Activities	Cost (US\$Million)	Expected Outputs/Targets
To rehabilitate the information system in agriculture for effective planning, monitoring and evaluation of sector activities	◆ Undertaking a full agricultural census to provide baseline data for the entire agricultural sector	◆ Establish implementation committee	-	<ol style="list-style-type: none"> 1. Agricultural database established and easily accessible and usable. 2. Agricultural planning strengthened 3. Capability of Government departments to evaluate and monitor changes in resource base strengthened.
		◆ Procure equipment and supplies	4.90	
	◆ Training of staff in Ministry of Agriculture, Forestry and Fisheries to carry out statistical activities efficiently	◆ Prepare detailed implementation plan, and train census personnel	2.80	
		◆ Conduct census and analyze data	1.59	
		◆ Conduct seminar/workshop on census results.	0.07	
◆ Utilizing satellite imagery		<u>9.36</u> T		

ANNEX 4 (5): **Community Forest Development**

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Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To arrest the rapid deterioration in forest resources arising from uncontrolled exploitation and war damages	<ul style="list-style-type: none"> ◆ Systematic planting for sustainable fuel wood supply. ◆ Continuous monitoring of resources ◆ Improvement in planning and management ◆ Conservation through efficient wood energy utilization ◆ Public education campaign to raise awareness about consequences of deforestation ◆ Encouragement of community effort in agro-forestry practices 	<ul style="list-style-type: none"> ◆ Project management activities ◆ Conduct environmental rehabilitation of degraded areas ◆ Install water shed management practices ◆ Strengthen wildlife management practice ◆ Conduct forest resource assessment ◆ Establish fuel wood plantation ◆ Provide institutional support and training ◆ Promote small scale cottage industries ◆ Promote agro-forestry development ◆ Establish forestry protection measures. 	1.63	<ol style="list-style-type: none"> 1. 600ha of degraded lands rehabilitated 2. 300ha catchments sites under watershed management 3. 600ha nurseries developed to raise seedlings for fuel wood 4. Forest cover restored throughout the country 5. Improved forest regulations and control 6. Forest resources efficiently utilized 7. Small-scale cottage industries on forest products developed 8. Wild life management improved
			0.76	
			0.64	
			0.74	
			1.01	
			2.11	
			1.75	
			0.63	
			0.79	
			0.64	
<u>10.70</u>	T			

ANNEX 4 (6): Fisheries Development

Objectives	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
1. To promote the expansion and development of the artisanal fisheries to a semi – industrial level.	<ul style="list-style-type: none"> ◆ Investment in related shore facilities for: boat repair and building; storage and ice production; fish transport; fishing gear and engine repairs. ◆ Training of staff in Department of Fisheries and Marine Resources, and fish workers. 	<ul style="list-style-type: none"> ◆ Construct fishing infrastructure 	7.8	<ol style="list-style-type: none"> 1. Increased fish workers' income 2. fisher folks adopt new, improved fishery technology 3. 20 percent annual increase in fish exports 4. Improved nutritional standards through higher fish consumption
		<ul style="list-style-type: none"> ◆ Establish line of credit for fish production, processing and marketing ◆ Train extension staff and fish workers ◆ Provide management and technical assistance. 	7.0 3.1 2.9	
2 To effectively monitor, control, and protect the marine resources within the EEZ.	<ul style="list-style-type: none"> ◆ Operation of fisheries protection service within the EEZ. ◆ Training of staff in monitoring, control and surveillance (MCS). 	<ul style="list-style-type: none"> ◆ Procure vessels and equipment 	3.4	<ol style="list-style-type: none"> 1. Revenue estimated at US\$ 100 Million generated annually through MCS 2. Patrol vessels and licensed trawlers operate in EEZ soon after project commencement date. 3. National marine fisheries database established. 4. Effective policing of EEZ.
		<ul style="list-style-type: none"> ◆ Provide technical assistance. ◆ Conduct Marine Fisheries Protection 	1.2 3.0	
			<u>20.8</u> ST	
			<u>7.6</u> ST	
			<u>28.4</u> GT	

ANNEX 5: **Small-Scale Miners' Credit**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To provide access of small-scale miners to institutional credit to increase self-employment	◆ Promotion of small-scale miners' cooperatives.	◆ Conduct baseline studies of miners to be assisted	0.01	1. Access to credit available to 500 gold and diamond miners annually
	◆ Establishment of easily accessible buying centres for gold and diamonds	◆ Rehabilitate and strengthen existing storage for accommodation of implements and equipment to be given on credit under the scheme	0.10	2. Buying centres for gold and diamonds within easy reach of miners
	◆ Provision of mining equipment instead of cash as credit	◆ Establish buying centres for precious minerals at strategic locations	0.05	3. 8,000 jobs created in 10 years
	◆ Provision of information about prices of precious minerals	◆ Establish revolving loan scheme	<u>0.55</u>	4. Improved marketing of precious minerals through official channels
			<u>0.71</u> T	

ANNEX 6: **Roads Rehabilitation**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To support the maintenance and rehabilitation of selected network of key roads in order to enhance sustainable development	<ul style="list-style-type: none"> ◆ Well-focused effort under a 10-year road reconstruction and rehabilitation programme to clear backlog of deferred maintenance. ◆ Implementation of an efficient management system. ◆ Maximum use of private-sector resources ◆ Utilization of labour-intensive methods 	Description of Activity <ul style="list-style-type: none"> ◆ Spot Improve Feeder Roads ◆ Reshape/Regravel Gravel Main Roads ◆ Rehabilitate Urban Roads and Streets ◆ Maintain Main Roads ◆ Reconstruct Paved Roads. ◆ Provide Technical Assistance 	<p style="text-align: right;">10.52</p> <p style="text-align: right;">8.10</p> <p style="text-align: right;">9.80</p> <p style="text-align: right;">11.70</p> <p style="text-align: right;">52.00</p> <p style="text-align: right;"><u>5.00</u></p> <p style="text-align: right;"><u>97.12</u> T</p>	<ol style="list-style-type: none"> 1. Rehabilitated Roads as follows: <ul style="list-style-type: none"> ◆ 2205 km (Feeder Roads) ◆ 1229 km (Main Gravel Roads - Regravelled) ◆ 100 km (Urban Roads and Streets) ◆ 227km (Main Roads) ◆ 161 km (Reconstituted Paved Roads) 2. Reduced vehicle maintenance cost 3. 80,000 work days of "Long Term" employment annually through labour intensive road maintenance and rehabilitation on feeder roads alone

