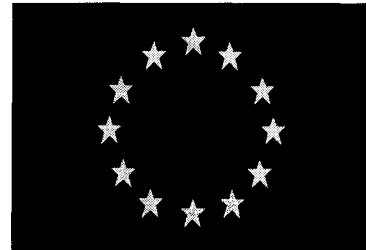
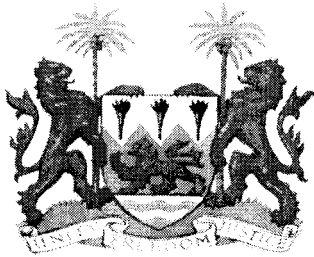


Government of Sierra Leone – European Union



**Cooperation between the European Union and the Republic
of Sierra Leone**

Final Joint Annual Report 2003

Freetown, February 2005

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Acronyms

ACC	Anti Corruption Commission
ACP	Africa, Caribbean, Pacific
ADB	African Development Bank
APC	All Peoples Congress (SL Political Party)
AU	African Union
BWI	Bretton Woods Institutions
CAP	Consolidated Appeal Process
CBO	Community Based Organisation
CDF	Civil Defence Force
CFAA	Country Financial & Accountability Assessment
CMU	Coordination and Monitoring Unit (for the transport sector)
CRP	Community Reintegration Programme
CP	Chief Prosecutor
CSP	Country Strategy Paper
DACO	Development Assistance Cooperation Office
DAD	Donor Assistance Database
DDR	Disarmament, Demobilisation, and Reintegration
DEPAC	Development Partnership Committee
DfID	Department for International Development (UK)
DRC	District Recovery Committees
EC	European Commission
ECHO	European Commission Humanitarian Office
ECOMOG	ECOWAS Military Observer Group
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EIDHR	European Initiative for Democracy and Human Rights
ERRC	Economic Rehabilitation & Recovery Credit
ERSP	Emergency Recovery Support Programme
EU	European Union
FA	Financing Agreement
FMO	Framework of Mutual Obligations
F-PRSP	Full Poverty Reduction Strategy Paper
GoSL	Government of Sierra Leone
HIPC	Highly Indebted Poor Countries
HSSP	Health Sector Support Project
IDPs	Internally Displaced People
IMC	Inter-Ministerial Committee
IMF	International Monetary Fund
INGO	International Non-Government Organisation
IOM	International Organisation for Migration
I-PRSP	Interim Poverty Reduction Strategy Paper
IRCB	Institutional Reform & Capacity Building
JAR	Joint Annual Report
LPA	Lomé Peace Accord
LRRD	Linking Relief, Rehabilitation and Development
LURD	Liberians United for Reconciliation and Democracy
MDG	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
MoDEP	Ministry of Development & Economic Planning
MoE	Ministry of Education
MoHS	Ministry of Health and Sanitation
MoTC	Ministry of Transport and Communication
MRU	Mano River Union

MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
NaCSA	National Commission for Social Action
NAO	National Authorising Office
NCDDR	National Committee for Disarmament, Demobilisation and Reintegration
NCP	National Commission for Privatization
NCRRR	National Commission for Reconstruction, Resettlement and Reintegration
NIP	National Indicative Programme
NNGO	National Non-Government Organisation
NRC	National Recovery Committee
NRS	National Recovery Strategy
OCHA	United Nations Office for the Co-ordination of Humanitarian Affairs
OAU	Organisation of African Union (succeeded by AU)
OTI	Office for Transitional Initiatives
PASCO	Poverty Alleviation Strategy Coordinating Office
PCBS	Post Conflict Budgetary Support
PDP	Preventive Development Project
PIP	Public Investment Programme
PHU	Public Health Unit
PRGF	Poverty Reduction and Growth Facility
PSMD II	Public Sector Management Support Project – Second Phase
QIP	Quick Impact Action Programme
REBEP	Rehabilitation of Basic Education Project
REPA	Regional Economic Partnership Agreement
RRP	Resettlement and Rehabilitation Programme
PRSP	Poverty Reduction Strategy Paper
RSLAF	Republic of Sierra Leone Armed Forces
RUF	Revolutionary United Front
SAPA	Social Action & Poverty Alleviation
SIP	Sectoral Import Programme
SLANGO	Sierra Leone Association of Non-Government Organizations
SLIRP	Sierra Leone Infrastructure Refurbishment Program
SLPP	Sierra Leone People's Party
SLRA	Sierra Leone Roads Authority
SASP	Structural Adjustment Support Programme
SLRRP	Sierra Leone Rehabilitation & Resettlement Programme
SR	Sierra Rutile
SRRP	Support to Resettlement & Reintegration Programme
TA	Technical Assistance
TEP	Training & Employment Programme
TRC	Truth & Reconciliation Commission
TSS	Transitional Support Strategy (World Bank)
UK	United Kingdom
UN	United Nations
UNAMSIL	United Nations Mission to Sierra Leone
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for Coordination of Humanitarian Affairs
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation

1 Executive Summary

The consolidation of peace after a decade of civil war has been further strengthened during the year 2003. However, there are a number of risks and challenges on the way to sustainable stability that give rise to concern and require further effort and commitment in order not to lose the achievements made since the official end of the war in January 2002.

The overall political and security situation has further improved, enhanced by positive developments in neighbouring Liberia. Progress has been made in the consolidation of state authority throughout the country as Police, Army and civil authorities establish their presence at provincial and district level. However, disgruntled elements within the former pro-Government militia CDF were perceived as a threat to the constitutional order. Continuous broad-scale rehabilitation and reconstruction activities by government and aid agencies, largely within the framework of the National/District Recovery Strategy, have to some extent improved access to, and quality of, social service delivery in the provinces. Nevertheless, in 2003 there was growing dissatisfaction over continuously bad living and low social service conditions in most parts of the country, confirmed by the renewed placement of Sierra Leone at the very bottom of the UN Human Development Index.

On central level, efforts were made to strengthen government institutions and build their policy making and implementation capacities. At end-2003, the Decentralisation and Local Government Act was approved by cabinet and placed before Parliament for adoption. District council elections were scheduled for May 2004 [and effectively carried out]¹. Other governance-related policies however, notably the fight against corruption, were not pursued with sufficient efforts. Economically, the country remained broadly on track with IMF and World Bank benchmarks, though not without slippages and waivers. The second half of 2003 saw an unexpected depreciation of the Leone, resulting in substantial increase in prices including staple food, and some discontent among the population.

Transitional justice institutions continued their efforts in 2003. The TRC was scheduled to conclude its mandate early 2004. The Special Court indicted 13 and arrested 9 suspects for “bearing the greatest responsibilities for the atrocities committee during the civil war”, and the trials, with a potential to trigger some unrest, will started in mid- 2004.

As Sierra Leone moves “from post-conflict to development”, the country continues to benefit from ongoing large-scale international support. Within the high-level Development Partnership Committee (DEPAC), all relevant issues including benchmarks agreed under the Consultative Group meeting (Paris 2002) are being addressed openly. However, some of these objectives have not been met, including the drafting of the full PRSP.

Cooperation between the EC and GoSL remains largely on good terms, and the Delegation continues to be involved in most of the major processes in governance, infrastructure and social sectors, in advisory (Task Forces; Steering Committees) and project-related functions. With ongoing programs under previous EDFs and planned interventions under the 9th EDF [CSP signed July 2003], the EC support continues to address a number of critical issues. Steps have been taken to overcome the present budget support stalemate, and release of funds was realised in mid-2004. During 2003, primary commitments under 9th EDF amounting to € 102m have been approved.

¹ Words into brackets are editing comments added to the Draft JAR 2003 in February 2005

As a result of the MTR the Commission decided on 30.11.2004 to maintain the country strategy and the NIP and in the light of the current needs and performance to increase the Community funds available under envelope A by € 10 million and decrease respectively the funds under envelope B. To this effect an Addendum to the CSP and the NIP was signed jointly by the Government and the European Commission on 10.01.2005.

2 Policy agenda of Sierra Leone: Security, Recovery, Governance

GoSL policy agenda focuses on security, recovery, governance, and restoring the economy incl. food security. These issues were broadly discussed during the 2002 Consultative Group meeting, resulting in general policy agreements between GoSL and the international community. While further steps in promoting peace and stability have been made, pace and quality of the implementation of reforms varies. Progress in achieving agreed policy objectives and benchmarks are regularly being discussed between GoSL and its main development partners under the umbrella of bi-monthly meetings of DEPAC, the high-level Development Partnership Committee chaired by the Vice President. The newly [in 2003] established Development Assistance Coordination Office (DACO) has ensured some information sharing and consultation between the various actors.

With regard to security, the main challenge was to rebuild the people's confidence into, to enhance capacity of, and deploy throughout the country, Sierra Leone Police (SLP) and Re-public of Sierra Leone Armed Forces (RSLAF), thus allowing UNAMSIL to implement their draw-down plan as adopted by the UN Security Council. GoSL policy in this sector is laid down in the 2003 Defence White Paper issued by the Minister of Defence, President Kabbah. The transformation of a previously unreliable, badly trained and ill-equipped army into a force equipped and capable to protect the territorial integrity of the country with no other loyalty than the constitutional order of the country has started, but remains a huge task that requires additional efforts. Serious concerns about sufficient progress are still being expressed by various actors and observers, including UNAMSIL. Under a 10-year commitment, the UK remains heavily involved in support to military infrastructure, equipment and training.

The recovery programs are largely built around the National Recovery Strategy (NRS), completed at end-2003, whilst the full PRSP has encountered further delays [and was finally delivered by the GoSL in December 2004]. The NRS was based on an assessment of the living conditions in the districts after the end of the war, and focuses on the consolidation of State Authority throughout the country, rebuilding communities, building peace and fostering human rights, and restoring the shattered economy. On national level, the NRC, chaired by the Vice President and including all Ministers and major development partners, oversees the implementation of the NRS. In the provinces, District Recovery Committees were formed to coordinate and promote recovery activities in the communities. Monthly district site visits/ meetings took place between the Freetown-based National Recovery Committee (NRC) and the District Recovery Committees (DRC) in the various district capitals, to monitor implementation and discuss pending issues.

Efforts in 2003 [and 2004] to restore the economy have not yet fulfilled the high expectations. The national economy continued to be extremely dependent on donor support. Private investment with a perspective of creating jobs necessary to escape the poverty trap and engaging ex-combatants and other youth is highly insufficient. Further delays in adopting a comprehensive investment code mirror the difficult investment climate in the country. Overall macro-economic targets were partially

fulfilled and Sierra Leone continues to be “on track” with the IFIs. However, the second half of 2003 saw a sharp depreciation of the national currency, triggering an alarming increase in prices, and sparking popular discontent.

On central government level, efforts were made to further implement structural reforms, strengthen institutions and build national capacities geared towards effective implementation of government policies, with a focus on public finance management, judicial and public service reform and decentralisation. The adoption of the Local Government Act in early 2004 has set in motion a major change in the overall governance structure of the country. Institutions and mechanisms providing accountability and checks and balances however (Auditor; ACC; Judiciary) require further efforts to ensure their functionality.

3 Transition from post-conflict to stability. Main political, economic and social developments

Although the legacy of the war is still visible in terms of destruction of the physical, socio-political and institutional texture throughout the country, steps have been taken to move from a post-conflict society to a stable democratic order. This is highlighted by a number of different developments in the areas of security, reconstruction, public services, governance and institutional developments and economic recovery, as further detailed in the following chapters. The largest part of the huge migratory moves of returning refugees and IDPs has come to an end, and people rebuild their livelihoods again. This development also influences the way donors and aid agencies operate in the country, as purely humanitarian activities are being scaled down while “linking-“operations such as the EU-LRRD, and support to long-term sector, institutional and structural reform step in. While for a number of years aid agencies operated partially in areas without Government presence, the authorities now attempt to take control, guidance and leadership of activities in the country. However, the mind-set of making external actors responsible for development, notably in the districts, persists, and more sensitisation efforts will be necessary to achieve a fundamental change in attitude. The modification in the overall approach to external assistance are mirrored in the 2004 CAP which more and more focuses on transitional and development activities. The challenges for donors are to ensure on the one hand that government fulfils its responsibilities, while on the other hand avoiding to phase out critical support activities too quickly when faced with an under capacitated and essentially weak government system. Thus, external actors will for the time being continue to play an important role in providing social services, while supporting national structures and working towards a smooth handing-over. This allows the requisite breathing space as the under-lying core structural issues such as capacity and institution building, employment creation and government’s revenue and resource base, corruption and governance, are focussed upon.

3.1 Security and stability

The main positive development in 2003 regarding security is the completion of the Demobilisation, Disarmament and Reintegration program for more than 51.000 ex-combatants, a quite significant development for security, reconciliation and the rebuilding of communities. There are however doubts whether the short training offered to them in various trades is sufficient to provide gainful employment for them.

Several events aiming at undermining security have occurred in the course of 2003. Almost exactly one year after the official “end-of-war”-declaration on January 18th, 2002, an attack on a military depot in the eastern end of Freetown, the first step in an

attempted coup, reminded the country that the stability of the newly achieved democratic order cannot be taken for granted. Up to 77 people were arrested and some 15 charged for alleged attempt to destabilise the country. Ever since, former junta leader turned MP for his Peace and Liberation Party, Johnny Paul Koroma, suspected for involvement in the attack and later indicted by the Special Court for his role during the civil war, has been on the run, while rumours of his death in a shootout with forces loyal to his erstwhile ally, the then President of Charles Taylor, have not been confirmed.

Threats to security and stability from the Army seem to have diminished since, not least due to continuous attentive involvement of the British-led International Military Advisory and Training Team (IMATT). The transformation of the previously unreliable Sierra Leone Army into a well-equipped force defending the territorial integrity and the democratic system of the country has borne some tangible fruits but requires more efforts by GoSL and partners alike. Threats to the constitutional order are also perceived to exist by disgruntled elements of the CDF, a former pro-Government militia, whose former leader and ex-Minister for Internal Affairs, Hinga Norman, has been arrested under orders of the Special Court and is awaiting trial. While not yet perceived as a major security risk at this point in time, growing popular discontent over slow improvement of living conditions and high levels of poverty and unemployment need to be addressed to avoid civil unrest in the medium term.

On the other hand, the completion of the Demobilisation, Disarmament and Reintegration program for ex-combatants, and resignation of former Liberian president Charles Taylor followed by the provisional end of the civil war in neighbouring Liberia, the instauration of an interim government under Gyude Bryant and the deployment of a UN peace keeping mission under SRSG Jacques Klein, had a positive impact on security and stability in Sierra Leone. Nevertheless, problems persisted in areas bordering Liberia with smuggling and crossing-over of ex-combatants, and the peace process in Liberia is still too recent to make a final assessment.

Based on the security environment and progress in capacity building, equipment and deployment of the RSLAF, UNAMSIL continues to implement the draw down plan adopted by the UN SC, scheduled to be completed in 2005. This was to be done under a new leadership, as the Tanzanian diplomat D. N. Mwakawago replaced in January 2004 the former SRSG Adeniji, appointed Minister for Foreign Affairs of Nigeria in August 2003, and Force Commander D. Opande, now [2004] FC for UNMIL in Liberia, was succeeded by his deputy, S. Akram.

3.2 Rebuilding the country

During 2003, most of the remaining refugees returned to their places of origin in Sierra Leone, partly motivated by the fierce fighting in Liberia during the first half of 2003. This also led to the influx of approx. 55.000 Liberian refugees who at present [2004] were staying in 8 refugee camps. The attention of the development partners lies now on assisting the communities to rebuild their infrastructure and livelihoods. The number of Sierra Leonean refugees living in neighbouring Liberia by the end of 2003 was estimated at 13,000.

Further progress has been made in terms of restoring civil authority in the districts. Many line Ministries – in particular those involved in social service delivery – are now present in most regions. Paramount chiefs have returned to their chiefdoms, and elections were held to fill vacancies. The presence in the regions of a better equipped,

more efficient and more disciplined police force has been enhanced, and the administration of justice at national and regional level has seen some improvements with the rehabilitation of courts and prisons and the appointment of magistrates and Justices of Peace.

Efforts were ongoing throughout 2003 to rebuild communities. Most of the country's IDPs have been resettled, and a large portion of ex-combatants has gone through the reintegration process. With large rehabilitation activities spreading into all parts of the country, the infrastructure necessary for the delivery of social services in the communities has improved significantly. Further progress in access to, and quality of, social service delivery now requires more investment in “software”, i.e. qualified and committed staff, availability of drugs, of text books, teaching materials, and the overall management of both health and education systems.

The economic recovery of the districts requires further attention. While the distribution of seeds and tools to farmers have resulted in increased food production, thus reducing the need for emergency food distribution, very few opportunities outside agriculture exist for the youth in most parts of the country. Lack of access to micro-credit, especially in the districts and for the poor, is still being seen as a major impediment for developing the productive capacities of the population. The National Farmers Association could play an increasing role in promoting agricultural recovery. Some traditional practices which impede the full development of the productive potential of the youth need to be addressed.

A huge challenge is the recovery of the social texture of society, given the disastrous effects of the war, displacements, etc. on communities and families. The number of street children and other vulnerable groups in the capital which are not properly taken care of, has increased substantially. The Street Children Task Force is about to carry out an in-depth assessment of the situation of street children, and GoSL has established the National Commission for War-Affected Children (NACWAC). Other vulnerable groups, e.g. amputees and polio-victims, need additional attention.

3.3 Transitional Justice: Truth and Reconciliation Commission and Special Court

The Special Court (SC) and the Truth and Reconciliation Commission (TRC) were very much in the attention of the public during 2003. The TRC took more than 8.000 statements from victims and perpetrators, organised public hearings and prepared the final report [to be published April 2004]. Many activities to foster reconciliation and to promote human rights were conducted throughout the country. Questions are however being raised as to whether the role of the Army during the conflict is being dealt with adequately. On the funding side, while both institutions are being run on relatively lean budgets compared to similar institutions elsewhere, both have encountered, and continue to do so, severe funding constraints. Among the “transitional justice community”, discussions are held about how to strengthen the legacy of both institutions in order to promote the rule of law in the country.