ANNEX 7: **Postal Services Rehabilitation**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs /Targets
To restore postal infrastructure equipment and services destroyed by civil conflict	<ul style="list-style-type: none"> ◆ Refurbishing and/or reconstructing of destroyed facilities ◆ Strengthening of distribution units ◆ Training of staff ◆ Reequipping of postal posts 	<ul style="list-style-type: none"> ◆ Refurbish structures ◆ Reconstruct facilities destroyed by civil conflict ◆ Provide technical assistance. ◆ Provide equipment ◆ Strengthen distribution unit 	<p style="text-align: right;">1.15</p> <p style="text-align: right;">4.20</p> <p style="text-align: right;">1.30</p> <p style="text-align: right;">2.40</p> <p style="text-align: right;"><u>0.61</u></p> <p style="text-align: right;"><u>9.66</u> T</p>	<ol style="list-style-type: none"> 1. Postal infrastructure destroyed in the war restored. 2. Enhanced management practices and improved postal services. 3. Improved communications facility for rural areas:

ANNEX 8: **Energy Sector Development**

Objective	Strategy	Main Activities	Cost (US\$Million)	Expected Outputs/Targets
To increase the availability of electrical energy to facilitate faster socio-economic development.	<ul style="list-style-type: none"> ◆ Continued rehabilitation and maintenance of NPA's infrastructure and systems ◆ Promotion of private sector participation in generation and sale of electricity ◆ Improvement of future electricity supply through hydro-power development 	◆ Conduct studies to establish institutional framework for managing Bumbuna Hydro.	0.02	<ol style="list-style-type: none"> 1. Improved productivity and efficiency of electrical energy production. 2. Higher national income through lower cost of production as well as increase in industrial employment (including small-scale enterprises) 3. Enhanced quality of life through higher levels of electricity consumption
		◆ Complete civil works and distribution network of Bumbuna Hydro to operational level	28.30	
		◆ Rehabilitate NPA's distribution system	10.00	
		◆ Establish procedures for privatizing NPA and prepare divestiture instruments	0.10	
		◆ Implement relocation scheme for communities displaced by Bumbuna dam	<u>2.00</u>	
	<u>40.42</u> T			

ANNEX 9 (1): **Basic Education Development**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
1. To expand access to education at the basic level.	<p align="center">Basic Education</p> <ul style="list-style-type: none"> ◆ Increasing budgetary allocation to education. ◆ Intensifying of efforts to mobilize foreign funding. ◆ Training of existing untrained teachers at the primary level. ◆ Strengthening of planning policy analysis, and statistical database. ◆ Expanding rapidly enrolment at primary level. ◆ Fostering Community participation in the implementation of educational programmes. ◆ Rehabilitating and equipping damaged schools. ◆ Providing of educational facilities at basic level 	<p>1. Primary Education</p> <ul style="list-style-type: none"> ◆ Conduct inventory of facilities for basic education ◆ Construct new classrooms with furniture and equipment ◆ Rehabilitate and equip 700 primary schools with priority to rural areas. ◆ Provide educational materials (stationery, learning kits and textbooks) ◆ Conduct training course for upgrading primary school teachers ◆ Conduct training course for inspectors and supervisors of primary school ◆ Encourage girls' participation by increasing number of female teachers in schools and teacher colleges 	<p>0.20</p> <p>36.00</p> <p>15.42</p> <p>13.20</p> <p>19.50</p> <p>2.95</p> <p>3.42</p> <p><u>90.69</u> T</p>	<ol style="list-style-type: none"> 1. Primary school enrolment rate increased from 50 percent in 2000 to 75 percent in 2010 2. 9000 classrooms constructed by 2010 with toilet facilities, offices and equipment 3. Rehabilitation and re-equipment of 700 schools: 200 by year 2003; 400 by 2005, and 700 by 2010. 4. 13,000 teachers trained (one-week-training per teacher every term) 5. 15 inspectors, 50 supervisors and 2500 head teachers trained in management and supervisory methods every year
		<p>2. Adult and Non-Formal</p> <ul style="list-style-type: none"> ◆ Equip non-formal education division 	<p>0.04</p>	<ol style="list-style-type: none"> 1. Adult literacy rate increased to 50 percent by 2010 (from 25 percent in 2000)

ANNEX 9 (2): **Basic Education Development (cont'd)**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
		<p>Adult and Non-formal (Contd.)</p> <ul style="list-style-type: none"> ◆ Establish literacy centres in all villages, towns and communities. 45.00 ◆ Provide materials to afford courses in technology, commerce and local languages. 1.35 ◆ Train 1000 literacy Supervisors for grassroots literacy programmes. 0.23 ◆ Conduct phased in-service training of 3 weeks each for 22500 facilitators. 3.38 ◆ Organize specialized training for Literacy Delivery Agents 0.17 <p style="text-align: right;"><u>50.17</u> T</p> <p>3. Junior Secondary School</p> <ul style="list-style-type: none"> ◆ Conduct inventory of JSS facilities 0.02 ◆ Renovate Physical facilities 3.50 ◆ Construct new buildings for JSS 28.86 ◆ Provide very basic science, vocational and technical teaching/learning materials 1.64 <p style="text-align: right;"><u>34.02</u> T</p>		<ul style="list-style-type: none"> 2. 2000 literacy centres with average capacity of 150 learner places. 3. 1000 sets of materials (one for every 2 literacy centres) 4. 1000 Literacy Supervisors trained 5. 22500 Facilitators trained 6. 7 Literacy Delivery Agents trained (one in each of the 17 Education Districts) <ul style="list-style-type: none"> 1. 1429 and 1734 JSS classrooms renovated and constructed respectively, as well as furnished and equipped 2. 4 blocks per school, 111 schools

ANNEX 9 (3): **Education Information Rehabilitation**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To strengthen the information system in education for effective planning, policy-making and decision- making.	◆ Strengthening of the Planning Division	◆ Provide technical assistance	0.10	1. Updated statistics on education sector. 2. Reliable basis for planning and decision-making 3. Enhanced planning capacity in education .
	◆ Providing adequate staffing	◆ Provide training	0.12	
	◆ Providing extensive in-service training facilities	◆ Furnish equipment	0.60	
	◆ Equipping with adequate tools to undertake statistical compilation, information gathering and research.	◆ Collect routine statistics	0.50	
			<u>1.32</u> T	

ANNEX 9 (4): **Senior Secondary Development**

Objective	Strategy	Main Activities	Cost (US\$Million)	Expected Outputs/Targets
To strengthen Senior Secondary Education	<ul style="list-style-type: none"> ◆ In-Service training of teachers especially on the new syllabi developed for Senior Secondary Schools. ◆ Provision of conducive environment for learning; provision of spacious classrooms, well equipped laboratories etc. ◆ Curriculum reform to make SSS education relevant to the needs of the country and society ◆ Motivation of teachers through improved conditions of service 	◆ Rehabilitate Senior Secondary Schools	2.00	<ol style="list-style-type: none"> 1. 40 SSS Rehabilitated 2. 3000 SSS teachers provided with refresher courses in 10 years 3. 25 new SSS established 4. 50% of products of Basic Education have access to SSS by 2010 5. 80% of SSS teachers qualified by 2010
		◆ Provide Science Laboratory equipment	1.20	
		◆ Conduct refresher courses for SSS teachers	1.35	
		◆ Construct and equip new schools.	3.75	
		<u>8.30</u> T		

ANNEX 9 (5): **Technical/Vocational Development**

Objective	Strategy	Main Activities	Cost (US\$1Million)	Expected Outputs/Targets
To combat the general shortage of skilled manpower through support for Technical and Vocational Education	<ul style="list-style-type: none"> ◆ Supporting the re-equipment of technical/ vocational training centres ◆ Linking literacy and occupational skills acquisition ◆ Training of teachers for technical and vocational centres 	◆ Provide tools and equipment to existing technical/vocational institutions	6.20	1. 31 institutions provided with tools and equipments
		◆ Establish equipment repair and maintenance Task Force	0.74	2. 100 participants' skills (10 per year) upgraded
		◆ Organize seminars/ workshops to upgrade instructors	0.20	3. 10 Fellowships (6 months each)
		◆ Provide overseas training in technical courses not offered in Sierra Leone.	0.28	4. Sensitivity Workshop nationwide.
		◆ Develop access courses for girls to enter technical/vocational training after JSS III	0.22	5. Open-Day for JSS III Girls
		◆ Construct and equip technical/vocational centres	11.25	6. 6 T/V centres constructed
			<u>18.89</u>	T

ANNEX 9 (6): **Physical Health Education and Sports**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
<p>To reinstate and strengthen physical education and sports, as a vital component of the education curricula.</p>	<ul style="list-style-type: none"> ◆ Strengthening PE and Sports services at all levels ◆ Strengthening of facilities and equipment. ◆ Mounting intensive and extensive training and retraining of PE and Sports teachers, coaches, inspectors and co-ordinators. 	<ul style="list-style-type: none"> ◆ Provide facilities and basic equipment ◆ Conduct in service training for PE teachers ◆ Construct mini-stadium in each Education District. 	<p style="text-align: center;">2.39</p> <p style="text-align: center;">0.50</p> <p style="text-align: center;"><u>1.26</u></p> <p style="text-align: center;"><u>4.15</u> T</p>	<ol style="list-style-type: none"> 1. 2233 sets of teaching and learning materials. 2. 400 sports grounds equipped 3. Ten 2-week in-service training for teachers and inspectors /coaches in PE and Sports 4. Four 6–Month overseas fellowships for senior officers in PE and Sports 5. 17 small stadiums

ANNEX 10 (1): Health Sector Development

Objective	Strategy: Health Sector	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
1. To enhance basic health services delivery through cost effective prevention and healing interventions	<ul style="list-style-type: none"> ◆ Promotion of low cost preventive and basic curative care nationwide. ◆ Rehabilitation/Reconstruction of physical facilities ◆ Decentralization of health administration ◆ Provision of essential drugs and supplies on cost recovery basis. ◆ Training of health sector personnel at all levels. ◆ Strengthening of health planning and information system ◆ Provision of health care services for special categories of persons e.g. war victims 	1. Primary Health Care (PHC) <ul style="list-style-type: none"> ◆ Provide materials and supplies for disease control and prevention. ◆ Provide equipment for school health programme. ◆ Promote family planning ◆ Conduct training workshops, seminars, basic skills development programmes in PHC. ◆ Conduct nutrition surveys and baseline studies ◆ Conduct health sensitization and education campaigns. ◆ Provide equipment and supplies for programme supervision and co-ordination - PHC Directorate 	<p style="text-align: right;">15.0</p> <p style="text-align: right;">2.25</p> <p style="text-align: right;">6.00</p> <p style="text-align: right;">9.00</p> <p style="text-align: right;">3.00</p> <p style="text-align: right;">1.50</p> <p style="text-align: right;">1.50</p> <p style="text-align: right;"><u>38.25</u> ST</p>	<ol style="list-style-type: none"> 1. Functional essential health care infrastructure countrywide 2. Trained paramedical staff in Primary Health Care. 3. Improved health and nutritional status of the population. 4. Populace sensitized about, and acquire, good health and sanitation habits
		2. Infrastructure <ul style="list-style-type: none"> ◆ Prepare pre-contract documents and supervise contracts. ◆ Conduct phased rehabilitation exercise ◆ Establish and equip Maintenance and Repair Unit in each district. 	<p style="text-align: right;">1.40</p> <p style="text-align: right;">20.00</p> <p style="text-align: right;">0.70</p> <p style="text-align: right;"><u>22.10</u> ST</p>	<ol style="list-style-type: none"> 1. Health facilities in good state of repairs. 2. Improved health delivery services. 3. Improved working environment for medical staff