Between March and June, the SC indicted 13 suspected war criminals, including the former President of Liberia, Charles Taylor, the former leader of the Revolutionary United Front (RUF), Foday Sankoh, the Minister for Internal Affairs and leader of the pro-government militia CDF, Hinga Norman, the former leader of the military AFRC junta and MP for the Peace and Liberation Party, Johnny Paul Koroma, and others from all parties to the conflict. Taylor was granted asylum in Nigeria in exchange for his resignation as Liberia's President, whilst the Special Court is lobbying for his turning over as one of the key suspects for the atrocities committed during the civil war in Sierra Leone. In December, Interpol issues an international arrest warrant against him.

Koroma escaped his arrest and is on the run since January 2003, Foday Sankoh died in June and Sam Bockarie, former military commander of the RUF, was killed by Taylor's troops in Liberia. For the remaining 9 indictees, trials were expected to start in May 2004 [effectively started in June 2004]. In October the Special Court refused a TRC request for a public hearing of Hinga Norman, a dispute that spurred heated debates in the public and the media.

3.4 Governance Reforms: Promoting Efficiency, Transparency and Accountability

The 2002 Governance Round Table, further enhanced by the 2002 Consultative Group meeting, had initiated a number of activities geared towards improving the efficiency, transparency and accountability of government actions. Policy, institutional and capacity-related issues in the areas of decentralisation, public service and judicial reform, public finance management and the fight against corruption received most of the attention during 2003. Progress was regularly discussed among donors as well as between donors and GoSL in the bi-monthly Development Partnership Committee (DEPAC).

In December 2003, Cabinet approved a draft Local Government Act as legal basis for the decentralisation policy of GoSL, submitted by the Local Government Task Force after holding regular meetings with various stakeholders over a period of one year, and consultations with the population in the provinces. Parliament adopted the bill in January 2004, and local government elections were scheduled [and took place] in May 2004. This major shift in the overall governance structure of the country will, if implemented fully according to the law, result in popular participation in public affairs on district level, improved delivery of social services and increased accountability of elected councillors towards their constituents. All major development partners, including DfID, World Bank, UNDP and EU, have so far supported the process and participated in the debate, and are committed to doing so in the future. The proposed policy foresees the transfer of tasks and responsibilities as well as human and financial resources from the central to the district levels to enable local decision-making on local public affairs with broad participation by the communities concerned. More sensitisation is necessary to increase popular ownership of the process.

With regard to the reform of the justice sector, there is a long way to go address the problem of impunity and abuse of power in both the customary as well as the formal judiciary, and to ensure equal access of the broad population to the competent and fair dispensation of justice. Poor conditions of service and infrastructure/equipment undermine attempts to attract the necessary competent and independent staff, and money is still said to be the decisive argument in many trials. On central level, the appointment of the Minister of Justice/Attorney General did not go through the Parliamentary approval proceedings, which is being challenged in court by the Bar association. Pre-trial detention in some locations and cases does not comply with constitutional provisions. However, some progress has been made. The police reform is under way and in many locations prisons have been rehabilitated or newly built. The rehabilitation of Magistrate's Court buildings is close to completion [opened in March 2004]. All twelve judicial districts had at the end of 2003 at least one Magistrate Court in operation, although only 5 of them were resident. In January 2003, seventy designated Justices of Peace were trained and deployed around the country. Problems encountered on the way are the lack of funds for attractive conditions of service including remuneration, the provision of appropriate infrastructure, as well as the parallel use of the formal judicial system and customary

law, which discriminates against women. A number of legal institutions (e.g. with the DfID-funded Law Development Project) are working on reforms of legal structures and legislation, which partially dates back to the 1850s.

The fight against corruption has witnessed less progress than expected and agreed bench-marks in this respect have not been fully met. The latest ACC report issued in August 2003 showed very few cases submitted by the ACC to the Attorney General have been brought to court, and the cooperation of state institutions in the fight against corruption is widely seen as insufficient. The “Report on Governance and Corruption”, published in the frame-work of a nationwide workshop in October, points out the deficiencies in the system. As a next step, the recommendations coming out of the report and the workshop need to be addressed, including the amendment of the ACC Act to speed up prosecution. With DfID-funding, GoSL agreed to recruit additional expatriate personnel to enhance the capacity of the judiciary and the Attorney General’s office, resulting in a number of cases coming to trial at the end of 2003.

Some steps have been taken in reforming the public service, aiming at improving public service delivery to the population. This requires among other a highly motivated and qualified civil service, for which at present the conditions of service do not provide adequate incentives. A number of sector reviews have revealed shortcomings and avenues of support activities, and a Senior Civil Service Commission has presented recommendations concerning enhanced performance of senior civil servants related to improved service conditions.

As the country moves further from post-conflict to a stable democratic society, a major cross-cutting issue in governance is the lack of capable institutions and sufficient capacity for the public administration to fulfil its task to the satisfaction of the population, to allow for a progressive handing over of service delivery activities from external actors (e.g. foreign NGOs) to the authorities. A similar institutional and capacity building need exists for non-state actors, including NGOs, media, private sector, etc. who must be enabled to fulfil their tasks within the legal framework of the country, and within a space free of undue government interference. These issues are indeed more and more incorporated into new development programs supported by external actors.

3.5 Fighting Poverty: PRSP and Millennium Development Goals (MDGs)

After adoption of the interim PRSP in 2001, the completion of the full PRSP has encountered many problems on its way and despite substantial funding has repeatedly been delayed. Having severe implications for the availability of data on poverty, for further release of HIPC funds and the implementation of pro-poor policies in general, the delays caused growing concerns among the country’s main development partners. Progress on the PRSP [whose completion was finally achieved in December 2004] was regularly discussed under the DEPAC umbrella. Once adopted [by April 2005], the main challenge, in view of low policy and implementation capacity of Government, will then be to actually implement the pro-poor policies identified in the PRSP, and to ensure that sufficient means from the national budget for 2006 will be allocated to these policies.

The MDG indicators are so far indicating some progress in pro-poor policies. However, the quality and credibility of available data remain questionable. EC interventions target a number of these indicators, notably the health-related outcome indicators with activities under the Health Sector Support Program [HSSP, 8th EDF, ongoing]. The ongoing EC RRP program aims at making basic social infrastructure available to rural, formally marginalized, and heavily war-affected communities. This

area of intervention continues under the 9th EDF focal sector “Rehabilitation of Priority Infrastructure”.

Table 1: Selected Millennium Goal Indicators

Type	Indicator	2000	2001	2002	2003	2004
Impact	1. Population below €1 per day (%)	n.a.	n.a.	85	57	
	2. Prevalence of underweight children (under – five)	27,2	27		27	
	3. Under-five mortality rate (per 000)	262	254	286	316	
Outcome	1. Net enrolment rate primary education	42	50	59		
	2. primary completion rate	80,7	n.a.			
	3. ratio of girls to boys in					
	- primary education	78	78		76	
	- secondary education	61,6	62		83	
	- tertiary education	n.a.	55,6		40	
	4. births attended by skilled health personnel	41,7	n.a.		42	
5. full immunization coverage (1yr old)			40	37		
6. HIV prevalence nationwide (%)	n.a.	n.a.	4,9			
7. population with sustainable access to an improved water source	48	n.a.		54		
Macro-economic indicators	1. Real annual growth %	3,8	5,4	6,6	6,8	7,0
	2. inflation rate %	-2,8	3,8	-2,5	11,3	6,0
	3. exchange rate US\$ (average year mid)	2,097	1,974	2,158		
	4. reserves foreign exchange (US\$m)	49,6	48,6	85		
	5. budget deficit (incl. grants) %	-9,7	-9,5	-7,4		
	6. total external debt (in US\$m)	1,196	1,400	1,400		
Spending	(non-salary recur. expend. in % of GDP) 1.					
	Health	0,6	1,1	2,0	1,8	1,9
	2. Education (as above)	1,6	2,0	2,8	2,4	2,4

Source: UNDP Human Development Report 2003 2004: projections

3.6 Macro-economic Performance

With a GDP per capita of US\$ 140, Sierra Leone remains one of the poorest countries in the world. This, with a very unequal income distribution, results in large part of the population living below the poverty line. During 2003, the economic activity has generally remained robust at an overall growth rate of 6.5%, reflecting the recovery of the agricultural sector, growth of diamond production, a modest increase in manufacturing out-put and expansion in the construction sector. The potential for cash crop recovery, however, is far from being fully utilised. In addition, the generally positive picture was overshadowed in the second semester by a substantial depreciation of the Leone against the US\$ (from 2206 in Jan. '03 to 2535 in Dec. '03), resulting in an end-2003 inflation rate of 11,3 % against the projected single-digit inflation, with a direct negative impact on the poor. End-2003 negotiations with the IMF on the implementation of necessary structural reforms to remain “on track” with regard to the PRGF proved particularly difficult but were finally concluded on a positive note.

External Sector/Trade

The steady increase in trade deficit in previous years has come to a halt in 2003, when substantial growth in exports (from US\$ 54m to US\$ 92m) matched –in absolute figures– growth in imports (from US\$ 264 to US\$303m). Main items on the import bill remain fuel, food and machinery. Diamonds still account for approx. 82% of export earnings (€ 75m). However, experts guess that the real value of diamonds mined in

Sierra Leone stands at up to US\$ 300m, the difference being smuggled or undervalued, thus depriving the state budget of several millions of US\$. A High-Level Diamond Steering Committee, chaired by the Minister for Mines and consisting of several Ministries and donor representatives, attempts to improve the overall governance of the diamond sector. Production and export of coffee and cocoa are expected to gradually pick up, and the export of rutile (with an EU contribution of € 25m) is expected to begin in 2005. It is generally acknowledged that the high trade deficit is unsustainable, and that domestic production needs to be encouraged. Within GoSL, the responsibilities for trade lies with the Ministry for Trade and Industry. In 2003, the Commonwealth Secretariat conducted a capacity needs study and started providing technical assistance. In order to assist GoSL with the preparations for the EPA, an EU-funded TA program was prepared in 2003 and will start in early 2004. A number of studies, including an EPA impact study, are to be carried out under these programs. However, the importance of the EPAs has so far not been reflected in MoTI statements or among NSAs. The aim of capacity building for MoTI projects is to improve the overall trade environment in the country.

Fiscal Operations 2003 and Budget 2004

According to the “Government Budget and Statement of Economic and Financial Policies” for 2004, presented to Parliament end-November 2003, fiscal policies aimed at maintaining macro-economic stability while enhancing revenue mobilisation and increasing the effectiveness of public expenditure and systems. For 2003, domestic revenue targets were achieved, although on very low levels (SLL 283bn, 15.2% of GDP). It is generally acknowledged that further efforts are required to realize the full potential of domestic revenues, especially from taxes, customs and the alluvial diamond mining and exportation. Grants were considerably lower than budgeted, as expected EU budget support funds were not released. Total expenditure amounted to SLL 614 bn or 33% of GDP, 76 % of which goes into recurrent, and 24% for capital expenditure, thus leaving a total deficit of SLL 135 bn or 7,9% of GDP including grants and SLL 330 bn or 24,4% of GDP excluding grants, which was financed partly through domestic (55%) Bank and non-Bank financing and partly (45%) through foreign loans. For 2004, both domestic and external revenue were expected to increase, by 17% and 8%, in absolute terms, respectively. Expenditures were projected to rise by 37%, with capital expenditure increasing on a higher rate (+110%) than recurrent expenditure (+ 8%). The overall projected deficit on cash basis excluding grants was to increase by 53%, largely to be covered by foreign borrowing. The figures show the extent to which the economy and the overall macro-economic stability are dependent on donor support. In this light, new expenditure (e.g. for recruitment) and new tax policies announced in the budget speech need to be carefully reviewed, if macro-economic stability and agreements with IFIs and donors are to be adhered to.

3.7 Public Finance Management (pfm)

After the approval of the joint EU-GoSL Matrix of Corrective Measures end-2002 and due to increased donor involvement, pfm-related issues have received higher attention during 2003. The pfm Task Force established in early 2003 followed up on a comprehensive action plan agreed between GoSL and donors involved, notably DfID, World Bank and the EC Delegation. Pfm-related indicators covering the overall legal and regulatory framework, oversight and accountability-related issues, the institutional architecture, procedures and policies, the budgetary process, issues regarding the payroll, procurement, accounting and financial management, reporting,

asset management, revenue collection, independent control and audit mechanisms, and others, form part of benchmarks for donors involved in Budget Support. While progress has been made in some areas and some steps have been taken to enhance efficiency, transparency and accountability in the use of public funds, thus enabling GoSL to accede DfID and World Bank budget support, there is still a long way to go both in terms of capacity building and commitment to achieve acceptable standards. In order to improve the overall legal and regulatory framework, a new Government Budgeting and Accounting Act has been prepared and awaits cabinet approval and adoption by Parliament. A comprehensive procurement reform is under way. An assessment of the central accounting system has been carried out and under a World Bank – funded support program, a new computerised Financial Management and Accounting System will be established. In order to enhance domestic revenue collection, the Income Tax Department and Customs together with the Government Gold and Diamond Office (GDDO) have been merged into the newly-established National Revenue Authority, but it is generally acknowledged that tax and customs evasion and the inefficient and intransparent collection of taxes (partly in cash instead by bank transfer), result in a huge gap between actual and potential domestic revenue generation. With DfID-funding, the weak external audit systems were strengthened from 2004 onwards. In April 2004, an evaluation was carried out on progress made in the implementation of the joint EU-GoSL pfm-matrix as precondition to re-start EU budget support that has been stalled after the SASP audit 2001.

3.8 Private sector development and Mining

Growing confidence in sustainable peace and stability in the country and the continuously high flow of external funds resulted in an increase in private sector activities across the board, but notably in (subsistence) agriculture, (alluvial diamond) mining, and construction, while the picture for the manufacturing sector remains mixed, despite a significant increase in Bank credit to the private sector. Opportunities exist in a number of areas, e.g. fisheries, mining, industrial agriculture, and tourism. Main factors seriously limiting a substantial expansion of the private sector is the continuous lack of an environment conducive to investment with regard to the overall regulatory framework, heavy and corruption-bound administrative procedures, the tax regime, outdated legislation for private sector activities, lack of confidence in the judicial system, unclear property rights, limited banking services, prohibitively high interest rates for loans, lack or unreliability of necessary infrastructure (e.g. electricity, communication services), land tenure issues, and limited purchase power of the impoverished population, among others. The planned investment code, whose adoption is one of the overall benchmarks for GoSL-donor relations, has been further postponed beyond the agreed deadlines [passed in 2004]. Thus, activities which could contribute substantially to employment creation, increased government revenue collection, and ultimately reduced poverty and improved standards of living, remain constraint, and the country remains heavily dependent on externally funded activities.

Alluvial diamond mining is among the most important private sector activities in the country, and played an instrumental role for, and during, the civil war. Control over the vast reserves of alluvial diamonds, notably in the parts of the country bordering Liberia, allowed the RUF to finance the war by exchanging raw diamonds for weapons. The GoSL has adopted a new Core Mineral Policy (CMP) to modernise the mining sector. In addition to assisting the mining industry in attracting foreign and local private funds, the CMP emphasises environmental protection and the distribution of benefits of the mining industry to the local communities. Donors, particularly UNAMSIL, DFID, USAID and the World Bank have supported the GoSL

in the development of the policy and donor inputs are foreseen for its implementation as well. Attempts are being made to enhance the transparency of the sector, in order to increase official GoSL revenue and to reduce exploitation of children and young people working in the mining pits under deplorable conditions, their dependence on the owner of the mine being partly close to serfdom. With the establishment of the Kimberly process, legal exportation of diamonds have over the last three years increased from under US\$ 20 to US\$ 76 in 2003, at an export tax rate of 3%, and kimberlite diamond mining has started in January 2004. The EU allows import of diamonds from Sierra Leone only through the Certificate of Origin scheme, in an attempt to ban all “conflict diamonds” from entering the EU.

3.9 Agriculture and Food Security

Agriculture has the potential to absorb a large part of the population in gainful activities, and in providing locally produced food for the country, thus reducing importation of staple food. The return of peace and stability, resettlement of farmers, and the distribution of seeds and tools have during 2003 resulted in a significant increase in production of staple food as well as visible signs of livestock recovery. However, the lack of access to agricultural loans, machinery and processing plants is widely seen as a major impediment for fully exploring the potential of the sector. As food security is one of the President’s key objectives of his second term in office, there is a need to replace relief efforts and food aid with the creation of an enabling environment for farmers to feed the nation (e.g. farmer field schools, feeder roads and river transport infrastructure, crop diversification, market infrastructure). The key challenge in food security remains the “hunger gap”, still a reality for a good part of the rural population, by improved agricultural techniques and dissemination. Given the weak institutional capacity of Government incl. the Ministry of Agriculture, the role of national and international NGOs in the agriculture and food security sector remains important. National organisations such as the National Farmers Association have the potential to play an increasing role in the process of agricultural recovery. Donor-funded initiatives are under way focusing on elements of food security in rural areas within their respective transition programs (e.g. EC-LRRD; EC Food security Budget Line; USAID).

Of particular importance in the post conflict recovery context has been the Agriculture Sector Review carried out between April and October 2003. The review, building upon an Agricultural Sector Review in 1992, provides a profile of the agricultural sector, its natural and human resource base, institutions and development strategies and policy measures, and will form the basis of the agricultural component of the PRSP. One essential objective is to create a facilitating environment for agricultural transformation through private sector investment. The implementation of the action plans, programs and projects suggested in the sector review require major donor support. The cash crop sector, in particular coffee and cocoa, has played an important role in pre-war Sierra Leone and recovery efforts have resulted in increased production and export. However, potential investors face the need for major efforts to rehabilitate plantations, extremely problematic transport infrastructure in the cash-crop regions and unpredictable international price fluctuations.

3.10 Social Services and HIV/AIDS

3.10.1 Health

Ranking last on the UNDP Human Development Index, Sierra Leone has amongst the worst social indicators in the world. Under five-mortality rate (U5MR) stands at 316

per 1000 live births and maternal mortality rate (MMR) at 1800 per 100,000 live births. Life expectancy at birth is 34.2 years (projection 2000-2005), lower than it was in the first half of the 70s (35 years). Malaria remains the most common morbidity pattern and outbreaks of hemorrhagic fevers (Yellow fever, Lassa fever) are still frequent.

However, these figures must be interpreted cautiously as knowledge about the health status of the population remains patchy. The restoration of a functional and reliable National Health Information System is still on going and comprehensive surveys that are still used as a reference were conducted when the country was still at war.