ANNEX 10 (2): **Health Sector Development (cont'd)**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
<p>3. To ensure supplies of drugs and materials on continuous basis through enhancement of capacity to administer and manage the cost recovery system</p>		<p>3. Essential Drugs</p> <ul style="list-style-type: none"> ◆ Organize in-service and overseas training on stores management and quality control ◆ Review and revise Cost Recovery System ◆ Recruit Consultant to set-up computerized stores management system and to train officials to operate it. ◆ Construct new Central Medical Stores and 3 Provincial Stores. ◆ Provide transport equipment ◆ Rehabilitate/Reconstruct District Medical Stores ◆ Construct and equip Quality Control Laboratory ◆ Procure Drugs 	<p style="text-align: right;">0.30</p> <p style="text-align: right;">0.05</p> <p style="text-align: right;">0.20</p> <p style="text-align: right;">0.61</p> <p style="text-align: right;">0.30</p> <p style="text-align: right;">0.72</p> <p style="text-align: right;">0.12</p> <p style="text-align: right;"><u>5.09</u> <u>7.39</u> ST</p>	<ol style="list-style-type: none"> 1. Modern system of managing essential drugs and supplies manned by trained officials 2. Essential drugs and supplies available on a continuous basis. 3. Improved methods of handling and storing drugs

ANNEX 10 (3): **Health Sector Development (cont'd)**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
4. To enhance performance of health sector in-service delivery through effective human resource management		4. Human Resource Management		
		<ul style="list-style-type: none"> ◆ Update health sector manpower plan. 0.01 ◆ Organize management related training for programme managers of District Health Teams, planners and senior health administrators in-country and externally. 3.00 ◆ Organize skills courses for medical aides 2.00 ◆ Rehabilitate and build capacity of in-country training institutions 5.00 ◆ Support specialized medical training <u>2.40</u> 	<u>12.41</u> ST	<ol style="list-style-type: none"> 1. Updated manpower plan. 2. Trained health managers at all levels. 3. Effective decentralized system. 4. Local training institutions upgraded
5. To enhance capacity to formulate policies, strategies, projects and programmes		5. Health Planning and Information		
		<ul style="list-style-type: none"> ◆ Identify technical, administrative and logistical deficiencies in planning and information system. - ◆ Support planning activities at central and district levels through provision of technical assistance. 10.00 ◆ Provide resources for conducting regular health surveys, and for establishing database 5.00 	<u>15.0</u> ST	<ol style="list-style-type: none"> 1. Enhanced capacity for formulating, monitoring, evaluating and coordinating health sector policies, plans, projects and programmes, nationwide. 2. Reliable and up-to-date health indicators and information 3. Well functioning decentralized planning administration. 4. Improved data/information for assessing health of population
			95.15	GT

ANNEX 11(1): Rural Water and Sanitation Rehabilitation

Objective	Strategy	Main Activities	Cost (US \$Million)	Expected Outputs/Targets
To rehabilitate/reconstruct war damaged rural water and sanitation facilities	<ul style="list-style-type: none"> ◆ Re-establishment of village committees to oversee and participate in the rehabilitation tasks ◆ Local pump caretakers and other technicians given refresher courses ◆ Re-establishment of health education programme 	<p>1. <u>Rehabilitation of Rural Facilities</u></p> <ul style="list-style-type: none"> ◆ hand-dug wells ◆ drilled wells ◆ traditional sources ◆ gravity schemes ◆ spring boxes ◆ hand pumps ◆ VIP latrines 	<p style="text-align: right;">0.70 0.40 0.20 0.08 0.02 0.60 0.30 <u>2.30</u> ST</p>	<p>Rehabilitation/improvement of</p> <ul style="list-style-type: none"> ◆ 1000 hand-dug wells ◆ 400 drilled wells ◆ 2000 traditional sources ◆ 200 gravity schemes ◆ 100 spring boxes ◆ 2000 hand pumps ◆ 2000 sanitary facilities

ANNEX 11(2): Rural Water and Sanitation Expansion

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
2. To increase access to safe water and basic sanitation in rural communities.	<ul style="list-style-type: none"> ◆ Strategy designed to enhance sustainability. ◆ Strong community participation in the planning, construction, management, and upkeep of facilities developed. ◆ Thorough health education in hygiene and environmental sanitation ◆ Contribution from communities toward development costs in the form of labour and local materials. ◆ Local personnel trained to maintain and repair facilities ◆ Suitable ex-combatants and youth trained as technicians and in other skilled tasks ◆ Strong involvement of women in all aspects of development activities 	<p>2. <u>Expansion of Rural Facilities</u></p> <ul style="list-style-type: none"> ◆ Establish community planning committees ◆ Conduct sensitization workshops and health education programmes ◆ Train technicians and village pump caretakers ◆ Provide technical assistance (50WM) to Ministry of Energy and Power (Water Supply Division) ◆ Undertake civil works 	<p style="text-align: center;">-</p> <p style="text-align: center;">0.75</p> <p style="text-align: center;">0.20</p> <p style="text-align: center;">1.00</p> <p style="text-align: center;"><u>23.57</u></p> <p style="text-align: center;"><u>25.52</u> ST</p>	<ol style="list-style-type: none"> 1. 220 new water points per annum between 2001 and 2010 @ US\$6550 each 2. 600 VIP latrines per annum between 2001 and 2010 @ US\$1027 each 3. 15 new gravity schemes per annum between 2001 and 2010 @ US\$20,000 each <p><u>Other Outputs</u></p> <ol style="list-style-type: none"> 1. Improved health facility 2. Reduced incidence of water borne diseases 3. Improved health conditions and health practices in rural areas 4. Reduced workload on women and children through easy access to clean water. 5. Access to safe water and basic sanitation increased to 80% by 2010 6. 3500 youth and ex-combatants trained as wells technicians.