The I-PRSP, although specifying broad areas of focus (enhancement of the supply of quality, sustainable, accessible and equitable health care services, improvements in maternal, infant and U5 health care, prevention of HIV infection, control of the spread of malaria), is not very specific as regards means to be deployed to attain its objectives. The National Recovery Strategy 2002-2003 presents a deeper analysis of the main weaknesses of the sector and detailed objectives to be reached by the end of 2003: restoration of all Community Health Centres (CHCs) and Community Health Posts (CHPs) to a functional state, one functional cold room per district, one functioning referral hospital per district, immunisation services reach 60% coverage, improved quality of community care and referral for pregnant and lactating women.

At the start of 2004, recovery in the health sector has just started and the objectives stated above have only been partially reached. Considerable progress has been achieved as regards physical rehabilitation of health infrastructure. However, at primary (CHCs and CHPs) and secondary levels, equipment, staffing and drug supply are grossly inadequate and the targets in term of functioning health structures are far from being reached. Significant achievements were made by the Extended Programme of Immunisation (EPI) and all districts have seen a steady increase in fully immunised coverage to 47%. UNICEF has notably benefited from ECHO support for the installation of a functional cold chain in all districts.

Notwithstanding the progress achieved, the capacity of Ministry of Health and Sanitation (MoHS), at central level, to implement the National Health Policy [revised version with minor changes adopted in 2003] and the above-stated strategies remain extremely weak, along with its capacity to manage and disburse efficiently the health budget. As regards the staffing of health structures, the MoHS is facing a double problem: lack of qualified staff in-country and inefficient systems at central level to appoint and establish new graduates. Adequate incentives need to be put in place to attract qualified staff to health centres outside the capital.

The EC-funded Health Sector Support Project (HSSP), whose implementation started 15 January 2004, along with the World Bank funded Health Sector Reconstruction and Development Project (HSRDP) and ADB/WHO-funded projects is addressing these issues, combining direct support at district level for primary and secondary health care and long-term capacity building components at central level in the field of financial management, human resource management, reinforcement of health training institutes and cost-effective drug procurement. In addition, international NGOs will continue to play an important role in the health sector, notably to ensure the functioning of newly rehabilitated district hospitals and capacity building of existing and newly appointed MoHS staff. With ECHO phase-out planned for July 2004 [end 2004], the EC has drafted a Health LRRD financing proposal to address this issue.

Malaria, HIV/AIDS, Tuberculosis Malaria remains the main morbidity and mortality pattern throughout the country. Despite this fact, MoHS efforts remain focussed on the

reduction of Malaria prevalence, through the distribution of impregnated bed nets notably, whereas the issue of improving the effectiveness of the national treatment protocol was pending. Although figures from the latest surveys remain to be disclosed, it is expected that resistance to Chloroquine (current treatment protocol) lies around 60%.

Knowledge about HIV seroprevalence remains inaccurate. The most recent cluster survey was inconclusive with national prevalence rates ranging from 0.9% (cross-testing carried out in CDC-Atlanta) to 4.90% (testing carried out in Connaught Hospital - Freetown). Tests carried out by laboratories across the country in 2003 (National Aids Council situation analysis - total number of persons tested = 3,473) give an average national prevalence of 14.5%. The latter figure can however not be deemed representative. This exercise, continued in the next years, should lead to the implementation of a national antenatal sentinel surveillance system. In a second phase, a sentinel surveillance system should be put in place to monitor prevalence data among high-risk groups such as the military, commercial sex workers, truck drivers and mine workers. The National Aids Committee (NAC) under the leadership of the President oversees the development and monitoring of national HIV/AIDS policy, strategy and impact, assigns personnel as needed, and ensures the required resources are allocated. The National Aids Secretariat, under the NAC coordinates and manages the World Bank-funded multisectoral SHARP project.

GoSL received a €5m grant from the global fund, for the fight against Tuberculosis.

3.10.2 Education

The situation in the field of education remains critical with adult literacy rate at only 36%. While enrolment rates have increased after the end of the war, the reliability of available

data is unclear. The availability of adequately trained teachers, conditions of service and salary payment is a constant issue of discussion. Attempts are being made to ensure that all real teachers obtain their salaries on time, while trying to eliminate from the payroll so-called ghost-teachers and ghost-schools. Access to relevant data from the authorities needs to be improved. While the rehabilitation of physical infrastructure has seen remarkable progress, the quality of education remains hampered by the lack of qualified teachers and school materials/text books, particularly in the provinces. The main donor in the field of school rehabilitation has been the World Bank through the Rehabilitation of Basic Education Project (REBEP). [The EC-funded LRRP committed €10m in 2004 for the rehabilitation of health and education infrastructures and will coordinate closely with activities already undertaken by other donors in this area. Particular attention will be paid to the rehabilitation of teachers' quarters and water/sanitation facilities, especially in remote areas]. The provision of housing facilities is a key element for the returning and retaining of teachers to the provinces. With regard to non-formal training, a wide range of vocational training and community education initiatives were undertaken by NGOs and the Ministry of Education, Science and Technology (MEST) over the past two years [2002-03]. Some initiatives were supported by the EC-funded RRP, targeting both ex-combatants and youth in general. The most successful initiatives have been the ones combining elements of basic literacy and numeric skills, civic education, life skills and training in a skill of choice through training and/or apprenticeship. However, the successful engagement of trainees into productive activities is highly correlated with their proximity to markets and commercial urban

centres. The future challenge will be to design training schemes that realistically take into account current and projected market needs.

3.11 Transport Infrastructure and Electricity

The general state of basic infrastructure remains a major bottleneck for the development of the country. During the war, negligence and deliberate destruction was widespread. Until 2002, investments in the sector were mostly concentrated in and around Freetown due to the volatile security situation. Currently, rehabilitation of roads and other basic infra-structure is undertaken with donor support in all parts of the country. The EC and the World Bank are the main donors in the road sector. The road sector suffers from problems such as limited capacity of the Sierra Leone Roads Authority (SLRA) and the insufficient funding. The Government separated the SLRA from the Ministry of Works to ensure its independent status. In order to improve service delivery, SLRA has plans to transform Mechanical Services Unit (MSU) to a fully commercially managed body with a plant pool to facilitate road works. In 2003, the Government raised the fuel levy from Le450 to Le750 per gallon. However, new revenue raising options (e.g. vehicle tolls, weighbridges) will be needed in the future in order to ensure road maintenance, as the road user charges only cover the maintenance of 25% of the core network. The GoSL regards the tarmac overlaying of the main roads as the only suitable long-term solution, as the rainy season tends to return rehabilitated roads without tarmac to their earlier condition. Water transport, including rehabilitation of the jetties to improve connections between the road network and inland waterways, is another focus of the GoSL in the transport sector. Involvement of local communities and job creation continue to be emphasised in the public works sector.

The World Bank is currently conducting a study on the means to improve the performance of the road sector, including the reforms needed in the SLRA and Road Fund. Intensive policy discussions between the Government and the donors are expected to take place once the results of the study are available. The EC will participate actively in these discussions, and donor support will be needed to implement the reforms.

Power supply is still basically restricted to the major towns, and even there it is irregular and does not provide for minimum requirements. Hopes for improvement focus on the finalisation of the Bumbuna Hydro Power Plant which was abandoned during the war. The Bumbuna plant could provide for the energy needs of the whole country. While discussions were held in 2003 with the EIB about a loan, more recent developments suggest that the Italian Government has agreed to fund the completion of the Plant.

3.12 Regional cooperation

Sierra Leone is member of the Mano River Union (with Liberia, Guinea), the Economic Community of West African States (ECOWAS) and the African Union (AU). Relations have significantly improved among the MRU states after the resignation of Charles Taylor in August 2003. ECOWAS's main objective, to establish a common market among member countries to promote free movement of people and goods, has not moved very far. With regard to the AU, Sierra Leone has not yet signed up to the Governance Peer Review within the New Economic Partnership for Africa (NEPAD).

The overall regional security situation has improved with the resignation of Liberia's former president Charles Taylor in August 2003 due to immense military pressure from the two main rebel groups MODEL and LURD, and politico-economic pressure from the international community. The chairman of Liberia's transitional government Gyude Bryant has on his first visit to Sierra Leone in October apologized for Liberia's involvement in the civil war in Sierra Leone. However, the demobilisation and disarmament process in Liberia has a long way to go, and setbacks on its way could have a spill-over effects into border areas in neighbouring Sierra Leone. In Guinea, presidential elections in December were boycotted by the opposition as it became clear that the results in favour of President Conte were pre-determined. Serious concerns were raised with respect to the succession of Conte who has been severely ill for some time, and the outbreak of violence and civil unrest, possibly spilling over into Sierra Leone, cannot be ruled out.

While at end-2003, factors destabilising the region have been reduced, there is a long way to go to achieve close cooperation between the countries concerned. The establishment of the West African Monetary Zone is now being scheduled for mid-2005. Parliament ratified the statutes for both the West African Central Bank and the West African Monetary Zone, and government is gradually adjusting its external tariffs towards the ECOWAS Common External Tariff (CET). However, in light of the huge challenges linked to the introduction of a single currency in Ghana, Gambia, Nigeria, Sierra Leone, Guinea and Liberia, including the achievement of certain convergence criteria, the respect of this deadline does not seem likely.

3.13 Cross-cutting issues: Gender, environment

3.13.1 Gender

While a number of women occupy high offices in the country (Ministers, MPs), and despite their critical role in society, women are largely marginalized in society and lack adequate access to productive assets (land, credit, training and technology). With limited access to formal sector employment, they resort mainly to food production and petty trading. The illiteracy rate amongst women is higher than that for men. Their poor health status is reflected in high maternal mortality rates. Fertility rate is high and access to essential micronutrients is poor. The situation of women is worsened by customary and religious practices. These limit their reproductive rights and participation in and contribution to national affairs. Female Genital Mutilation (FGM) practices are widespread in the country.

The conflict aggravated the situation of women, including through widespread rape and sex-slavery for many young girls abducted by the rebel forces and as a consequence unwanted pregnancies and psychological trauma. Education and skills training in refugee camps might however have resulted in a change in attitude with regards to equitable treatment and inclusive decision-making. This is reflected in women being increasingly articulate in public meetings at community level, certain progressive chiefs recognising this development opportunity and encouraging women's participation and women participating in domains where they were previously excluded. At national level, the promotion of gender equality has manifested itself through the creation of a Ministry for Gender and Children's affairs (MSWGCA) in 1997 that started tackling the legal side of social and economic advancement of women through the drafting of legislation with UNAMSIL assistance that ensures Sierra Leone's compliance with the Convention of Elimination of all forms of Discrimination Against Women. This policy now needs to be operationalised. For this purpose a comprehensive action plan should be defined. Female Genital

Mutilation (FGM) is not being addressed or even discussed publicly whether by GoSL or civil society, including INGOs. No official figures exist about the ex-tension of FGM. In general, FGM is supported and in most cases carried out by women secret societies, whose social role is very powerful in Sierra Leone, particularly in the provinces.

3.13.2 Environment

The 2002-2003 National Recovery Strategy highly values Sierra Leone's natural resources. The forests and wetlands of Sierra Leone harbour biologically and economically important natural resources, including species such as the Beard-headed Rockfowl, elephants, chimpanzees, marine turtle and Pygmy hippo, and other endemic plants, reptiles and amphibians. Other areas of concern are land degradation, deforestation, over-fishing, and pollution of fresh water resources due to mining and municipal waste. The country's environmental wealth is threatened by poor natural resource management (legal frameworks and practices), e.g. land use policies, logging, poaching, ill-adapted agriculture and infrastructural development. More efforts need to be made to implement the 2001 Environment Protection Act, the national environmental plan and the biodiversity action plan, and to develop integrated approaches combining the support to effective management of well-designed protected area network, community management of forest/wetland resources and their sustainable use, if further irreparable environmental damages are to be limited. While general awareness has increased among a number of environmental NGOs, there is still need to support advocacy, policy development, community empowerment and greater involvement in natural reserves management and development action. Future actions should promote capacity building and information sharing and encourage accountability and better governance

3.13.3 The plight of the Youth

Lack of perspectives for the youth, both socially and economically, and neglect or refusal of their aspirations both in urban and in rural environment, has often been seen as one of the reasons why many young people so readily got involved in destructive activities during the war. The present Government established a Ministry for Youth and Sports to address relevant issues, and the Ministry for Education promises efforts to provide adequate capacity building (vocational training) for young people. Vocational training was also one of the main programs for ex-combatants under the DDR-program, and a number of NGOs are offering various capacity building programs, e.g. in farming, tailoring etc. However, the diamond mining areas continue to attract many young men, where they often work under deplorable conditions, partly in a state close to serfdom. While some of those young people with good education found job opportunities among the many NGOs in the country, those without education experience huge problems in obtaining even the minimal income for survival for themselves and their dependants.

3.13.4 Migration Profile

The legacy of Sierra Leone's civil war has made it difficult to obtain accurate data and statistics of the migratory dynamics of the population. Most of the national institutions are recovering only slowly from the period of armed conflict and disruption of public administration. This explains much of the considerable information gap displayed by the migration profile. According to available information, however, the UK is likely to host the highest number of Sierra Leonean nationals in Europe, due to its colonial history in the country. At the end of 2002,

there were an estimated 100,000 Sierra Leone nationals living in the UK, as both illegal migrants and middle class professionals. A Population and Housing Census, initially scheduled for early 2004 [effectively carried out in December 2004], will contribute to a clearer picture of the county's demography and migration dynamics.

Box 1: Immigrants			
Total number of residents (2002)		5.2	million
Total migrant stocks (non-citizens + refugees) (2000)	112,000 (1990)		47,000
Immigrants as % of population: (2000)	3% (1990)		1%
Status immigrants			
Refugees (thousands): (2002)	126,000 (1990)	6,000 (2000)	64,000
Refugees as % of total migrants:		14% (2000)	
n.a.			
Labour migrants/permanent:	n.a.		n.a.
n.a.			
Labour migrants/seasonal:	n.a.		n.a.
n.a.			
NB: Internally displaced persons (IDPs): 1,600,000 in 1996, 500,000 in 2001, and 0 official by January 2002.			
Immigration trend			
Net migration: (2000)		-76 (1990)	-33
Education: Skilled Labour			
n.a.			
Main countries of origin: Sierra Leonean returnees at end 2002 from Guinea and Liberia stood at 75,978.			
Finance			
Outgoing migrant remittances (millions):			
n.a.			
Remittances as% of GDP:			
n.a.			
Box 2: Emigrants			
Total number of emigrants (thousands) (2002)			483,000
% of emigrants/nationals (2002)			9.7%
Status emigrants			
Refugees (thousands) (2002)			135,470
Labour migrants –permanent:			
n.a.			
Labour migrants – seasonal:			
n.a.			
Legal situation emigrants			
Documented:			
n.a.			
Undocumented:			
n.a.			
Trend			
Number of leaving migrants in 90/95:			
n.a.			
Number of leaving migrants in 95/2000:			
n.a.			

Education: Skilled Labour – About 30% of highly educated Sierra Leoneans live abroad. There are more Sierra Leonean doctors in Chicago than in Sierra Leone.

Main countries of destination: Refugees and Migrants: Guinea, Liberia, Gambia, Nigeria, Mali, US, Britain, Netherlands, Canada.

Finance

Amount of incoming migrant remittances:

n.a.

Remittances as % of GDP:

n.a.

4 Overview of Past-and ongoing cooperation

In July 2003, the CSP for the 9th EDF was signed. The allocation for Sierra Leone under the 9th EDF is € 144m in the programmable A-envelope and € 76m in the non-programmable B-envelope. While the uncommitted balances from 6th, 7th and 8th EDF have been transferred to the A-envelope thus increasing it by € 10,7m to € 154,7m, 1,5 % of the total allocation (€ 3,3m) have been deducted from the B-envelope as contribution to the African Peace Facility, thus leaving €72,7m. Focal Sectors under the 9th EDF are the rehabilitation of priority infrastructure and good governance/institutional strengthening, both of which are a logical continuation of areas of intervention of previous NIPs. During 2003, primary commitments from 9th and previous EDFs amounted to € 105,7m, secondary commitments to € 24.2m and disbursement to € 12.26m. A complete list of ongoing and past projects is in the annex.

New NIP Decisions, Commitments and Disbursements in 2003 (in million €)

NIP/EDF	Decisions	Contracts	Disbursements
6	0.003	0.003	0.044
7	-6.332	11.467	7.395
8	9.520	12.646	4.826
9(A)	52.503	0.071	0.001
(B)	50.000	0	0
TOTAL	105.694	24.187	12.266

NIP Decisions, Commitments and Disbursements, cumulative end 2003 (in million €)

NIP/EDF	Allocation	Decisions	%	Contracts	%	Disbursements	%
6	63.655	63.655	100	57.981	91.1	57.895	91.0
7	77.145	77.145	100	65.663	85.1	47.928	62.1
8	77.545	77.545	100	31.468	40.6	18.917	24.4
9(A)	154.706	52.503	33.9	0.071	0.05	0.001	0
(B)	72.700 ^(*)	50.000	68.8	0	0	0	0
TOTAL	445.751	320.848	72.2	155.183	41.6	124.741	33.4

(*) originally €76m, from which € 3,3m were taken away for the African Peace facility

Decisions and Disbursements, other EDF grant resources, cumulative as of end 2003 (in million €)

EDF	Allocation	Decisions	%	Contracts	%	Disbursements	%
6	14.458	14.458	100	14.458	100	14.458	100.0
7	42.912	42.912	100	42.912	100	42.912	100.0
8	35.229	35.229	100	16.570	47.0	16.570	47.0

9	0	0	0	0	0	0	0
TOTAL	92.599	92.599	100	73.940	79.8	73.940	79.8

4.1 Major Interventions in 2003 under previous EDFs

Most of the projects and programs operating during 2003 were signed under previous EDFs. The NIP 8th EDF, signed Nov. 1998, allocated € 15,6m to the first area of concentration, Support to Public Sector Reform, Good Governance, Democratisation and Human Rights, € 27,3m to Rehabilitation and Development of Social Sectors, € 23,4m to Infrastructure and € 11,7m to activities outside the areas of concentration. In 2003, the following major interventions were operating under this agreement:

Infrastructure

The 8th EDF infrastructure activities are focussing on road rehabilitation, while funds from the 7th EDF were supporting road and power infrastructure. The 9th EDF inputs (FS 1) build on and complements the 7th and 8th EDF undertakings.

The Sierra Leone Roads Authority (SLRA) Support Programme (7 ACP SL 44, € 20,5m), whose implementation was interrupted by the war for several years, is again ongoing. The program focuses on rehabilitation of prioritised main roads and institutional strengthening of the SLRA through technical assistance and rehabilitation of SLRA regional offices. Under the programme, the rehabilitation works of the Panlap-Kamakwie and Masiaka-Lunsar-Makeni road are currently ongoing and several SLRA regional offices have been and will be rehabilitated. With the upcoming rehabilitation of the Pandembu-Kailahun-Koindu-Korobola and Freetown-Grafton roads the programme is going to rehabilitate a significant network of main roads. A systems audit on the SLRA Support Program was carried out in 2003. At the time of writing, the findings and recommendations of the audit were not yet available. The completion of the “Prioritisation of 600km Rural Roads” (7 ACP SL 101) will be followed by the actual rehabilitation of selected feeder roads in four districts under the 9th EDF.

The Freetown-Conakry Road project (8 ACP SL 18, € 10m aims at rehabilitating the regional Freetown-Conakry Road on the Sierra Leone side. At the time of writing, the tender process for the works had been finished and the works were expected to start soon. The project will be complemented by an 9th EDF program to overlay the same road.

In the power sector, the Emergency Rehabilitation of Transmission and Distribution System (7 ACP SL 99, € 1.99m) project provides emergency support to the National Power Authority in rehabilitation of the electricity distribution. There are currently no plans to complement the project with 9th EDF funds.

The mining sector was originally to be supported with the €25m of 8th EDF SYSMIN funds committed for the Re-opening of the Sierra Rutile Mine (8 ACP SL 19). The project was eventually transferred to the 9th EDF (9 ACP SL 6, from the B-envelope) due to changes introduced to the Financing Agreement. The FA was signed by both parties in late 2003. Re-opening of the Sierra Rutile Mine is to be supported with a long term TA input from the 9th EDF B-envelope.

Social Sectors: Health Sector Support Project HSSP (8 ACP SL 12)

The HSSP (€ 28m for 5 years) was agreed in 2001. The overall objective of the project is to improve the health status of the population of rural districts of Sierra Leone. Three districts, which have been selected in the course of 2003

(complementing 4 other rural districts supported by the World Bank and the Western area supported by the ADB) will benefit from direct support under the project in order to improve accessibility, affordability and quality of primary health care services and develop a functioning referral system to secondary level. In addition, the capacity of the Ministry of Health and Sanitation (and subsequently of the decentralised structures) to manage financial and human resources will be strengthened, along with the capacity to train community health workers and procure and distribute drugs in a cost-effective way. An additional TA was recruited to support the Ministry of Health and Sanitation (MoHS).

The consultancy team managing the program started their work in late 2002, and the first Work Program was approved in Jan 2004. As this WP does not cover activities on the district level, a modified WP was submitted in early 2004. In order to ensure complementarities between the various EC-funded projects, the identified health infrastructure rehabilitation needs shall be covered by the RRP 2nd phase project. The implementation of the HSSP has encountered some problems on various levels, and increased commitments from all sides are necessary to ensure better performance during the next years.

Rehabilitation: The Rehabilitation and Reintegration Program (RRP)

The RRP is financed with €30m, of which €10m falls under project no. 7 ACP SL 87 and €20m under project no. 8 ACP SL 7. The combined FA for the two projects was signed in December 2000 and implementation is expected to be completed by the end of June 2005. €10m were used from the 8 ACP SL 7 to fund the DDR program, and are now being replenished through a € 10m program under the 9th EDF FS 1 [approved 2003]. This phase will focus on health and education infrastructure. During 2003, 11 projects were being funded under the 7 ACP SL 87, and € 8,2m out of € 10m are now committed, while the balances will be used during 2004. Out of the € 20m under the 8 ACP SL 7 program, € 19,8m are committed, and a number of individual projects are still ongoing. So far, the RRP has among other rehabilitated 50 schools with 219 classrooms and the supporting structures such as staff housing, four hospitals and 11 PHUs and 234 wells.

Other

Some progress has been made during 2003 with regard to the ongoing **Budget Support program (Post-Conflict Budget Support)** signed in 1999 under the 8th EDF. Put on hold in 2001 after an audit report revealed a breakdown in the overall control of public finances, an agreement on reimbursement and on measures to improve public finance management (PFM) was signed in early 2003. Part of the reimbursed funds (€3m) is being used to complete the Demobilisation, Disarmament and Reintegration program which ended in December 2003. Following efforts to implement the agreed PFM-measures under the umbrella of an overall PFM-Task Force, an evaluation of the improvements made was carried out in early 2004 to assess whether the outstanding 2nd and 3rd tranches of PCBS can be released.

The amended version of the **Ministry of Finance Support Program** (€4,5m) was signed in mid-2003. After completion of the tender procedure and selection of the company, the consultants started their advisory and capacity-building work in the Ministry of Finance in April 2004.

The date of the **Population and Housing Census (7 ACP SL 100)** has been postponed repeatedly [and finally carried out November-December 2004], with final

data expected to be available mid-2005. Some of the preparatory work is currently being funded by UNFPA, with the EC-funded project due to take over in the first half of 2004. The GIS (Geographical Information System) expert has been contracted [and started working under EC funding in April 2004].

4.2 The 9th EDF National Indicative Program

The 9th EDF NIP was developed just at the end of the civil war and signed one year later, when the most pressing needs identified in close consultation between GoSL and the EC Delegation were the rehabilitation of the infrastructure destroyed and neglected during the war, and the establishment of foundations for efficient, transparent and accountable governance. Based on this assessment, the funding from the A-envelope of € 144m was allocated to a) rehabilitation of priority infrastructure (Focal sector I, € 70m) and b) good governance and institutional support (Focal Sector 2, €19m). In addition, € 50m were allocated to Budget Support and € 5m to non-focal sectors. The B-envelope contained € 76m.

4.2.1 Focal Sector 1 - Rehabilitation of Priority Infrastructure

According to the CSP and NIP for 2003-2007, the overall objective of Focal Sector 1 – Rehabilitation of Priority Infrastructure is to improve access to markets and social services, and the expected results are “selected road network rehabilitated and maintained nationally”, “access to rural areas and markets improved” and “rural health and education infrastructure rehabilitated in selected areas. Thus, interventions will focus on road transport infrastructure and social sector infrastructure. The road infrastructure inputs support the National Transport Strategy and Investment Plan 2003-2007. 9th EDF funds will be utilised for rehabilitation of both main and rural roads as well as for the rehabilitation of the Freetown-Conakry road as a part of the Trans West African Highway contributing to regional integration. 9th EDF resources complement the ongoing 7th and 8th EDF support to the Sierra Leone Roads Authority SLRA. Once the results of the WB funded study on the reforms needed in the road sector are available, the Government and the EC will embark on a more extensive policy dialogue with a view of addressing the structural problems regarding the SLRA and the Road Fund which should ensure funding for road maintenance. Support to social sector infrastructure aims at complementing the on-going rehabilitation programs of priority social infrastructures (RRP) as well as the Health Sector Support Programme, where relevant, that includes a rehabilitation component.

In 2003, programs for €52m out of the allocation of € 70m were approved by the EDF-Committee, € 42m for roads and € 10m for social infrastructure. The Road Infrastructure Programme will start with the tendering for the main targeted roads once the 9th EDF tender models are available [were made available in May 2004]. Similarly, the implementation of the RRP started once the 9th EDF Work Programme templates were received in English. Additional programs are the over-laying of the Freetown-Conakry Highway and rehabilitation of rural roads. As these pro-grams will require more than the remaining €18m, additional funds for FS 1 will be necessary.

a) Results

In 2003, it was difficult to assess the results against identified targets as the implementation of the 9th EDF program has de facto not yet started at that time and the Transport Statistics Yearbook 2003, a key source of data, was not available. The road conditions are unlikely to be known with any accuracy until regular, systematic road condition surveys have been developed and embedded in SLRA management

systems. However, the current road condition statistics indicate that the proportion of trunk roads in good or fair condition increased with 10% between 2002 and 2003.

The Government has progressed in the implementation of the National Transport Strategy and Investment Plan 2003-2007 by increasing the fuel levy from 450 to 750 Le per gallon in 2003. Even though this measure will greatly increase the SLRA income, the Road Fund currently covers only a quarter of the road maintenance needs. Thus, large scale donor support will continue to be necessary for the sector. The trend to move towards privatisation of the SLRA and the Road Fund also contributes towards reaching the long-term goals of the Strategy to improve the efficiency of the sector as a whole.

Sector reform will be supported by the World Bank based on a road management study due to start in early 2004. The study will formulate an Action Plan for the restructuring of the Road Fund and road network management in Sierra Leone. This restructuring is to establish the Road Fund, currently administered by the SLRA, as an independent body. The long-term Technical Assistance for the GoSL under the Road Infrastructure Programme (9 ACP SL 5) is to support the Government in these reform endeavours.

The Resettlement and Rehabilitation Programme (9 ACP SL 9), pending final definition, foresees the reconstruction of one hospital, 20 health centres and a 150 water wells. However, as the implementation had not yet started by the end of 2003 [started in May 2004], no results had been achieved in that year.

b) Progress in activities

Some delays have been experienced in the road infrastructure program due to a long period without engineering advisory staff at the ECD and more recently due to the unavailability of English versions of the 9th EDF tender dossiers. The infrastructure section in the Delegation was expected to be fully staffed in March 2004 [not yet realised until December 2004], and the completion of the English version of the 9th EDF tender dossiers was expected to speed up the implementation of the programs.

Awaiting the official version of the template for Work Programmes under the 9th EDF, activities under the RRP III social sector infrastructure program could not be started. Given the time constraints associated with TA contracts [end of the implementation period of the FA 31 December 2005] this was pointed as a risk of negatively affecting the overall project and any exit strategy envisaged [an extension of the FA was requested].

c) Degree of integration of cross-cutting themes

Given the nature of the road and social sector infrastructure interventions, there is potential for integration of cross-cutting themes (e.g. gender, HIV/AIDS, environment) at a number of different levels, either within existing projects or in synergies that can be achieved with other programs such as the HSSP. Environmental and social assessments are systematically conducted for any programme with a potential impact on the environment, social structures or gender. Environmental requirements, such as the obligation to rehabilitate the borrow pits in road construction projects, are also included in works and supervision contracts. In water and sanitation and agricultural contributions of the RRP, attention is paid to avoiding erosion and protection of waterways. Furthermore, at least half of the agricultural interventions and a bulk of the trainings are directed specifically to women. However,

there is space for including accompanying measures e.g. for environmental protection and HIV/AIDS prevention in the future infrastructure programmes.

4.2.2 Good Governance and Institutional Support

13,5% of the A-envelope (€ 19,5m) has been allocated to the Focal Sector 2, good governance and institutional support. Indicatively, this amount was split into €7m for the support to local elections and decentralisation, € 7m for the promotion of functioning accountability mechanisms on state and non-state level, and € 5m for support to the NAO. Uncommitted balances from previous EDFs will if necessary increase the funds available for FS 2 activities.

a) Support to Decentralisation and Local Elections

Under the umbrella of the Local Government Task Force, Local Government legislation was prepared during 2003 and adopted by Parliament in January 2004. In close cooperation with GoSL and other donors involved, an EU-funded study explored avenues for EU support to the implementation of the policy. The draft Financing Proposal, currently [end 2003] under consultation with GoSL, recommends an allocation of € 7m over three years to provide advice to high-level policy makers, capacity building for local government actors and accompanying infrastructure/equipment [the relevant FA was approved in December 2004]. Adequate coordination mechanisms will ensure that the contributions from the various actors, in particular World Bank, UNDP, DfID and EU, will complement each other in a best possible way.

In early 2003, GoSL decided to postpone the elections to 2004, and the Delegation agreed with the UK and US that funding would be provided once the necessary conditions for credible local elections were established, in particular the enactment of an adequate local government law, an audit report on the financial management of the National Electoral Commission (NEC), the completion of the pending Anti-Corruption case against some senior figures in the NEC, and progress on implementing recommendations on NEC's restructuring. While some progress on the criteria has been made, additional steps are necessary to convince donors to disburse the funds.

b) Promoting functioning Accountability Mechanisms

It is common understanding that in the past the "capture" of the state by a small elite and the under-mining of accountability institutions designed to provide checks and balances on government action resulted in a ruin of state finances, the exclusion of most parts of the population, the neglect of the delivery of social services, and a complete breakdown of security and stability to an extent where Sierra Leone was regarded as a failed state. In order to address these problems that resulted in the devastating civil war, GoSL and the ECD agreed to allocate funds under the NIP's Focal Sector 2 to the promotion of functioning accountability mechanisms (earmarked € 7m). Based on ToRs approved in 2003, an experienced international expert, supported by a national consultant, identified in early 2004 the most promising avenues to achieve this purpose.

c) Technical Cooperation Facility

A financing proposal for the Technical Cooperation Facility was submitted to Brussels for approval in November 2003. The requested TCF covers a three-year period for a total amount of €1.9m. Foreseen activities are primarily in the field of technical assistance for carrying out project identification, feasibility and preparation studies but also audits and evaluations when this was not foreseen in the existing

projects. A smaller amount was earmarked for training activities [The FA was signed in early 2004].

d) Support to the NAO

A financing proposal for the Support to the NAO project was submitted to Brussels for approval in December 2003. The proposal covers a four-year period with an overall budget of €3.1m. Support was to be provided to the NAO office by three international experts who are to build NAO staff capacity in the field of project identification and planning, project monitoring and EDF procedures [effectively from May 2004]. This project will be complemented by the TCF, as NAO staff will benefit from training opportunities provided under this facility.

4.2.3 Macro-economic support

The NIP foresees a € 50m allocation as budget support from the A-envelope. Within the Medium-Term Expenditure Framework (MTEF), these grants have been budgeted by the Ministry of Finance for the years 2005, 2006 and 2007. Precondition for the disbursement of the funds are macro-economic stability, substantial improvements in public finance management, the adoption of a PRSP and its reflection in the national budget, and progress in achieving certain targets related to poverty reduction and the selected focal sectors, i.e. infrastructure and good governance/institutional support.

From an early-2004 perspective, additional efforts need to be made on each of these four pillars, to achieve the necessary quality. The macro-economic stability as assessed by the IMF, is at risk, with an increased inflation in 2003 and delays are being incurred in the implementation of structural reforms. The completion of the PRSP experienced further delays [and by end-2004, the document was not yet adopted].

A trigger for beginning works on a Budget Support Agreement under the 9th EDF will be the disbursement of the outstanding Post Conflict Budget Support instalments (€ 18,2m) based on an assessment of progress made in improving public finance management. In this respect and despite persisting shortcomings, substantial progress has been made during 2003. Under the umbrella of a Public Finance Management Task Force established in early 2003, a joint GoSL-donor action plan to improve the efficiency, transparency and accountability of revenue and public spending has been agreed upon, and measures have been implemented. This program will be further strengthened by the incoming [in 2004] EC Ministry of Finance Support Program, the establishment of a World Bank funded PFM-secretariat in the Ministry of Finance and the procurement of adequate hard and software for an integrated financial management and information system (IFMIS) for the Accountant General's Department.

4.3 Projects and programs outside focal sectors

€ 5m have been allocated from the country's A-envelope to projects and programs outside the focal sectors. The CSP recommends to use these funds for the strengthening of civil society, the negotiation process for the Economic Partnership Agreements (EPA) and other measures aiming at regional integration, regional peace-keeping and conflict prevention, promotion of human rights, and to finance studies, audits etc. of general interest for EC-GoSL cooperation. During 2003, preparatory work has been done to provide technical assistance to the Ministry of Trade in order to promote the EPA agenda. The TA was selected and started his work in early 2004.

A “mapping exercise” was carried out during 2003 to enhance the Delegation’s knowledge of non-state actors, their strengths and weaknesses, and possible avenues of enhanced cooperation. A work-shop to this end has been held in early 2004 (see 4.4). The promotion of human rights is being covered by the European Initiative for Human Rights Budget Line, where Sierra Leone has the status of focus country (see 4.5.4). However, additional resources could be used to help establish the National Human Rights Commission in accordance with the 1998 Lomé Peace Agreement, or to allocate additional funding to the Special Court for Sierra Leone.

4.4 Co-operation with Non-State Actors

Under previous NIPs, NSAs were supported primarily through ECHO funding and Budget Lines (4.4.5). In addition, NSAs implemented projects under the EDF-funded RRP. Based on the Cotonou Agreement, additional and more targeted funds will be made available for NSAs under the 9th EDF. The proposed activities, encompassing among others elements of support to and capacity building of Civil Society at district level, will be carried out in close coordination with other actions that aim at supporting the decentralisation process in Sierra Leone. In the course of 2004, a call for proposal under the EIDHR budget line (European Initiative for Democracy and Human Rights) was launched by the ECD. This was the first opportunity for local CSOs to apply for direct funding under the form of grants.

4.5 Other Instruments

4.5.1 European Investment Bank (EIB)

The investment facility (IF) managed by the EIB is the instrument of the Cotonou Agreement for long-term finance. It is structured as a revolving fund aiming at long-term

financial sustainability and disposing of an array of instruments, such as loans, equity or quasi-equity participation, and the provision of guarantees. The IF targets borrowers in the private sector or the commercially run public sector and foresees only a couple of well-defined cases where a subsidy element might be granted. The Bank’s approach in supporting long-term investment continues to be demand-driven. The extent to which the Bank will be able to commit long-term resources therefore largely depends on the establishment of a positive investment climate in the country.

Based on an agreement between the EC and GoSL signed in 2002 under the overall umbrella of HIPC debt relief, the EIB started proceeding in 2003 on the clearance of arrears of up to € 21,45m (of which € 8,58m during the HIPC interim period), incurred by GoSL.

End 2003, the GoSL submitted to the EIB a request for a loan to complete the construction of the Bumbuna Hydro-Electric Plant that could provide for a good part of the country’s electricity needs, and reduce a limiting factor for private sector investment. Subject to the project being eligible for EIB financing, which is still under review, the EC agreed in principle that the funds be allocated on subsidized basis. No loan requests have been submitted to the EIB during 2003 by private investors. So far, the general investment climate does not attract sufficient foreign investment.