ANNEX 11(3): **Urban Water Supply Rehabilitation**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
3. To rehabilitate urban water schemes for improved access to safe water.	<ul style="list-style-type: none"> ◆ Commercialization of Sierra Leone Water Company to enhance operational efficiency ◆ Introduction of appropriate tariff structure to cover running costs and thereby enhance sustainability. ◆ Strengthening of institutional capacity of water company 	3. <u>Urban Water Schemes</u>		
		◆ Rehabilitate raw water intake installations	0.32	1. 5 major urban centres provided with improved schemes to cater for expanded population
		◆ Rehabilitate and expand treatment works	4.10	2. 1.8 million inhabitants in the major provincial centres of Bo, Kenema, Makeni, Koidu/Yengema and Lungi served with safe water on a 24 hour basis
		◆ Rehabilitate and expand distribution network	1.20	3. Reduced incidence of water borne diseases
		◆ Undertake civil works	1.80	
◆ Provide technical assistance to Water Company	<u>1.00</u>			
			<u>8.42</u> ST	
			<u>36.24</u> GT	

ANNEX 12: **Shelter Development Programme**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To enhance capacity for shelter production and delivery on a sustainable basis and at affordable prices	<ul style="list-style-type: none"> ◆ Rehabilitation and reconstruction of war damaged houses through self-help methods. ◆ Promotion of local building materials ◆ Research to identify low-cost solution to housing problems. ◆ Skills development in housing construction ◆ Establishment of housing finance bank ◆ Creation of land bank for housing and infrastructure development 	◆ Establish and equip project implementation unit.	0.30	<ol style="list-style-type: none"> 1. Institutionalized framework for financing shelter developed. 2. Enhanced capacity within Government to formulate policies, strategies, projects and programmes for the housing sector. 3. Housing stock destroyed by the war replaced 4. Low-Cost local building materials produced at District level nationwide. 5. Ex-combatants and women trained in housing construction and materials development.
		◆ Establish centres at Provincial and District Levels for production of local building materials	0.40	
		◆ Provide Basic Housing Repair Kit in support of resettlement needs of the displaced population	30.00	
		◆ Conduct studies for establishing housing finance bank.	0.09	
		◆ Strengthen institutional capacity of Ministry of Lands, Housing and Country Planning, and the Sierra Leone Housing Cooperation	0.12	
		◆ S.L. Afrique Building materials/Site and Services Project	<u>5.00</u>	
			<u>35.91</u> T	

ANNEX: 13 Environmental Protection

<u>Objective</u>	<u>Strategy</u>	<u>Main Activities</u>	Cost (US \$ Million)	Expected Out puts/Targets
<p>To Build the Capacity of Environmental Protection Department and allied Institutions for effective and efficient Management of Sierra Leone's Environment for sound Socio- Economic Development</p>	<ul style="list-style-type: none"> ◆ Strengthening Capacity of National and Sectoral Environmental Planning Agencies to manage the Environment and Natural Resources Base. ◆ Strengthening of National Capacities for collection, analysis and dissemination of Environmental information and statistics. ◆ Promoting Education and Awareness Building regarding ways to combat desertification; methods to protect and ensure access to water resources; sustainable forest management practices; sustainable forest, crop and livestock technologies; sustainable and efficient energy services and waste management. ◆ Developing and implementing legal and regulatory framework and policies that link sustainable environment and management of natural resources to critical areas of development. 	<ul style="list-style-type: none"> ◆ Train key personnel in environmental management tools. ◆ Provide equipment for the Department and other relevant institutions. ◆ Collect and compile data. ◆ Establish documentation centre. ◆ Hold Radio /Television discussions and workshops/seminars. ◆ Produce leaflets and bulletins on environmental management, ◆ Develop standards, regulations and by-laws. ◆ Revise National Environmental Action Plan and Policy. ◆ Prepare Environmental Impact Assessment procedures. ◆ Constitute the National Environment Protection Board and make it functional. 	<p style="text-align: right;">0.45</p> <p style="text-align: right;">0.36</p> <p style="text-align: right;">0.25</p> <p style="text-align: right;">0.15</p> <p style="text-align: right;">0.35</p> <p style="text-align: right;">0.21</p> <p style="text-align: right;">0.15</p> <p style="text-align: right;">0.20</p> <p style="text-align: right;">0.15</p> <p style="text-align: right;">0.24</p> <hr style="width: 10%; margin-left: auto; margin-right: 0;"/> <p style="text-align: right;">2.51 T</p>	<ol style="list-style-type: none"> 1. Enhanced, well-defined and functional Environment Protection Department and other sectoral agencies with well-trained and committed staff. 2. Efficient and well-equipped documentation centre and mechanism developed for easy collection, processing and dissemination of environmental information. 3. A population fully knowledgeable on environmental management practices. 4. Sound environment management practices incorporated into national development programmes.

ANNEX 14: **Development of Statistical Services**

Objective	Strategy	Main Activities	Cost (US\$ Million)	Expected Outputs/Targets
To enhance the development of national capacity for statistical enquiries	<ul style="list-style-type: none"> ◆ Training of personnel ◆ Providing adequate resources and equipment ◆ Strengthening of routine data collection. ◆ Strengthening the management of statistical services ◆ Updating time series data 	<ul style="list-style-type: none"> ◆ Conduct census of Population ◆ Collect routine statistics. ◆ Provide technical assistance. ◆ Provide data processing equipment and logistics. 	<p style="text-align: center;">2.99</p> <p style="text-align: center;">0.30</p> <p style="text-align: center;">1.20</p> <p style="text-align: center;"><u>0.80</u></p> <p style="text-align: center;"><u>5.29</u> T</p>	<ol style="list-style-type: none"> 1. Statistic information provided on a timely basis. 2. Enhanced national capacity to collect, process and disseminate economic, social and demographic statistics. 3. Improved statistical instrument for policy analysis and development planning

THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

Action Programme for the Development of Sierra Leone 2001-2010

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TABLE I
SIERRA LEONE: SECTORAL BREAKDOWN OF GDP BY INDUSTRIAL ORIGIN AT 1990/91 PRICES (LE MILLION)