4.5.2 Regional Cooperation

Sierra Leone is part of the Regional Program for West Africa agreed between the EU and ECOWAS/UEMOA, with a total allocation of € 235m under the 9th EDF and some unspent balances from previous EDFs, targeting mostly measures to enhance

economic and trade integration in the region, and improvement of regional transport infrastructure (Focal Sectors I, II), and conflict prevention, regional health issues and other areas under the non-focal sector. Both partner organisations have during the course of the year 2003, enhanced and institutionalised their cooperation aiming at the harmonisation of certain policies, including in economic integration and trade. So far, Sierra Leone is benefiting from regional cooperation funds under the 8th EDF for the completion of the Freetown-Conakry-Highway.

4.5.3 Stabex

Although the Stabex instrument has been abolished under the Cotonou Agreement, there are residual funds still in the pipeline for Sierra Leone, from Stabex 1996/99 (€ 2.7m) and from previous Stabex resources deemed improperly spent, reimbursed by GoSL and now made available again (€ 2,45m). A Framework of Mutual Obligations (FMO) signed by GoSL, could during 2003 not be dealt with by the competent services in EC-HQ due to the overall Stabex audit exercise which required all available human resources. The FMO suggests that the Stabex 1996/1999 funds be used as budget support targeted to specific and identifiable activities within the budget of the Ministry of Agriculture and Food Security, and to use the funds resulting from ineligible expenditure to implement a stand-alone agricultural development project. To this end, the Ministry for Agriculture and Food Security submitted in 2003 a suitable project proposal, and a budget line was identified within the national budget for the same Ministry. € 250.000 from the total allocation is earmarked for Technical Assistance as well as monitoring and audit activities.

4.5.4 ECHO, Budget Lines

In the past, the focus of Budget Line funding has been on ECHO, while in future, more emphasis will be put on Food Security and the European Initiative for Democracy and Human Rights (EIDHR). ECHO funding has been designated to contribute to a transition context whilst maintaining the capacity to respond effectively where necessary. In doing so ECHO funding has ensured a sufficient but clearly targeted presence prior to the arrival of 'transition' funding (LRRD). At the same time the Food Security budget line continues to operate with ongoing projects, with the most recent call for proposals being placed in January 2004. The EC's Food Security intervention will remain at least for the short to medium term.

Under the European Initiative for Democracy and Human Rights (EIDHR), funds were provided for support to the use of media as a means to promote human rights (Talking Drum), for sensitization, conflict mapping and support of the local legal community with regard to the Special Court (No Peace Without Justice), the promotion of reconciliation via the Truth and Reconciliation Commission (TRC) and the support for the reintegration of war-affected children into their communities (UNICEF), as well as support to the victims of torture (Mary Stopes International). In 2003, two additional partners received grants from EIDHR, Care Netherlands and IEP Bordeaux, for activities in the field of support for democratization, good governance and the rule of Law. The two projects are implemented in close partnership with local organizations and aim at promoting awareness in the field of human rights. More EIDHR funding will be available for Sierra Leone in the near future, and the ECD capacity will be strengthened by an external adviser in this field. A call for proposal for micro-projects will be launched by the ECD in late 2004. This will be a first opportunity for local CSOs to apply for direct funding under the form of grants. The earmarked amount for micro-project funding is to date of 215,000 euros, aimed at covering the following priorities: strengthening the capacity of civil society

organisations, human rights training for public officials, enhancing the legal protection of human rights, civic and voter education.

In addition, projects were funded under the Co-Financing Budget Line. Under the 2003 call for proposal launched a GOAL project in the health sector has been selected.

Tables: Budget Line Financing in Sierra Leone

1. Food Security

Partner	Amount	Objectives/Comments
CARE	€ 3,1m	increase food security of 10,200 farmers in 3 districts (3 yrs)
ACF	€ 2,3m	food security surveillance; agricultural relief; agricultural post-emergency activities (2 yrs + no cost extension 6 months)

2. EIDHR

Partner	Amount	Title/Objectives/Comments
EFCG (through Talking Drum)	€ 0.7m	Using media to promote human rights within the Sierra Leone peace process
No Peace Without Justice	€ 0.7m	Support to the Special Court
OHCHR	€ 1.0m	Support to the Truth and Reconciliation Commission
UNICEF	€ 2.0m	Community Reintegration of Children Associated with the Fighting Forces
Mary Stopes	€ 0.2m	Rehabilitation of victims in Sierra Leone
Caritas / AFMAL	€ 0.6m	Reintegration of war-affected children and Youth ex-combatants
Amnesty International UK	€ 1.6m	Preventing the practice of torture through education (Regional project)
COOPI (through PROWA)	€ 1.0m	Females victims of inhuman and degrading treatment support programme in Sierra Leone
Care Netherlands	€ 1.4m	“Le Wi Lan”: Let us learn to respect human rights
Institut d’Etudes Politiques de Bordeaux	€ 0.4m	Capacity building for human rights civil society organizations in Sierra Leone

3. ECHO

Sector	Implementing Partner	Amount (€)	Objectives
Health	MSF-B	670,000	Support to secondary health care.
	MSF-F	685,000	Primary health care in two refugee camps
	IRC	655,000	Primary health care, support to PHUs. Prevention of Lassa fever in camps.
	MSF-H	400,000	Support to PHUs and Kambia hospital
	MERLIN	110,000	Prevention of Lassa fever; government hospital
	Mentor	320,000	Treated plastic sheeting malaria study in camps
	UNICEF	500,000	Immunisation support to cold chain system

	Goal	400,000	Support to PHUs and CHCs
WatSan	Goal		325 latrines, 20 wells.
	ACF	895,000	200 latrines and 48 wells constructed/ rehabilitated. 9 boreholes in Taiama camp
	TearFund	380,000	805 latrines and 19wells/spring boxes in place/rehabilitated
	MSF-F	725,000	1 gravity system, 400 latrines (Taiama, Tobanda camps)
	IRC	540,000	400 latrines, 62 wells
	COOPI	175,000	10 wells in place
Refugees	UNHCR	1.700.000	multi-sectoral care to 54.000 refugees
Protect.	ICRC	500,000	Protection

4. NGO Co-financing

Partner	Amount (in M€)	Title/Objectives/Comments
Plan Int'l UK	0.7	Education Renewal Bombali District
Mary Stopes Society Sierra Leone	0.5	Extension of MS Family Planning Reproductive Health and Safe Motherhood Program in Kissy, Eastern Freetown and Makeni, Bombali and their environs.
Sight Savers International	0.4	Human Resource Development for Prevention of Blindness

4.5.5 B-envelope: LRRD; Rutile

Rutile

A SYSMIN balance of € 25m has been allocated for the Re-opening of Sierra Rutile Mine (9 ACP SL 6). The project will provide a grant to GoSL for on-lending to Sierra Rutile to re-start rutile (TiO₂) mining in the southern part of Sierra Leone. Before the war-induced end of operations in 1994, the mine was the largest private employer in the country and provided half of the foreign exchange and a significant amount for the national budget. The EDF funds will be supplemented by an Overseas Private Corporation (OPIC) loan. The potential social and environmental impact of the program will be mitigated through adequate activities to be implemented by Sierra Rutile Ltd. and monitored by the ECD, and by channelling parts of the interests generated through the loan into relevant activities in the affected areas.

100% of the funds allocated for the project have been committed and the release of funds is currently pending on the completion of the study on the terms and conditions of the GoSL-SRL loan agreement, expected during the first half of 2004.

In addition, as stipulated in the Financing Agreement of the Re-opening of Sierra Rutile Mine project, long-term Technical Assistance will be made available to support the project. The TA, funded from the B-envelope, will also support the GoSL in the implementation of its Core Mineral Policy (CMP) as the tasks identified for the TA in the 9 ACP SL 6 Financing Agreement are closely connected to the CMP [not realised by the end of 2004].

LRRD

A € 25m Financing Agreement “Transitional support to former IDPs, returnees, refugees and hosting communities in Sierra Leone” has signed in 2003. Designed to

consolidate peace and stability and support economic and social development whilst ensuring a link between relief, rehabilitation and development, implementing partners will be selected in early 2004 and operational before June [12 partners were selected by that time]. Focusing on key districts on the borders with Guinea and Liberia, the principle areas of intervention will be to promote food/livelihood security and improved water and sanitation. Government has identified both of these as key sectors in strategic planning documents or statements by the President. In returnee areas and refugee camps and their host communities, the focus activities will be complemented by measures to enhance the protection of vulnerable populations. Mechanisms are in place to ensure that cross-cutting issues such as gender, environment and HIV/AIDS will be taken into account.

A € 6,7m “Supporting the Transition in the health sector” program has been initiated in 2003, to complement the ongoing HSSP and ensure a smooth transition from ECHO-funded emergency health projects.

5 Programming Perspectives for the following years

After signing of the 9th EDF CSP in July 2003, works have started on the implementation of the NIP. Funds from the 9th EDF committed by end-2003 amount to € 102,5 m. In addition, projects and programs signed under previous EDFs has continued. The uncommitted balances from previous EDFs have been transferred to the 9th EDF, which now amounts to €154,7m A-envelope and € 72,7m B-envelope. From the original B-envelope allocation of € 76m, € 3,3m were taken away (1,5% of total allocation) for the African Peace Facility.

Under the FS 1 Infrastructure, in 2004 global commitments are expected for the Rural Roads Rehabilitation project, and individual commitments and payments for parts of RRP phase III. In 2005, global commitments are planned for the Freetown-Conakry overlaying, individual commitments for the large roads infrastructure program the second part of RRP III, and payments for RRP III, Freetown-Conakry rehabilitation, the roads infrastructure program and the rural roads rehabilitation.

Under the FS 2 Good Governance/Institutional Support, in 2004 global and individual commitments were expected [and realised] for TCF (Technical Cooperation Facility), “Decentralisation Support”, “NAO Support” “Local Government Elections” and “NSAs Support”, and the first disbursements will take place for most of these programs which [except for the local election support] will continue throughout 2005.

The 9th EDF NIP earmarks € 50m for Macroeconomic Support. Disbursement is planned in three tranches of €20m, € 20m and € 10m from 2005 onwards, provided that the general criteria for budgetary support, i.e. macro-economic stability, implementation of high public finance management standard, the adoption of a PRSP and its reflection in the national budget, and progress on selected poverty-related indicators, are fulfilled.

Activities under the non-focal sectors have not yet reached an advanced stage, and the first global commitments should be expected in 2005.

B-envelope: In 2004, individual commitments and payments are expected for the general and the Health-LRRD [not realised until December 2004], the restart of the Sierra Rutile Mines and the TA to the Ministry of Mines. These programs will continue during 2005.

Secondary commitments and disbursements under previous EDFs: A number of large projects and programs under previous EDFs will continue to operate during the next

years, among which are the 7th EDF road rehabilitation program, the Freetown-Conakry highway, the balances of RRP I, the Institutional Strengthening of the Ministry of Finance, the RRP II, Post-Conflict Budget Support, the Health Sector Support Program, and the Census.

The high level of primary commitments in 2003, to be followed by corresponding levels of secondary commitments and payments in 2004 once the obstacles are being removed, indicate an increased implementation capacity in the country after the decade of conflict, which justifies the overall country allocation.

5.1 New EC/EU aid-related policy commitments

For Sierra Leone, many of the new EC aid policy commitments and initiatives are important. Several of them are being taken into consideration by GoSL-EC cooperation; where this is not the case, this is mostly due to the effort to avoid overlaps with other donors (e.g. World Bank) in a specific sector. This is particularly valid for **education**, where both World Bank and ADB are heavily involved with support programs. The ECD complements these efforts with a) funds for rehabilitation of physical education infrastructure, and with a budget support allocation geared towards the implementation of the PRSP, once the necessary preconditions are in place. In the **health** sector, a large EU support program is currently being carried out (see 4.1.2), complemented by the rehabilitation of physical infrastructure and a Health-LRRD, currently under preparation. Other donors, notably World Bank, complement these efforts with additional support measures, including tackling HIV/AIDS (see 3.10).

The recent [2003] recruitment of a TA to the Ministry of Trade and Industry as adviser on the EPA negotiations will during 2004 further enhance the importance of **trade** as part of the GoSL-EC cooperation. This program aims at increasing the capacity of the Ministry of Trade and industry (MoTI) to formulate and implement the country's trade negotiation strategy for the EPA, WTO and related regional trade negotiations based on an assessment of Sierra Leone's national interest. Dialogue with interested civil society actors is also foreseen under this program. This measure will be complemented by more general capacity building support from the Commonwealth Secretariat.

Discussions have been held on several occasions between the EC and GoSL on **fisheries**, including during the Vice President's visit to Brussels in Sept. 2003. In view of the huge marine potential of the country, the lack of access to the European markets, and the lack of a Fisheries Agreement, is being considered as a major impediment for the development of the sector. It is envisaged to conduct a comprehensive fisheries stock assessment survey in 2005.

During the decade-long war, little focus was given on **environmental** issues. As a matter of fact, the interruption of unsustainable logging from the Gola natural reserve resulted in a recovery of the forest. However, there is no updated comprehensive knowledge about the general state of the environment and the sustainability of the use of natural resources, as the last assessment was made by World Bank in 1994. In order to be in a better position to early recognize and address critical developments it is envisaged to conduct an environmental study during 2005.

As the overall focus of EC-GoSL cooperation will remain unchanged, no substantial investment in terms of funding will be made in the above-mentioned sectors other than those already agreed. However, possibilities might exist under EC Budget Line funding, notably EIDHR, food security, and possibly Tropical Forests.

5.2 Assessment and adjustment of the cooperation strategy

Confirming the assumptions made during the preparation of the CSP in 2001, Sierra Leone continues to move from post-conflict into a more stable long-term development situation, which reaffirms the selection of the two focal sectors. Infrastructure needs and governance-related issues continue to be in the focus of development cooperation. It was therefore recommended that the overall strategy for the GoSL-EC cooperation remains unchanged. The transfer of uncommitted balances from previous EDFs and the possible transfer of funds from the B-envelope to the A-envelope should fully accommodate the slightly increased needs and implementation capacities in the two focal sectors.

5.3 Dialogue with NAO and Non-State Actors (NSAs)

There is a regular and open dialogue between the ECD and the NAO on general EC/GoSL cooperation and on project-related matters. As capacity constraints in a post-conflict country are a limiting factor, the cooperation and implementation of programs would have been further enhanced if the promised support to the NAO [Dakar 2003 meeting] would have come on board as planned. High expectations are attached to the NAO-support program which has been prepared in late 2003.

Dialogue with NSAs continued to take place on various levels, partly through NGOs as implementing partners of humanitarian and rehabilitation projects. In addition, a more informal dialogue is being held with NSAs in the field of human rights and good governance. According to the provisions of the Cotonou Agreement, NSAs have been consulted on the Joint Annual Report. Under the 9th EDF FS 2, first discussions were held on a “Support to NSAs” project, to be further developed during 2004. As the knowledge of NSAs about the EC’s role in development cooperation in Sierra Leone remains limited, the need for increase dialogue with civil society will be further taken into consideration in the coming years.

5.4 Mid-term Review 2004 results

Considering the overall performance of the country, the general political context of EC cooperation with Sierra Leone, and the improved implementation prospects for 2004-2007, the following position with regard to the adjustment of the 2002-2007 CSP/NIP was supported by the European Commission and the NAO:

- There is no need or justification for a change of the country strategy or of focal sectors (rehabilitation of infrastructure, good governance and institutional support, budget support).
- In line with proposals made in the draft 2003 joint annual report, additional EC policy initiatives should be included in the country programme in the areas of environment, migration and possibly the EITI initiative.
- A transfer of parts of the remaining balances from the B-envelope (€ 10.0m) to the A-envelope is recommended, allowing:
 - to reinforce focal sector 1 (rehabilitation of priority infrastructure) to take into account increased cost estimates for the overlaying of the Freetown-Conakry Highway and rehabilitation of feeder roads, and a possible rehabilitation of urban sanitation infrastructure;
 - to reinforce focal sector 2, good governance & institutional;

- to increase the allocation for non-focal sectors in order to cover new EC policy initiatives.

5.5 Addendum to the CSP and the NIP

Taking into account the preceding considerations for the adjustment of the 2003-2007 NIP, the European Commission decided on 30 November 2004 to approve the conclusions of the 2004 mid-term review of the Country Strategy Paper and the National Indicative Programme.

Based on the assessment of recent trends and developments, the overall country performance and the implementation prospects for the 2004-2007 period, it is suggested to maintain the overall country strategy and to transfer an amount of € 10.0m from the B-envelope to the programmable resources of the A-envelope, allowing to reinforce allocations to focal sectors and to provide funding of activities related to relevant new policy initiatives. € 6.0m will remain available in the B-envelope for unforeseen needs.

The Addendum to the CSP and the NIP proposed by the Commission was discussed in a consultative 9th EDF Mid-Term Review meeting on 10 February 2005 with the participations of the NAO, government representatives, Member States present in the country, other donors and NSAs. Further to this meeting the Addendum was signed jointly by the Government and Head of Delegation on 10.02.2005.

Attached are the minutes of the MTR meeting duly signed by the Government and Delegation (Annex 10). The Addendum and minutes supplement the 9th EDF MTR Conclusions of 2004.

6. CONCLUSIONS

6.1 Policy Agenda of Sierra Leone

Sierra Leone's policy agenda has been largely determined by the needs and priorities resulting from a decade of civil war. It therefore gives high emphasis to security, recovery, rehabilitation and restoring the economy.

An interim Poverty Reduction Strategy Paper (I-PRSP) has been adopted in June 2001, distinguishing two phases: one post-conflict transitional phase for 2001 and 2002, and one medium term phase from 2003 to 2005. The focus of the interim phase was set on improving the situation of the most vulnerable groups including returnees, internally displaced persons (IDPs) and other victims of the war, as well as on the urgent reconstruction or rehabilitation of basic infrastructure.

The full PRSP, urgently needed for the definition of a framework for long term development and related sector strategies, has still to be completed. The Sierra Leone government has only lately drawn the needed serious consequences from the delay of the PRSP process by putting in place a new task force, outside the Ministry of Economic Planning that is making serious efforts to complete the process. Sierra Leone's development agenda is marked by considerable shortcomings and delays, greatly due to limited institutional capacities but also by a lack of ownership by parts of the national authorities.

6.2 Main political, economic and social developments

General achievements: Over the last two years, security has been re-established and maintained, not without massive support of the international community. Under difficult logistic conditions, presidential and parliamentary elections have been

conducted in May 2002, leading to a legitimate and internationally recognised government. The respect for human rights and fundamental freedoms has been restored, after a decade witnessing most serious violations of human rights. At present, the country is fully supported by the international donor community in its rehabilitation and development efforts.

Security and political situation: The security situation has remained globally stable since the end of the civil war. By the end of 2003, some 11.500 UN peace keeping troops were still in the country. A main positive development in 2003 was the completion of the national Demobilisation, Disarmament and Reintegration program for more than 51.000 ex-combatants². There is, however, concern as to whether the comparatively short professional training offered to ex-combatants in various trades will prove to be sufficient to provide sustainable livelihoods. Also, the risk of “migrating” mercenaries in the sub region cannot be ruled out, particularly if the economic re-integration of ex-combatants was not fully successful.

Based a stabilising security situation and capacity building activities of the Sierra Leonean army, the UN peace keeping force UNAMSIL was schedules to complete its draw down plan scheduled by December 2004.

Humanitarian situation: By the end of 2003, most of the remaining refugees who were out of the country returned to their places of origin in Sierra Leone, partly motivated by the fierce fighting in Liberia during the first half of 2003. This also led to the influx of approx. 55.000 Liberian refugees now staying in 8 refugee camps. The number of Sierra Leonean refugees still living in neighbouring Liberia is estimated at 13,000 (Dec. 2003).

As the largest part of the huge migratory moves of IDPs and returning refugees has come to an end, the focus of the government and international aid agencies is shifting from humanitarian relief and protection to assisting local communities in rebuilding their infrastructure and livelihoods. Specific approaches (“LRRD”, “4Rs”) are being implemented, aiming to link emergency relief and rehabilitation to long-term development programmes and national sector policies.

Human rights: In general terms, Sierra Leone now shows a largely improved human rights record, marked by the respect of fundamental freedoms, the absence of political killings and of politically motivated detention and torture. However, there are still reports on occasional human rights violations by security forces.

Freedom of expression and of the media is generally respected in Sierra Leone; human rights organisations can operate freely. There are no restrictions on political activity, public meetings or access to the internet. With regard to the judiciary, there has been considerable progress in restoring judicial services and infrastructure. Not all parts of the country, however, are adequately covered yet. The justice sector still has a long way to go to resolve the issue of frequent impunity and abuse of power in both the customary as well as the formal judiciary.

National reconciliation: The Special Court for Sierra Leone (SCSL) has been created to bring to justice “those who bear the greatest responsibility” for war crimes and crimes against humanity committed during the civil war. In parallel, a Truth and Reconciliation Commission (TRC) was set up to facilitate national reconciliation. Both institutions have been created on the initiative of the government but are largely depended on international funding.

Starting to operate in mid-2002, the Special Court issued the first indictments in March 2003. Hearings have started in late 2003 and trials began in May 2004. They

²⁾ The Commission contributed 12.2 M€ to the DDR multi donor trust fund from 8th EDF resources.

are expected to bring about some interesting information on the possible implication of international actors in West African conflicts.

The TRC took more than 8.000 statements from victims and perpetrators, organised public hearings and prepared the final report (published April 2004). In turn, an audit report on the TRC that became recently available pointed to serious problems related to management and handling of resources.

Governance and institutional reform: The implementation of the Local Government Act which is the legal basis for the decentralisation policy is expected to bring about a major shift in the overall governance structure of the country would, resulting in more popular participation in public affairs on district level, improved delivery of social services and increased accountability of elected councillors towards their constituents. All major development partners, including DfID, World Bank, UNDP and EC, have so far supported the process and participated in the debate.

The government has significantly improved its control over the diamond sector, increasing officially declared exports to approx. US\$ 76.0 in 2003, from US\$ 10.0 in 2000.

The fight against corruption has witnessed less progress than expected and agreed bench-marks in this respect have not been fully met. The latest ACC report issued in August 2003 showed very few cases submitted by the ACC to the Attorney General have been brought to court, and the cooperation of state institutions in the fight against corruption is widely seen as insufficient.

Economic developments: With a GDP per capita of US\$ 140, Sierra Leone remains one of the poorest countries in the world. However, the country's recent economic performance remained robust in 2003, with 6.5% of real GDP increase, after 6.3 % in 2002. These comparatively high growth rates, however, have to be seen against low or negative GDP growth during a decade of the civil war.

The generally encouraging picture is overshadowed in the second semester by a substantial depreciation of the Leone against the US\$, resulting in an end-2003 inflation rate of 11.3 % against the projected single-digit inflation, with a direct negative impact on the poor³. End of 2003 negotiations with the IMF on the implementation of necessary structural reforms to remain "on track" with regard to the PRGF proved particularly difficult but were finally concluded on a positive note.

Poverty reduction / achievements in the social sectors: Ranking last on the UNDP Human Development Index, Sierra Leone continues to have amongst the worst social indicators in the world. With regard to official data on MDG's and related indicators, available information show a picture of significant improvements as compared to levels during the conflict. The proportion of the population living at less than 1 \$US/day is indicated to have dropped from 85% in 2002 to 57 % in 2003, indicating thus a dramatic positive change. Data on education show a positive trend in net primary enrolment rates but remain at a low level in absolute terms (59 % in 2002). Significant progress in closing the gender gap in secondary education since 2000 (+ 35 %) can be observed. This positive trend, however, is offset by a sharp drop of the female proportion in tertiary education, from 55% in 2001 to 40% in 2003.

Under five-mortality rate stands at 316 per 1000 live births and maternal mortality rate at 1,800 per 100,000 live births. Life expectancy at birth is 34.2 years (projection 2000-2005), lower than it was in the first half of the 70s (35 years). Malaria remains the most common morbidity pattern and outbreaks of hemorrhagic fevers (Yellow fever, Lassa fever) are still frequent.

Achievements in cross-cutting issues: The conflict ending in 2001 seriously the situation of women, including widespread rape and sex-slavery, resulting in unwanted

³⁾ The annual inflation rate has further risen to 15.0 %, by February 2004.

pregnancies and psychological trauma. Education and skills training in refugee camps might however have resulted in a change in attitude with regards to equitable treatment and inclusive decision-making.

The civil war and its consequence have negatively affected the country's environment in various ways. Available information points to several problematic areas including urban sanitation, environmental impact of mining and uncontrolled logging in the Eastern parts of the country, suggesting the need for a more thorough analysis to be used in future planning exercises.

Migration is an important feature in Sierra Leone's society and economy. Some 500,000 Sierra Leone nationals, or roughly 10 % of its population, are estimated to be abroad. A considerable brain drain to Europe and North America touching all sectors, took place over the last decade due to the civil war, resulting in about 30% of highly educated nationals leaving the country.

Sierra Leone's role in conflict prevention and resolution can be considered as positive since the end of the war, given its commitment to the restoration of peace in the sub-region, its efforts in the areas of national reconciliation and the re-integration of ex-combatants. The Special Court on Sierra Leone has made impressive progress by rapidly indicting key suspects of atrocities committed during the war, as trials are expected to start in mid-2004. The Truth and Reconciliation Commission (TRC) has completed its mandate in late 2003, the final report still being awaited.

6.3 State of implementation of the EC cooperation

Under the Lomé Conventions (4th to 8th EDF), some 400 M€ have been allocated to Sierra Leone. The allocations have steadily increased since 1975, from an allocation under Lomé I (4th EDF) of some 29 M€ to an indicative amount of 144 M€ under the Cotonou agreement (A-envelop of present NIP). The one exception is a reduced allocation under Lomé IV^{bis} of some 78 M€, owing to Sierra Leone's ineligibility for receipt of the second tranche of funds.

By the end of 2003, all funds stemming from previous EDFs were committed, leaving € 63.2m to be contracted and € 93.6m yet to be disbursed. The 9th EDF country strategy and National indicative Programme (NIP) was signed in July 2003, allocating € 144.0m to the country's A-envelope (programmable) and € 76.0m in the B-envelope (non-programmable). An overview of the cumulative state of 6th - 9th EDF resources is given in the summary table below.

Focal sectors under the 9th EDF NIP are the rehabilitation of social and transport infrastructure (49 % of the indicative allocation) and institutional support & good governance (13%). Macro-economic support to the implementation of poverty reduction policies accounts for 34 % of the indicative allocations, leaving 4 % for non-focal sectors.

6.4 Programming perspectives

The country strategy as signed in July 2003 remains valid and does not require a change its overall approach or of focal sectors. The initial choice of sectors (rehabilitation of infrastructure, governance & institutional support, macroeconomic support) remains in line with the country's development priorities. No change of the strategy has been suggested by the national authorities, other donor or civil society representatives.

Adding uncommitted balances transferred from previous EDFs (€10.7m) to the 9th EDF allocation, € 154,7m became programmable under the A-envelope, of which € 52.5m have already been committed by December 2003. Out of an initial allocation of € 76.0m, € 50.0m from the B-envelope have been committed in 2003, namely to a € 25.0m LRRD programme and € 25.0m to the re-launch of the rutile (titanium dioxide)

mining sector. Taking into account the allocation of € 3.3m to the African Peace Facility, total uncommitted funds (B-envelope included), amount to € 124.9m, as of December 2003.

‘New initiatives’ are supported by non-NIP or non-EDF instruments, as follows:

- *Water and energy* are both captured in the ongoing programme of cooperation, comprising rural water supply on the community level and emergency support to the rehabilitation of power supply systems.
- EU Member States and international agencies are deemed better placed on the issue of *migration*. Nevertheless, the EDF programme may provide assistance through financing of additional studies if required.
- Sierra Leone has indicated interest to participate in the *Extractive Industries Transparency Initiative* (EITI), in addition to its involvement in the Kimberley process and its efforts to strengthen control of the diamond sector.
- Support to the *education* sector is primarily given by the World Bank and the African Development Bank who have built a comparative advantage. Commission support is envisaged via its scheduled budget support, as soon as the PRSP and a related poverty-oriented sector policy have been adopted.
- Technical assistance to the Ministry of *Trade* is and will continue being given, in order to support Sierra Leone in the EPA negotiation process.

In the light of the analysis of the current country situation and recent developments, the following issues and/or initiatives should be included or enhanced during the remaining implementation period of the 2003- 2007 NIP:

- In the area of *fisheries*, additional support can be provided in funding a resource assessment study required to enter into negotiations of a fishery agreement with the community.
- The issues of *environment* and natural resource management, in particular illegal logging, should be addressed by a comprehensive assessment of Sierra Leone’s environmental sector that still has to be conducted.
- The issue of high *unemployment of youths*, including ex-combatants, has explicitly been raised by civil society representatives during the local MTR consultation process (see below).
- Given the still fragile state of the Sierra Leone society and uncertainty about future regional developments, support to the areas of *conflict prevention, national reconciliation and human rights* should be enhanced by the different available instruments.

The Delegation has made considerable efforts to ensure the participation of non-state-actors (NSA) in the MTR review process and a mapping exercise was carried out in 2003.

The 2004-2007 programming pipeline has been updated in the framework of the 2003 joint annual report and revised in the course of the ACP seminar in Dakar. It has to be underlined, however, that the implementation of the country programme and the proposed broadening of its scope, as proposed, appears only to be realistic if the Delegation was fully staffed, including its administration section.

6.5 Position on a revision of the financial allocation

The joint NAO / Delegation proposal with regard to the country allocation (chapter 5 of the joint annual report) advocates the transfer of unallocated funds from the B-

envelope to the A-envelope, allowing to reinforce both focal sectors (rehabilitation of infrastructure; good governance & Institutional support) and to integrate relevant new EC policy initiatives.

As a result of the MTR the Commission decided on 30.11.2004 to maintain the country strategy and the NIP and in the light of the current needs and performance to increase the Community funds available under envelope A by € 10 million and decrease respectively the funds under envelope B. To this effect an Addendum to the CSP and the NIP was signed jointly by the Government and the European Commission on 10.02.2005.

7. Annexes

Nr.	Item	Comments
1	Updated Intervention framework	Agreed between ECD and GoSL during final Annual Report 2002 meeting in October 2003 and subsequently updated in December 2004
1bis	State of Indicators	
2	Chronogram of activities	Updated March 2004
3	Indicative timetable commitments/disbursements	The timetables enclosed are the result of the Dakar meeting with AIDCO Feb 2003.
4	Financial Situation 6 th EDF	As of 31/12/2003 and as of 31/12/2004
5	Financial Situation 7 th EDF	As of 31/12/2003 and as of 31/12/2004
6	Financial Situation 8 th EDF	As of 31/12/2003 and as of 31/12/2004
7	Financial Situation 9 th EDF	As of 31/12/2004
8	Migration profile	As of 31/12/2004
9	Updated donor matrix	As of 31/12/2003
10	Minutes of the Mid-Term Review meeting	As of 10/02/2005

Annex 1: Intervention Framework, policy measures and indicators

Focal Sector 1 - Rehabilitation of Priority Infrastructure

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Re-launch of the Sierra Leone's economy and re-establishment of social services	<ul style="list-style-type: none"> • Economic growth rate • Employment rate • Increased percentage of population with access to basic social services 	<ul style="list-style-type: none"> • Independent surveys • GoSL statistics 	<ul style="list-style-type: none"> • Peace and stability remain
Programme Purpose	Improved access to markets and social services	<ul style="list-style-type: none"> • All districts have weather reliable access by 2007 • Minimum access service levels on the life-line network by 2007 • Percentage of road network in acceptable order (good or fair) • Social infrastructure operational and functioning 	<ul style="list-style-type: none"> • GoSL statistics • SLRA Reports 	<ul style="list-style-type: none"> • No external economic shocks • Other national policies supporting economic growth sustained development and equitable distribution of the benefits of growth. • Other social sector programs implemented as scheduled
Results	<ul style="list-style-type: none"> • Selected road network rehabilitated and maintained nationally. • Access to rural areas and markets improved • Rural health and education infrastructure rehabilitated in selected areas 	<ul style="list-style-type: none"> • Km of roads rehabilitated. • Unit transport costs • Transport sector consumer price index • Traffic data for vehicles • Percentage of maintenance works carried out by private contractors • Number and capacity of operational social infrastructures rehabilitated 	<ul style="list-style-type: none"> • Supervision reports • Progress completion reports. • GoSL statistics • Traffic Counts 	<ul style="list-style-type: none"> • Adequate Road Fund financing ensured • Continuous GoSL commitment to sector policy • Continuous support from major donors

Remark: No new developments on roads/transport policy, aim is to implement the National Transport Strategy and Investment Plan 2003-2007. Initial work on measurable indicators has been embarked upon but needs further refinement.

Focal Sector 2 – Good Governance & Institutional Support

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Creation of an institutional framework enabling sustainable economic and social development	<ul style="list-style-type: none"> • Economic Growth Rate • Human Development Index 	<ul style="list-style-type: none"> • MoF reports • UNDP report 	<ul style="list-style-type: none"> • Peace and stability remains
Programme Purpose	Consolidation of democracy and establishment of a participatory, transparent and accountable system of governance	<ul style="list-style-type: none"> • Democratic and legitimate local institution established and functioning in an accountable and transparent manner • Social services efficiently delivered • Increased awareness by Civil Society of their rights and responsibilities, in a decentralised context • Functioning watchdog institutions 	<ul style="list-style-type: none"> • Reports from MLGCD / DecSec • Reports of institutions mandated with governance-related issues (ACC, Auditor General, Ombudsman, Governance Reform Secretariat; relevant non-state actors like CGG, NAG) • Assessment / progress / evaluation reports by EU, WB, DFID • Public Expenditure Tracking Survey 	<ul style="list-style-type: none"> • GoSL remains committed to principles of good governance. • GoSL remains committed to decentralisation • GoSL promotes public and non-public watch-dog institutions
Results	<ul style="list-style-type: none"> • The legal framework for Decentralisation is agreed upon and free and fair local elections held within the agreed timeframe 	<ul style="list-style-type: none"> • LGA enacted • Elections held within agreed timeframe • Elections are deemed free and fair by local and international observers • Number of local councils established 	<ul style="list-style-type: none"> • SL Gazette • Reports from observers, NEC, IFES • Reports from observers, NEC, IFES • MLGCD/DecSec reports 	
	<ul style="list-style-type: none"> • Staffing and operationalisation of local councils substantially in place 	<ul style="list-style-type: none"> • Devolution plans submitted and approved within legal timeframe • Local Government Service Commission established and functioning • Adequate office space for Local Councils • Staffing levels of Local 	<ul style="list-style-type: none"> • MLGCD/DecSec reports • MLGCD/DecSec reports • MLGCD/DecSec reports / DATAPACK • MLGCD/DecSec reports / 	

		<p>Councils</p> <ul style="list-style-type: none"> • Level of implementation of training plans • Funds received by LC in accordance with devolution plans and Appropriation Act 	<p>DATAPACK</p> <ul style="list-style-type: none"> • DecSec / IRCBP reports • MoF / Local Government Finance Commission 	
	<ul style="list-style-type: none"> • Role of civil society in governance strengthened* 	<ul style="list-style-type: none"> • Nbr of Ward Development Committees elected • Active Budget Oversight Committees in all districts 	<ul style="list-style-type: none"> • MLGCD/DecSec reports • MoF, Local Government Finance Commission 	
	<ul style="list-style-type: none"> • Enhanced protection of Human Rights 	<ul style="list-style-type: none"> • TRC report is published • National Human Rights Commission established • Number of death sentences passed • Number of persons executed 	<ul style="list-style-type: none"> • GoSL • SL Gazette • UNHCHR reports • UNHCHR reports 	
	<ul style="list-style-type: none"> • Appropriate anti-corruption measures are being taken and are implemented 	<ul style="list-style-type: none"> • Anti-Corruption Act revised to increase ACC mandate • National Anti-Corruption Strategy launched • Anti-corruption plans submitted by all key line ministries • Number of ACC district offices • Public complaint mechanisms effective in all districts 	<ul style="list-style-type: none"> • SL Gazette, ACC reports • ACC reports / NACS • ACC reports, line ministries • ACC reports • ACC reports 	

* programme still in design phase as of March 2005 – additional indicators to be defined during formulation stage

Macroeconomic Support

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Achieve poverty reduction within a stable economic framework	<ul style="list-style-type: none"> • Poverty indicators improved. • Per capita income increased. 	<ul style="list-style-type: none"> • Human Development Index • Central Statistics Office • International statistics (UN, WB,...) 	<ul style="list-style-type: none"> • Peace and stability remain. • GoSL continues sound macro-economic policies and improves economic and political & administrative governance.
Programme Purpose	Financial support to the implementation of national development priorities as laid down in the PRSP (especially the improved access to, and quality of social service delivery for the poor).	<ul style="list-style-type: none"> • Increased rate of school enrolment in rural areas • Increased attendance of primary health facilities based on availability of PHC, staff and drugs • Increased access to safe water 	<ul style="list-style-type: none"> • UNICEF reports • Government Budget and Expenditure 	<ul style="list-style-type: none"> • No external economic shocks • Structural reforms successful
Results	<ul style="list-style-type: none"> • GoSL budget is allocated to PRSP-priority sectors and implemented accordingly. • Funds available for social service delivery throughout the country. • Performance indicators in social sectors monitored • Overall framework for private sector development improved. 	<ul style="list-style-type: none"> • Increased proportion of State budget allocated to social sectors • Resources effectively allocated and disbursed for social sector expenditure • Performance indicators published regularly • Increasing private sector investment 	<ul style="list-style-type: none"> • Public Expenditure Tracking Survey • PRSP reviews • Financial and social sector statistics • Special surveys 	<ul style="list-style-type: none"> • GoSL remains committed to poverty reduction and improved social service delivery as policy priority • Domestic financial resources mobilised

Remarks: Macro-economic support is linked to fiduciary as well as development criteria. On the fiduciary side, improvement of public finance management is paramount. A number of initiatives from EU, DFID, World Bank and UNDP are presently being pursued. On the development side, main issues are the completion of PRSP and the allocation and effective disbursement of funds for the improvement of social service delivery. The completion of the PRSP is expected for end-2003.