	1990/91	1991/92	1992/93	1993/94	1994/95	1995	1996	1997	1998	1999*
Agriculture, Forestry and Fishing	82,602	58,400	57,874	64,067	66,245	67,570	69,664	69,724	65,393	65,733
%	45.5	36.3	38.0	39.8	43.1	48.7	47.9	59.8	55.7	58.4
Industry	34,887	57,003	45,245	50,988	39,625	30,912	32,480	17,431	19,851	18,712
%	19.2	35.4	29.7	31.7	25.5	22.3	22.3	14.9	16.9	16.6
Mining and Quarrying	20,271	40,157	28,873	33,377	20,493	12,983	19,040	11,641	10,204	7,776
%	11.2	25.0	19.0	20.8	13.3	9.4	13.1	10.0	8.7	6.9
Manufacturing and Handicrafts	11,603	12,589	14,050	13,698	13,945	13,152	10,080	3,859	6,572	6,517
%	6.4	7.8	9.2	8.5	9.1	9.5	6.9	3.3	5.6	5.8
Electricity and Water Supply	407	311	196	108	683	708	1,120	701	968	1,311
%	0.2	0.2	0.1	0.1	0.4	0.5	0.8	0.6	0.8	1.2
Construction	2,606	3,945	2,127	3,805	4,143	4,059	2,240	1,230	2,107	3,107
%	1.4	2.5	1.4	2.4	2.7	2.9	1.5	1.1	1.8	2.8
Services	59,157	40,665	43,121	38,858	41,368	33,354	35,647	24,352	27,082	24,678
%	32.6	25.3	28.3	24.2	26.9	24.1	24.5	20.9	23.1	21.9
Trade and Tourism	29,165	21,507	24,540	22,103	23,694	16,727	16,466	10,305	11,329	10,042
%	16.1	13.4	16.1	13.7	15.4	12.1	11.3	8.8	9.6	8.9
Transport, Storage & Communication	16,419	9,802	9,498	8,254	7,354	5,293	9,871	7,976	8,193	6,329
%	9.0	6.1	6.2	5.1	4.8	3.8	6.8	6.8	7.0	5.6
Finance, Insurance & Real Estate	5,801	2,001	2,107	2,257	4,381	4,789	3,244	1,878	1,936	2,008
%	3.2	1.2	1.4	1.4	2.8	3.5	2.2	1.6	1.6	1.8
Government Services	6,123	6,637	5,814	5,233	5,065	5,047	3,742	2,586	3,396	3,271
%	3.4	4.1	3.8	3.3	3.3	3.6	2.6	2.2	2.9	2.9
Other Services	1,649	717	1,161	1,011	873	1,498	2,324	1,607	2,229	3,027
%	0.8	0.4	0.8	0.6	0.6	1.1	1.6	1.4	1.9	2.7
Less Imputed Financial Charges	1,673	1,580	1,229	1,185	966	973	644	586	652	824
%	0.9	1.0	0.8	0.7	0.6	0.7	0.4	0.5	0.6	0.7
Plus :Import Duties	6,651	6,637	7,322	8,104	7,936	7,817	8,402	5,735	5,813	4,815
%	3.7	4.0	4.8	5.0	5.2	5.6	5.8	4.9	4.9	3.7
GDP	181,624	160,859	152,332	160,832	153,849	138,680	145,549	116,656	117,487	112,485
%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.00	100.00

*Projection
Source: CSO, BSL

TABLE II**SIERRA LEONE
ANNUAL PERCENTAGE CHANGES IN GDP BY INDUSTRIAL ORIGIN (1990/91 PRICES)***

	1990/91	1991/92	1992/93	1993/94	1994/95	1995	1996	1997	1998	1999
GDP	-2.2	-11.4	-5.3	5.6	-4.3	-9.9	5.0	-19.9	0.7	-4.3
Agriculture, Forestry & Fishing	1.3	-29.3	-0.9	10.7	3.4	2.0	3.1	0.1	-6.2	0.5
Industry	-1.7	63.4	-20.6	12.7	-23.0	-21.3	5.1	-46.3	13.9	-5.7
Services	-8.7	-31.3	6.0	-9.9	6.5	-19.4	6.9	-31.7	11.2	-8.9
GDP Deflator	100	163	218	264	323	363	479	513	586	657
% Change	-	62.6	33.8	21.5	22.2	12.2	32.0	7.3	14.2	12.0
Memo item: GDP/capita (Le)	45,406	39,330	36,356	37,402	34,966	30,749	33,849	26,333	25,821	24,138

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*Up to 1994/95, reference year coincided with fiscal year starting 1st July and ending 30th June; calendar year thereafter.

TABLE III
SIERRA LEONE
INFLATION, MONEY, CREDIT AND INTEREST RATE 1990/91 - 1999

	1990/91	1991/92	1992/93	1993/94	1994/95	1995	1996	1997	1998	1999
Inflation (%)										
Period (annual/year-on-year)	102.9	117.1	34.8	15.1	22.3	34.5	6.4	66.9	-5.6	36.7
12 month Average ¹	-	-	-	18.0	24.2	25.5	23.1	15.0	35.6	29.3
3 months on Annual Basis ²	-	-	-	29.0	9.6	22.8	-7.9	142	5.6	95.8
Money and Credit										
Broad Money (Le M)	17,818	31,398	41,834	48,754	53,751	63,868	82,335	126,634	140,899	194,158
Reserve Money (Le M)	12,395	20,258	24,095	24,995	31,352	36,375	41,903	84,341	71,045	87,852
Net Domestic Credit	35,682	24,139	21,076	18,752	22,006	25,794	31,085	502,566	537,572	604,813
O/W: Credit to Govt.	32,420	15,974	10,657	3,754	6,062	8,173	29,541	474,233	506,752	577,433
Money Multiplier	1.4	1.5	1.7	2.0	1.7	1.8	2.0	1.5	1.96	1.84
Interest Rate (%)										
Commercial Bank's prime Rate (End Period)	27	35	57	39	28	30	29.0	25.8	32.0	33.0
3 month deposit rate (period average)	(-)	58	43	18	6.7	7.3	13.0	9.9	7.0	9.4
12-month deposit rate (period average)	23	25	46	21	8.0	11.0	18.5	13.9	10.3	12.2
Treasury Bills (effective yield) (period average)	21.4	70.6	43.8	20.3	8.4	27.9	27.8	12.7	22.4	32.4

Source: MOF, BSL, CSO

- Note: 1. Calculated as the change in the average index for the latest 12 months over the preceding 12 months
2. The change in the average index for the latest 3 months over the preceding 3 months, annualized.