Annex 1^{bis}: State of indicators (end 2004)

Sector 1: Rehabilitation of priority infrastructure

Level of Target	Performance Indicators	Target 2002 (where indicated/defined)	Status 2002	Target 2003	Status 2003	Target 2004	Status 2004	Target 2005	Sources of information/verification	Comments / assumptions
National level ¹	• Road Network Condition a)								Transport Statistics	
	%Good/Fair %Poor	44.5% 54.5%	44.5% 54.5%	51.3% 48.7%	54.3% 45.7%	54.3% 45.7%	58% 42%	60.3% 39.7% (target 2007)	Yearbook (SLRA) / sample surveys	Trunk roads only (Class A & B = 4,044km)
	• Km of paved roads in good or fair condition b)	n.a.	n.a.	increasing	607	increasing	725	increasing	SLRA/ sample surveys	Increase due to completion of Waterloo to Tokeh to Kent Rd
	• Average transport fares for goods and passengers Transportation prices for					i)		i)	WFP, negotiated bids	
	• Freetown-Port Loko		n.a.	decreasing	405	decreasing	544	decreasing		
	• Freetown-Bo		n.a.	decreasing	310	decreasing	372	decreasing		
	• Freetown-Kenema		n.a.	decreasing	293	decreasing	335	decreasing		
	• Freetown-Kailahun		n.a.	decreasing	367	decreasing	541	decreasing		Bad road

¹ If not specified in macro-economic sector or as MDG. Indicators broadly equivalent to indicators of impact.

a) Road network condition is extrapolated from core network condition. Survey of the whole network when available will improve accuracy of this index.

b) Km of paved roads was introduced to reflect the long-term development which will reduce maintenance costs and running costs as well as improve ride quality.

Level of Target	Performance Indicators	Target 2002	Status 2002	Target 2003	Status 2003	Target 2004	Status 2004	Target 2005	Sources of information/ verification	Comments / assumptions
Intervention / Programme level ²	<ul style="list-style-type: none"> Number of districts with all weather access to main network 	12	12	12	12	12	12	12	SLRA	
Result level ³	<ul style="list-style-type: none"> Km of road maintained per year: 									
	<ul style="list-style-type: none"> - Total - EDF-funded 	900 160	177 169	900 160	1137 65	900 160	1,242 23 ii)	900 160	SLRA	EDF funded was the remainder of Pamlap – Kamakwie road
	<ul style="list-style-type: none"> Km of road rehabilitated per year: 									
	<ul style="list-style-type: none"> - Total - EDF-funded 	n.a.	n.a.	n.a.	n.a.	n.a.	31 19 ii)	n.a.	SLRA	EDF: Masiaka-Makeni
	<ul style="list-style-type: none"> Level of funding of Road Fund (in Leones and as % of needs for maintenance of “core network”) iii) 	28.2 bn Le	5,5 bn Le	29.01bn Le	16.0bn Le	28.9bn Le	20.5bn Le 16%	33.9bn Le	SLRA Reports/Transport statistics	Fuel levy from 450Le/imp.gal to 750Le/imp.gall. in Nov. 2003
	<ul style="list-style-type: none"> Value of funding for rehabilitation (disbursements) 	n.a.	n.a.	increasing	7.5 M€	increasing	5.1 M€ ii)	increasing	SLRA	Funding entirely by donor agencies

² Broadly equivalent to indicators of outcome.

i) Targets to be set by the final PRSP.

³ Comprising input and output indicators.

ii) A large number of EDF funded road maintenance and rehabilitation are starting in 2005 and are not yet reflected in 2004 figures. The major rehabilitation works starting include Masiaka-Taiama-Bo, Regent-Grafton, Pendembu-Kailahun-Koindu, Kurubola-Koidu, Songo-Moyamba.

iii) “Core network” includes: 1,979 km of Class A, 2,002 km of Class B and 2,991 of Feeder roads = Total 6,972 km. Requirements in US\$ originate from the Recurrent Maintenance Programme, exchange rate used here: 1 US\$ = 2,500 Le.

Level of Target	Performance Indicators	Target 2002 (where indicated/ n.a.)	Status 2002	Target 2003	Status 2003	Target 2004	Status 2004	Target 2005	Sources of information/ verification	Comments / assumptions
	<ul style="list-style-type: none"> Corrective measures taken further to audits 	n.a.	yes	yes	See note v)	yes	yes	yes		
	<ul style="list-style-type: none"> **Proxy: Nr of functioning PHUs (Eventual indicator: Number of Chiefdoms with minimum health infrastructure) 	n.a.	Status 8/02: 409	Targets 564	Status 6/03: 601	Target 650	status 663	Target 750	UNDP/DACO/ SLIS Data 2005	
	<ul style="list-style-type: none"> **Proxy: Nr of primary schools functioning (Eventual indicator: Number of Chiefdoms with minimum education infrastructure) 	n.a.	Status 9/02: 3,279	Increasing *	Status 6/03: 3,505	Increasing *	Status mid 04 4,140	Increasing *	UNDP/DACO/S LIS Data 2005	
Result level ⁴	<ul style="list-style-type: none"> Number of classrooms rehabilitated (EDF-funded) 	n.a.	(SLRRP I) classrooms: 342	(SLRRP II) classrooms: 342+84 =	EC/SLRRP Programme estimate 2003 – 2004	(SLRRP II) classrooms, 426+219=	(SLRRP II) classrooms, 645+200 = 845	Increasing	SLRRP I,II,III project reports	
	<ul style="list-style-type: none"> Number of PHU's, hospitals and clinics rehabilitated (EDF-funded) 	n.a.	8 hospitals, 22 PHUs	PHUs,: 22+16= 38	EC/SLRRP Programme estimate 2003 – 2004	PHUs, 11+38 =49 1 Hospital	PHUs 21+49= 70 2 Hospitals 1 Lassa	Increasing	Project report.	

Sector 2: Good Governance & Institution building

Level of Target	Performance Indicators	Sources of verification	Target 2003	Status 2003	Target 2004	Status 2004	Comments/ Assumpt. UPDATE MARCH 2005	Target 2005
National level ⁱ	• Economic Growth Rate	MoF reports	Increasing	6.5%	Increasing	7.4%		Increasing
	• Human Development Index	UNDP reports	Increasing	0.275 ⁵	Increasing	Not yet available		Increasing
Intervention / Programme level ⁱⁱ	<ul style="list-style-type: none"> • Perceived level of corruption –CPI score (10 = highly clean; 0 = highly corrupt) • Percentage satisfied with service delivery in: <ul style="list-style-type: none"> - health - Education 	Intl Index (Transparency Intl) - CPI score	CPI increasing	2.2	CPI increasing	2.3		Ranked in third quartile in Intl Index
		PETS reports / service delivery score cards/ SSL ⁶	Increasing	35	Increasing	56	Change in the source of data	Increasing
Result level ⁱⁱⁱ	• LGA enacted	• SL Gazette	n.a.	n.a.	Enacted	Enacted Jan. 2004		n.a.
	• Local Elections are held within agreed timeframe	• Reports from observers, NEC, IFES	n.a.	n.a.	May 2004	May 2004		n.a.
	• Local Elections deemed free and fair by local and international observers	• Reports from observers, NEC, IFES	n.a.	n.a.	Free and Fair	Widespread manipulation of elections results		Plans for NEC restructuring agreed upon and implementation on starts n.a.
	• Number of local councils established	• MLGDC/DecSec reports	n.a.	n.a.	19	19		

⁵ 2001 HDI -- not updated as of March 2005

⁶ Status 2003 figures reflect PETS data for 2001 whereas Status 2004 figures are from the F-PRSP documents (source SSL)

Level of Target	Performance Indicators	Sources of verification	Target 2003	Status 2003	Target 2004	Status 2004	Comments/ Assumpt. UPDATE MARCH 2005	Target 2005
	<ul style="list-style-type: none"> Nbr of Ward Development committees elected Active Budget Oversight Committees in all districts 	<ul style="list-style-type: none"> MLGCD/DecSec reports MoF, local government Finance Commission 	n.a.	n.a.	394 (100%)	90% ⁷	Most WDC elections not compliant with provisions of LGA	Elections to take place for WDC which were nominated or do not respect gender equality (LGA)
			No target	Data not available	No target	100% ⁸		100%
	<ul style="list-style-type: none"> TRC report is published National Human Rights Commission established Number of death sentences passed Number of persons executed 	<ul style="list-style-type: none"> GoSL SL UNHCR reports UNHCR reports 	Jan 2004	Not published	Oct 2004	Not published	TRC report still to be publicly released	April 2005
			n.a	n.a	2004	Enacted Jul. 2004		Functioning NHRC
			Decreasing	14	Decreasing	Data not yet available	Death penalty not abolished	
			None	0	None	0		
	<ul style="list-style-type: none"> Anti- Corruption Act revised to increase ACC mandate National Anti-Corruption Strategy launched 	<ul style="list-style-type: none"> SL Gazette, ACC reports ACC reports / NACS 	Revision enacted	Not achieved	Revision enacted	Not achieved		Revision enacted
			n.a.	n.a.	By end 2004	Not achieved	Launched in Feb. 2005	AC plans drafted by MDAs (see

⁷ As reported by DEcSec

⁸ As reported in F-PRSP

	<ul style="list-style-type: none"> • Anti-corruption plans submitted by all key line ministries • Number of ACC district offices • Public complaint mechanisms effective in all districts 	<ul style="list-style-type: none"> • ACC reports, line ministries • ACC reports • ACC reports 	n.a.	n.a.	n.a.	n.a.	below)
			n.a	n.a	3	1	MoF, MoA, MEST, MoHS
			n.a	n.a	n.a	n.a	2
							by end 2006

ⁱ If not specified in macro-economic sector or as MDG. Indicators broadly equivalent to indicators of impact.

ⁱⁱ Broadly equivalent to indicators of outcome

ⁱⁱⁱ Comprising input and output indicators

Macro-economic support

Level of Target	Performance Indicators	Target 2002 (where indicated/ defined)	Status 2002 (or latest year available)	Sources of information/ verification	Comments / assumptions UPDATE January 2005	Target 2004	Status 2004	Target 2005
National level 1)	% of population below 1\$ poverty line	n.a.	85 %	MDG Task Team	PRSP defines the poverty level at Le 770,685	**)	70%	**)
	Level of human development *)	n.a.	Status 2001: 0,275	UN HDI		improving	Status in 2004 report 0.273	improving
Intervention / Programme level 2)	Real growth rate	n.a.	6,6 %	MoFinance	Status 2003: 6,5 %	6,8 %	7.4%	7,0 %
	Final PRSP adopted*)	n.a.	n.a.	PRSP report	PRSP "policy" document available in December 2004, data expected April 2005.	May 2004	Draft in December 2004	May 2005
	PRSP progress annually reviewed *)	n.a.	n.a.	PRSP reviews	Reviews start in 2005/6			
	Macro-economic programme with IMF "on track"	yes	yes	IMF reviews	PRGF-program with IMF on track (Feb 2004)	yes	yes	yes
Result level 3)	budget allocated to education sector (@)	n.a.	36.416 bn	Mo Finance, Budget 2004 and 2005 for both		49,769 bn	54,525bn	58,742 bn
	budget allocated to health sector (@)	n.a.	18,646 bn			38,434 bn	36,643bn	40,653bn
	gross primary school enrolment * Under 5 mortality rate *)	Status 2001: 659,509 n.a.	Status 3/03: 932,237 316/1000	PASCO/DACO SLIS MDG Team, MoHealth		280/1000	1026,248 316/1000	200/1000

1) If not specified in macro-economic sector or as MDG. Indicators broadly equivalent to indicators of impact. 2) Broadly equivalent to indicators of outcome. 3) Comprising input and output indicators.

*) Indicates new indicator/commitment undertaken during the 2003 review.

***) Targets to be set by the final PRSP. Whilst the policy documents become available in December 2004, the baseline data, indicators and targets are awaited to be available only in April 2005.

(@) non-salary, non-interest recurrent budgetary allocations, figure for 2002 excluding HIPC

iv) 2003 SLRA audits included: Apart from the usual mid-term and final EU/NAO funded audits. SLRA commissions 2 audits every year of the road fund. In addition, in 2004, there was a WB Audit of the TSP programme.

v) All recommendations of the auditors have been responded to or acted upon by SLRA.

Macro economic support

POST CONFLICT BUDGET	8.009	→																						
POST CONFLICT BUDGET	8.010	→																						
POST CONFLICT BUDGET	8.011	→																						
SASP AND STABEX FUNDS AUDIT	7093	→																						
AUDIT OF BUDGET SUPPORT AND EVALUATION OF MATRIX	9008	→																						

Envelope B

RE-OPENING SIERRA RUTILE MINE	9006	→																						
TRANSITIONAL SUPPORT TO FORMER IDP'S RETURNEES, REFUGEES AND	9004	→																						

		SITUATION 31 December 2003											FORECAST 2004			FORECAST 2005			A L A R M	COMMENTS						
Sierra Leone		Amounts in €		2004			Estimation risk factor			Commitment		RAC	1 st Semester	2 nd Semester	TOTAL	payments 2004 estim. risk factor					1 st Semester	2 nd Semester	TOTAL			
YEAR	Accounting number (global commit.)	N° indiv Commit	Title Project (Global Commitment)	date and implement ation	N° Category old RAL	extension to be requested Y/N*	Amount to be decum- mulated (D)	Low L	Medium M	High H	ongoing indiv. Commitments	Payments on ongoing indiv. Commitment	RAP	PAYMENTS A	PAYMENTS B	PAYMENTS A+B	Low L	Medium M	High H	PAYMENTS A	PAYMENTS B	PAYMENTS A+B				
Total ongoing global commitment				4427962			40.108.809	1.661.974	69.467	151.500	1.441.007	256.931.342	90.764.831	166.166.511											OK	
Total ongoing individual commitment				26189394			12.765.082	3.280.957	332.272	1.270.687	1.237.959	78.214.055	45.576.390	30.637.665	9.505.981	4.641.886	14.147.967	4.852.273	4.285.627	5.010.167	3.810.000	3.310.000	7.120.000	OK		
Total							4.942.931		401.738	1.422.187	2.679.006	RAL: 196.804.176	old RAL: 17.593.365													
1996	7ACP SL72	0	RESETTLEMENT AND REHABILITATION PROGRAMME	20020630	6	N					9.177.662	9.177.662	0			0								OK		
1996	7ACP SL72	4	AWP NO 02 01/07/1999-31/07/2000	20000829	5		1				3.745.970	3.745.969	1			0								OK	Request for closure will be made in 2nd semester	
1996	7ACP SL72	9	WP NO 03 01/02/2000-31/01/2001	20010306	5		6.881			6.881	806.601	799.720	6.881			0								OK		
1996	7ACP SL72	10	RIDERS 02 AND 03 AGRISYSTEMS	20020630	7						958.000	629.632	128.368	128.368		128.368	128.368						0	OK	To be closed after payment of retention ("category" should read 7 not 6 but entry refused)	
Total Individual Commitment											5.510.571	5.375.321	135.250			0								0	OK	
1999	7ACP SL81	0	T.A. TO THE N.A.O	20010430	7	N					460.000	460.000	0			0								0	OK	
1999	7ACP SL81	1	GTZ - MR POLI - TA TO NAO	20011019	7						460.000	369.741	90.259	90.259		90.259		90.259						0	OK	
Total Individual Commitment											460.000	369.741	90.259			0									0	OK
1999	7ACP SL83	0	T.A. TO THE N.A.O. (COORDINATOR OF STRUCTURAL ADJUSTMENT AND	20011031	7	N	9.850		9.850		475.000	465.150	9.850			0								0	OK	
1999	7ACP SL83	1	GTZ - MR LEGENDRE - AT COORDINATOR STRUCT ADJUSTMENT	20011031	7						465.150	287.691	177.459	177.459		177.459	177.459							0	OK	
Total Individual Commitment											465.150	287.691	177.459			0									0	OK
2000	7ACP SL86	0	PREPARATION LDC-III CONFERENCE	20010502	7	N					41.255	41.255	0			0								0	OK	
2000	7ACP SL86	1	SERVICES ENITAN TUBOKUMETZGER	20010710	7						41.255	41.255	0			0								0	OK	
Total Individual Commitment											41.255	41.255	0			0									0	OK
2000	7ACP SL87	0	REHABILITATION AND RESETTLEMENT PROGRAMME	20050630	1	N					10.000.000	8.155.622	1.844.378			0								0	OK	
2000	7ACP SL87	1	WP NO 04 01/04/2001-31/12/2001	20011215	7						1.556.386	1.556.386	0			0								0	OK	
2000	7ACP SL87	2	WP PHASE 2 NO 01 (30/10/02-30/06/03); + RIDER 1 & 2	20030630	7		1.209.476		1.209.476		5.000.000	3.790.524	1.209.476			0								0	OK	
2000	7ACP SL87	3	SUPPLY CONTRACT TWAU MEMORY MASTERS; 69.920.000 SLL	20031201	7						39.200	26.137	13.063	13.063		13.063		13.063						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	4	SUPPLY CONTRACT STRAND ENTERPRISES LTD.; 48.175.000 SLL	20031201	7						27.000	21.286	5.714	5.714		5.714		5.714						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	5	SUPPLY CONTRACT STRAND ENTERPRISES LTD.; 116.179.000 SLL	20031228	7						65.100	48.691	16.409	16.409		16.409		16.409						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	6	SUPPLY CONTRACT AUTOMOTIVE EXPORT SUPPLIES; 596.517.920 SLL	20040116	7						312.000	248.333	63.667	63.667		63.667		63.667						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	7	SUPPLY CONTRACT B&C SERVICES; 62.000.000 SLL	20030215	7						26.236	26.236	0			0								0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	8	SUPPLY CONTRACT YORGBO ENGINEERING SERVICES; 14.670.000	20030221	7						6.200	5.663	537	537		537		537						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	9	SUPPLY CONTRACT IKMAT SUPPLIES; 4.800.000 SLL	20030221	7						3.700	3.397	303	303		303		303						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	10	SUPPLY CONTRACT SAB TECHNOLOGIES; 134.277.000 SLL	20030331	7						56.300	44.786	11.514	11.514		11.514		11.514						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	11	SUPPLY CONTRACT MACKIE BUILDING MATERIALS; 15.400.000 SLL	20030331	7						6.500	5.698	802	802		802		802						0	OK	To be closed when final payment and retention sum paid
2000	7ACP SL87	12	WORKS CONTRACT MOCCON CONSTRUCTION CO.; 2.347.782.350 SLL	20040227	1						1.005.000	314.079	690.921	690.921		690.921		690.921						0	OK	
2000	7ACP SL87	13	SUPPLY CONTRACT AUTOMOTIVE EXPORT SUPPLIES; 116.182.200 SLL	20030915	1						52.000	0	52.000	52.000		52.000		52.000						0	OK	
Total Individual Commitment											8.155.622	6.091.216	2.064.406			0									0	OK
2000	7ACP SL90	0	FORMULATION OF A NIP FOR 8TH EDF	20010511	7	N					35.759	35.759	0			0								0	OK	To be closed
2000	7ACP SL90	1	SERVICES CLAUDIUS THOMAS	20010216	7						35.759	35.759	0			0								0	OK	To be closed