TABLE IVA
SIERRA LEONE
GOVERNMENT FINANCE (LE M) - 1990/91-99

	1990/91	1991/92	1992/93	1993/94	1994/95	1995	1996	1997	1998	1999
Domestic Revenue	7,835	18,231	35,385	54,543	67,448	62,392	84,879	45,551	79,614	85,819
Expenditure	17,801	33,759	61,845	81,144	97,845	126,783	148,664	1002,222	185,011	265,604
Overall Fiscal Balance (on commitment basis)	- 9966	- 15528	- 26,460	- 26,601	-30,397	-64,391	-63,785	-56,671	-108,433	-179,785
Domestic Financing (net, in millions leones, end-period basis)	10,641	16,142	16,612	18,173	24,706	26,003	38,482	80,621	118,223	88,807
Domestic Financing as % of total deficit	106.8	104.0	62.8	68.3	81.3	40.4	60.3	142.3	109.0	49.4

∞ Source: MOF (EPRU)

TABLE IVB
SIERRA LEONE
RECURRENT BUDGET ESTIMATES (LE 'M) EXPENDITURE CLASSIFICATION (SELECTED YEARS)

Particulars	1992/93	1993/94	1994/95	1995/96	2000
Total Recurrent Expenditure (as budgeted)*	66269	74174	83032	87937	257281
Health	2341	4591	5173	6190	15235
% of Total	3.5	6.2	6.2	7.0	5.9
% of GDP	0.6	1.0	0.9	0.8	1.2**
Education	9209	9715	12002	12386	46985
% of total	13.9	13.1	14.5	14.1	18.3
% of GDP	2.3	2.0	2.0	1.6	3.8**
Foreign Interest	15751	14555	10919	3126	37713
% of Total	23.8	19.6	13.2	3.6	14.7
% of GDP	4.0	3.0	1.9	0.4	3.1**
Defense***	10028	12987	19603	22931	20190
% of Total	15.1	17.5	23.6	26.1	7.8
% of GDP	2.5	2.7	3.3	3.1	1.7**

Source: Sierra Leone Government: Recurrent and Development Estimates (various years)

* Includes interest charges

** Based on GDP Projection for 2000

*** Defense comprises allocation to Ministry of Defense, the Military, ECOMOG, and Emergency Defense

TABLE V
SIERRA LEONE
EXTERNAL TRADE AND PAYMENT (US\$ MILLION (1990-1999))

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Merchandise Exports	145.16	137.86	149.60	118.00	117.90	35.53	45.12	17.20	6.85	6.26
Merchandise Imports	180.66	171.14	154.70	148.00	149.20	134.21	196.31	66.33	79.54	79.35
Trade Balance	(35.5)	(33.3)	(5.1)	(30.0)	(31.3)	(96.7)	(151.2)	49.1	(72.7)	(73.09)
Current Account Balance	(94.3)	(84.3)	(92.3)	(95.7)	(59.9)	(87.3)	(105.7)	(17.8)	(-)	(-)

Source: EPRU, Ministry of Finance

TABLE VA
SIERRA LEONE
BALANCE OF PAYMENTS (Million U S Dollars)*

	1990	1991	1992	1993	1994	1995	1996	1997
Goods and Services (net)	-55.3	5.5	-12.8	-75.2	-135.7	-152.6	-236.1	-85.2
Exports	139.9	149.5	150.5	118.3	116.0	41.5	46.8	15.7
Imports	140.5	138.6	139.1	187.2	188.8	168.4	226.5	71.9
Trade Balance	-0.6	11.0	11.4	-68.9	-72.8	-126.9	-179.7	-56.2
Services (net)	-54.7	-5.5	-24.2	-6.3	-62.9	-25.7	-56.4	-29.0
Transfers								
Private	-	2.8	4.0	3.1	1.1	24.2	25.8	6.1
Official	6.8	7.1	3.3	14.3	45.5	19.0	59.8	19.0
Current Account Balance	-48.4	15.4	-5.5	-57.8	-89.1	-109.3	-150.5	-60.1
Capital Account Balance	-20.3	-25.8	-16.6	-1.3	-0.3	48.4	25.0	15.1
Private	17.8	13.0	-27.3	-10.4	-8.1	-5.9	-4.1	0.5
Official	-38.1	-38.8	10.6	9.1	7.8	54.5	29.1	14.6
Receipts	24.0	3.5	23.4	140.2	113.3	123.5	68.1	31.5
Payments	62.1	42.3	34.0	131.1	105.5	69.2	39.0	16.8
Surplus (+) Deficit (-) Current & Capital Items	-68.7	-10.4	-22.1	-59.1	-89.5	-60.9	-125.5	-45.0
Errors and Omission	-2.6	-9.8	17.3	39.5	12.6	39.5	47.5	0.4
Arrears and Refinancing	56.0	27.0	3.0	39.6	94.4	39.8	61.1	74.5
Monetary Institutions	15.3	-6.7	1.8	-20.1	-17.5	-18.5	16.9	-29.9

*Note: Totals may not add-up because of rounding

Source: B S L

TABLE VB
BALANCE OF PAYMENTS (Million Leones)*

	1990	91	92	93	94	95	96	97
Goods and Services (net)	-8371	1638	-6392	-42651	-79612	-115,021	- 217,408	-83697
Exports F.O.B.	21175	44156	75104	67112	66056	31318	43070	15428
Inputs F.O.B.	21269	40921	69432	106175	110739	126978	208543	70605
Trade Balance	-94	3235	5672	-39063	-44683	-95660	-165473	-55177
Services, (Net)	-8277	-1597	-12064	-3587	-34929	-19361	-51935	-28520
Transfers								
Private	10	787	1991	1740	628	18,280	23747	5,994
Official	1036	2104	1664	7825	26694	14,351	55,087	18,654
Current Account Balance	-7325	4529	-2737	-33086	-52290	-82,390	- 138,574	-59,049
Capital Account balance	-3077	-7607	-8307	-740	-219	36498	23019	14869
Private	2691	+3850	-13612	-5889	-4768	-4479	-3756	511
Official (net)	-5768	-11457	5304	5148	4550	40977	26776	14358
Receipts	3628	1043	16965	79545	66447	93115	62695	30892
Payments	9396	12500	11660	74397	61897	52139	35919	16534
Surplus (+) Deficit (-) on Curr & Cap Items	-10402	-3077	-11044	-33827	-52,508	-45,892	-115554	-44180
Errors & Omission	-390	-2895	8643	22748	7403	29766	43728	394
Arrears & Refinancing Monetary Institution	8479	7962	1512	22464	55348	30041	56284	73185
	2313	-1990	889	-11,385	-10,224	-13918	15541	-29399
Memo: Current Account / GDP %	-4.0	+1.5	-0.7	-6.9	-8.9	-12.5	-15.9	-6.3

* NOTE: Totals may not add up because of rounding

Source: BSL

TABLE VI
SIERRA LEONE
EXCHANGE RATES (Le/US\$) AND RESERVES (US\$) (1990-1999)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Official exchange rate (period average, mid-rate)	148	294	499	571	606	754	921	982	1,563	1818.1
Parallel exchange rate (period average)	180	348	535	590	589	852	957	1,221	1,838	2399.8
Gross International Reserves	4.8	3.4	19.0	29.6	40.6	35.0	26.8	38.4	43.33	37.6
Gross international Reserves (in months of imports)	0.3	0.2	1.5	2.4	3.3	3.1	1.6	6.9	(-)	5.7

Source: BSL, MOF

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TABLE VII
SIERRA LEONE
PUBLIC DEBT AND DEBT SERVICE (1990-1999)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total External Debt (US\$ M)	1,192	1,249	1,265	1,346	1,392	1,124	1,152	1,147	1,142	1,211
Stock of Domestic Public Debt (Le M)	10,642	16,140	16,508	18,164	24,311	26,007	43,500	82,597	118,223	231,666
External Debt Service (US\$ M)		36.5	49.9	22.0	90.3	88.2	62.9	58.4	14.4	22.4
O/W: Interest		6.3	18.6	9.7	58.2	54.6	29.8	36.2	8.6	

Source: MOF (EPRU)

TABLE VIII**SIERRA LEONE
SELECTED INDICATORS (1990-1999)***

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
GDP -Current Market Price (Le M)	181,624	295,259	395,056	480,113	586,925	658,518	869,214	932,565	1,058,083	1,226,670
Real GDP (annual growth rate in %)	-2.2	-11.4	-5.3	5.6	-4.3	-9.9	5.0	-19.9	0.7	-8.12
Total Expenditure (% of GDP)	9.80	11.43	15.65	16.90	16.67	19.25	17.1	10.96	15.2	21.7
Domestic Revenue (% of GDP)	4.31	6.17	8.96	11.36	11.49	9.47	9.77	4.88	7.19	7.0
Fiscal deficit on commitment basis (% of GDP)	(5.5)	(5.3)	(6.7)	(5.5)	(5.2)	(9.8)	(7.3)	(6.1)	(8.0)	(9.3)
Domestic Debt/Fiscal Revenue (%)	135.8	88.5	46.7	33.3	36.0	41.7	51.2	181.3	148.5	153
Debt Service/ XGS	59.1	31.3	35.8	19.3	74.5	280.6	144.9	339.5	NA	357
Total External Debt/GDP (%)	97.4	124.2	159.8	160.1	143.7	128.7	122.1	120.7	168	182

Source: MOF (EPRU), BSL, CSO

*Up to 1994, reference year is fiscal year starting July; calendar year thereafter

TABLE IX
SIERRA LEONE
DOMESTIC SAVINGS (Le M at Current Prices)

	1990	1991	1992	1993	1994	1995	1996	1997
Net imports of goods and non-factor services = Investment/Savings gap	800	-2115	2233	40788	47010	99437	206747	75951
Gross domestic capital formation	9399	19664	35128	21476	43901	37011	79439	42446
Domestic Savings (DS)	8599	21779	32895	-19312	-3109	-62426	-127308	-33505
Memo: DS/GDP (%)	4.7	7.3	8.3	-4.0	-0.5	-9.5	-14.6	-3.6

Source: Calculations based on Bank of Sierra Leone's Balance of Payments and the Central Statistics Accounts

TABLE X
SIERRA LEONE
NET OFFICIAL DEVELOPMENT ASSISTANCE (US \$ M)

Description	1990	1993	1994	1995	1996	1997	1998
Net ODA*	62.82	207.73	275.42	206.23	184.02	118.62	106.28
Net Finance Flows**	66.2	221.43	258.48	211.81	197.28	130.84	69.66
ODA/GDP (%)	5.1	24.7	28.5	23.6	19.5	12.5	15.6
ODA/Population (US\$)	15.71	48.3	62.6	45.7	42.8	26.8	23.4

Source: African Development Bank, Selected Statistics on African Countries 2000

Note: * ODA relates to grants or concessional loans undertaken by the Government to promote development or welfare

** Refer to gross disbursement of ODA, other financial flows and private flows less any repayments of loan principal

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TABLE XA
SIERRA LEONE
EXTERNAL ASSISTANCE DISBURSEMENT BY TYPE (US\$ '000)

Description	1992	1993	1994	1995	Average	% of Total
Free-standing Technical Cooperation	21948	27706	30414	28918	27247	17.94
Investment-related technical cooperation	4613	3691	18557	13716	10144	6.68
Investment project assistance	53411	59343	45784	55387	53481	35.21
Budgetary aid/Balance of Payments support	5092	20604	23762	21501	17740	11.68
Food aid	5408	3623	4573	2280	3971	2.62
Emergency and relief assistance	31178	37445	45355	43170	39287	25.89
Grand Total	121650	152412	168445	164972	151870	100.0

Source: Compiled from UNDP, Development Cooperation Report (Sierra Leone)