Sierra Leone																				SITUATION 31 December 2003			FORECAST 2004			FORECAST 2005			A L A R M	COMMENTS										
YEAR		Accounting number (global commit.)	N° indiv Commit	Title Project (Global Commitment)	date end implementation	N° Category old RAL	2004			Estimation risk factor			2004		FORECAST 2004			FORECAST 2005																						
global commit.							extension to be requested Y/N	Amount to be decommitted (D)	Low L	Medium M	High H	ongoing indiv. Commitments	Payments on ongoing indiv. Commitment	RAC	1 st Semester	2 nd Semester	TOTAL	Low L	Medium M	High H	1 st Semester	2 nd Semester	TOTAL																	
Total ongoing global commitment				44277862	40.106.809	1.661.974	69.467	151.600	1.441.007	256.931.342	90.764.831	166.166.511									OK																			
Total ongoing individual commitment				26189394	12.765.882	3.280.957	332.272	1.270.687	1.237.999	76.214.055	45.576.390	30.637.665	9.505.981	4.641.986	14.147.967	4.852.273	4.285.527	5.010.167	3.810.000	3.310.000	7.120.000	OK																		
Total					4.842.831	401.739	1.422.187	2.679.006		RAL: 196.804.176	old RAL: 17.583.365																													
Total Individual Commitment																												35.759	35.759	0								0	OK	
2000	BACP SL6	0	INSTITUTIONAL STRENGTHENING OF THE MINISTRY OF FINANCE	20050630	1	N				4.500.000	457.000	4.043.000									0	OK																		
2000	BACP SL6	1	WRICE NO 01 01012001-30062001	20010630	7		6.620	6.620		242.000	235.340	6.620									0	OK	To be closed																	
2000	BACP SL6	2	WRICE NO 02 01072001-28022002	20020228	7		8.939	8.939		215.000	206.061	8.939									0	OK	To be closed																	
Total Individual Commitment																												457.000	441.440	15.560									0	OK
2000	BACP SL7	0	REHABILITATION & RESETTLEMENT PROGRAMME	20050630	1	N				20.000.000	19.822.260	177.740										0	OK																	
2000	BACP SL7	1	CONTRIBUTION AGREEMENT -INTER DEVELOPMENT ASSOCIATION	20040630	7					5.000.000	5.000.000	0									0	OK	To be closed																	
2000	BACP SL7	2	SECOND TRANCHE	20040630	7					5.000.000	5.000.000	0									0	OK	To be closed																	
2000	BACP SL7	3	WP NO 05 01102001-23052002	20021031	7					1.722.160	1.722.160	0									0	OK	To be closed																	
2000	BACP SL7	4	KPMG SIERRA LEONE	20020709	7		1.402	1.402		26.700	25.298	1.402									0	OK	To be closed																	
2000	BACP SL7	5	SERV. CONTR. AGRICONSULTING SPA, 5.449.703.055.80 SLL	20050617	1					3.047.000	1.167.903	1.879.097	400.000	450.000	850.000	650.000		450.000	450.000	900.000	0	OK	Project still active, payment will be carried out in the 1st semester.																	
2000	BACP SL7	6	SERVICE CONTRACT AUDIT WPS/KPMG SIERRA LEONE, 12.000.000 SLL	20021209	7		1.407	1.407		6.500	5.093	1.407									0	OK	Project still active, payment will be carried out in the 1st semester.																	
2000	BACP SL7	7	SERV. CONTR. AUDIT WP PHASE 2/1 BERTIN & BERTIN, 46.812.800 SLL	20030915	7					19.900	15.781	4.119	4.119	4.119	4.119						0	OK	To be closed after payment of retention.																	
2000	BACP SL7	8	WP PHASE 2 - NO 2 0110703-30/06/04, 12.158.100.000 SLL	20040630			400.000			5.000.000	2.356.486	2.643.514	1.500.000	500.000	2.000.000	1.500.000	500.000				0	OK	Project still active, payment will be carried out in the 1st semester.																	
Total Individual Commitment																												19.822.260	15.292.722	4.529.539									0	OK
2000	BACP SL9	0	POST CONFLICT BUDGET SUPPORT (PCBS)	20040331	1	Y				10.900.000	6.870.000	4.030.000										0	OK	Project still active, payment will be carried out in the 1st semester of 2004.																
2000	BACP SL9	1	Fund commitment to meet first tranche	20020331	1					6.870.000	6.870.000	0									0	OK																		
Total Individual Commitment																												6.870.000	6.870.000	0									0	OK
2000	BACP SL10	0	POST CONFLICT BUDGET SUPPORT (PCBS)	20040331	1	Y				1.600.000	0	1.600.000										0	OK	Project still active, payment will be carried out in the 1st semester of 2004.																
2000	BACP SL11	0	POST CONFLICT BUDGET SUPPORT (PCBS)	20040331	1	Y				12.550.000	0	12.550.000										0	OK	Project still active, payment will be carried out in the 1st semester of 2004.																
2001	BACP SL50	0	AT - PREP FIN PROP FOR REHABILITATION DISTRIBUTION	20020331		N				72.322	72.322	0									0	OK																		
2001	BACP SL50	1	SERVICES CONTRACT, COHORT LTD, + RIDER 1, 138.284.194 50 SLL	20020222	7		503	503		72.322	71.819	503									0	OK	To be closed after payment of claims																	
Total Individual Commitment																												72.322	71.819	503									0	OK
2001	7ACP SL83	0	SASP AND STAREX FUNDS AUDIT	20010321	7	N				78.810	79.810	0									0	OK	To be closed																	
2001	7ACP SL93	1	SERVICES ERNST AND YOUNG EUROPE SA	20010420	7					79.810	58.816	20.994	20.994	20.994	20.994						0	OK	to be closed after payment																	
Total Individual Commitment																												79.810	58.816	20.994									0	OK
2001	7ACP SL85	0	NATIONAL ELECTIONS	20010501	7	N	4.200	4.200		60.000	46.800	4.200									0	OK																		
2001	7ACP SL95	1	SERVICES INTERNATIONAL FOUNDATION FOR ELECTION SYSTEMS	20010422						45.800	0	45.800	45.800	45.800	45.800						0	OK	to be closed after payment																	
Total Individual Commitment																												45.800	0	45.800									0	OK
2001	7ACP SL96	0	SUPPORT TO AID COOPERATION UNIT	20040631	7	N	141.650	141.650		750.000	608.350	141.650									0	OK	the																	
2001	7ACP SL96	1	EXP - M. HARILADS POLITOPOULOS	20030617	7		40.000			522.050	233.006	249.000	249.000	249.000	249.000						0	OK	Letter sent to AIDCONWZ for contract closure																	

Sierra Leone										SITUATION 31 December 2003			FORECAST 2004			FORECAST 2005			A L A R M	COMMENTS					
YEAR	Accounting number (global commit.)	N° indiv Commit	Title: Project (Global Commitment)	date end implemen- ation	N° Category of RAL	extension to be requested Y/N*	Amount to be decom- mitted (D)	Estimation risk factor			Global Commitment	Individual Commitment	RAC	1 st Semester	2 nd Semester	TOTAL	payments 2004 estlm, risk factor				1 st Semester	2 nd Semester	TOTAL		
global commit.							Low L	Medium M	High H	ongoing indiv. Commitments	Payments on ongoing indiv. Commitment	RAP	PAYMENTS A	PAYMENTS B	PAYMENTS A+B	Low L	Medium M	High H	PAYMENTS A	PAYMENTS B	PAYMENTS A+B				
Total ongoing global commitment				4427782			40.108.809	1.661.974	69.467	151.500	1.441.007	296.931.342	90.764.831	166.166.811											OK
Total ongoing individual commitment				26189394			12.765.082	3.280.957	332.272	1.270.687	1.237.999	76.214.055	46.676.390	30.637.665	9.505.981	4.641.966	14.147.967	4.852.273	4.285.527	5.010.167	3.810.000	3.310.000	7.120.000	OK	
Total							4.942.831	401.739	1.422.187	2.679.006		RAL: 196.804.176	old RAL: 17.593.365												
Total Individual Commitment																									
2002	8ACP SL17	0	STUDY - MASIKA-TAJAMA HIGHWAY & FIN.PROP. MASIKA-MOYAMBA	20030228	7	N	3.400	3.400				29.600	5.589	24.011										OK	
2002	8ACP SL17	1	SERVICES TECHSULT AND COMPANY LIMITED	20021124	7							75.300	33.242	42.058					42.058	42.058				OK	
Total Individual Commitment																									
2002	7ACP SL99	0	EMERGENCY REHABILITATION TRANSMISSION & DISTRIBUTION	20041231	1	Y						1.980.000	1.610.253	378.747										OK	
2002	7ACP SL99	1	SUPPLIES CONTRACT BES (EUROPELTD. 2.811.234.890 SLL	20030930	1							1.230.253	0	1.230.253	400.000	400.000	800.000		800.000	400.000			400.000	OK	
2002	7ACP SL99	2	SERV CONTR MANAG WORKS CONTR.GEMATS/CHORT. 253.700.000	20041125	1							154.000	0	154.000	154.000		154.000							OK	
2002	7ACP SL99	3	WORKS CONTRACT NP/EMP. 2E SYSTEMS. 531.873.103 SLL	20040525	1	Y						226.000	0	226.000	126.000	100.000	226.000	226.000						OK	
Total Individual Commitment																									
2002	7ACP SL100	0	2003 POPULATION AND HOUSING CENSUS	20061231	1	N						6.500.000	80.000	6.420.000										OK	
2002	7ACP SL100	1	GIS SERV. CONTR. KIKO MWANGANGI ISAAC. 224.096.400 SLL	20040527	1							80.000	0	80.000	60.000	20.000	80.000		80.000					OK	
Total Individual Commitment																									
2002	8ACP SL17	0	T.A. TO THE N.A.O-PROLONGATION (DAG WORK 7 SL 8)	20030319	7	N						200.800	200.800	0										OK	
2002	8ACP SL17	1	EXP - M. POLI	20030207	7							200.800	98.059	102.741	102.741		102.741		102.741					OK	
Total Individual Commitment																									
2002	8ACP SL19	0	RE-OPENING OF SIERRA RUTILE MINE	20080331	7	N						0	0	0										OK	
2002	8ACP SL20	0	UPDATING ECONOMIC ANALYSIS - ROGBERE JUNCTION-PAMELAP HIGHW	20021030	7	N						27.815	27.815	0										OK	
2002	8ACP SL20	1	SERVICES GENAC	20021012	7							27.815	20.800	7.015	7.015		7.015		7.015					OK	
Total Individual Commitment																									
2003	7ACP SL101	0	STUDY FOR THE PRIORITIZATION OF 600KMS OF RURAL ROADS	20040861	1	N	35.000	35.000				150.000	115.000	35.000										OK	
2003	7ACP SL101	1	CONS. SERV. IDENT. EDWARD DAVIES. -RID. 1. 269.056.205 SLL	20040331	1							115.000	20.519	94.481	94.481		94.481		94.481					OK	
Total Individual Commitment																									
2003	8ACP SL16	0	FREETOWN CONAGRY ROAD	20071231	1	N						10.000.000	1.182.000	8.818.000										OK	
2003	8ACP SL16	1	CONS. SERV. MAN & SUP WORKS. HYDRODARCH. 3.121.246.412 SLL	20070302	1							1.182.000	0	1.182.000	200.000	200.000	400.000		400.000	200.000	200.000	400.000		OK	
Total Individual Commitment																									
2003	8ACP SL21	0	ECONOMIC AND FINANCIAL STUDY ON THE REVISED SIERRA RUTILE LT	20030630	7	N						12.540	12.540	0										OK	
2003	8ACP SL21	1	ECONOMIC-FINANCIAL STUDY. EARTH-GEDIF. 12.540 EURO	20030430	7							12.540	12.540	0										OK	
Total Individual Commitment																									
2003	9ACP SL1	0	GOOD GOVERNANCE AND INSTITUTIONAL SUPPORT	20060731	7	N						46.100	0	46.100										OK	
2003	9ACP SL2	0	SUPPORT TO THE DECENTRALISATION PROCESS	20051231	7	N						72.120	61.800	10.320										OK	
2003	9ACP SL2	1	SERV. CONTR. STUDY DECENTRAL. NKURUMAH. 131.854.156 SLL	20031227	7							53.000	1.244	51.756	51.756		51.756		51.756					OK	

Annex 3 - FORECASTS 2004-2005
New individual commitments (including payments) on ongoing projects

Sierra Leone		Amounts in €	FORECAST 2004						FORECAST 2005								
			1 st Semester		2 nd Semester		TOTAL		Payments 2004 estimation risk factor			1 st Semester		2 nd Semester		TOTAL	
			indiv. commit A	payments B	indiv. commit C	payments D	indiv. commit A+C	payments B+D	Low L	Medium M	High H	indiv. commit A	payments B	indiv. commit C	payments D	indiv. commit A+C	payments B+D
Total ongoing new individual commitments and payments			56.857.215	2.798.670	31.460.000	49.090.000	88.117.215	51.888.670	26.959.670	24.929.000	0	40.900.000	34.625.000	5.800.000	18.940.000	46.700.000	53.565.000
1995	7 ACP SL 044	Extension to Louis Berger	250.000			100.000	250.000	100.000		100.000			150.000				150.000
1995	7 ACP SL 044	WP 4 A specific commitments Rehab. Of mile 91 and Makeni SLRA offices	250.000		300.000	200.000	550.000	200.000	200.000				250.000				250.000
1995	7 ACP SL 044	WP 5 A Specific commitments	2.000.000			400.000	2.000.000	400.000	400.000				1.000.000		600.000		1.600.000
2000	7 ACP SL 087	Water and Sanitation										1.000.000	500.000		300.000	1.000.000	800.000
2000	7 ACP SL 087	Contracts for Processing equipments, Outboard motors, and Hand pumps and sowing machines.	800.000			500.000	800.000	500.000	300.000	200.000			300.000				300.000
2000	8 ACP SL 006	TA to Ministry of Finance	1.500.000			500.000	1.500.000	500.000		500.000			250.000		250.000		500.000
2000	8 ACP SL 006	WFP Ministry of Finance			1.000.000	300.000	800.000	300.000	300.000				400.000	800.000	400.000	800.000	800.000
2001	8 ACP SL 15	Extension to Mr Crepan's Contract	134.000			34.000	134.000	34.000		34.000			100.000				100.000
2001	8 ACP SL 012	Health Sector Support Programme Work Programme No. 1	2.375.955	800.000		800.000	2.375.955	1.600.000	1.600.000								1.600.000
2001	8 ACP SL 012	Health Sector Support Programme Modification to WP 1	2.000.000	500.000		1.000.000	2.000.000	1.500.000	1.500.000								1.500.000
2001	8 ACP SL 012	Health Sector support programme Modification to WP 2										4.500.000	1.500.000		2.000.000	4.500.000	3.500.000
2002	7 ACP SL 100	Population and Housing Census Service Contract KPMG	333.458	90.000		100.000	333.458	190.000	190.000				100.000		50.000		150.000
2002	7 ACP SL 100	Population and Census WP 1	3.500.000	500.000		1.700.000	3.500.000	2.200.000	1.500.000	700.000			1.100.000		200.000		1.300.000
2002	7 ACP SL 100	Population and Census WP 2										1.400.000	300.000		600.000	1.400.000	900.000
2002	7 ACP SL 100	Population and housing census Data base processor			160.000	40.000	160.000	40.000	40.000				80.000		40.000		120.000
2003	7 ACP SL 099	Supplies contract for additional materials for NPA	215.000	100.000		115.000	215.000	215.000		215.000							215.000
2003	9 ACP SL 003	Installation of hand pumps verification study	9.632	3.500			9.632	3.500	3.500								3.500
2000	8 ACP SL 010	Post Conflict Budget	1.600.000			1.600.000	1.600.000	1.600.000	1.600.000								1.600.000
2000	8 ACP SL 011	Post Conflict Budget	12.550.000			12.550.000	12.550.000	12.550.000	12.550.000								12.550.000
2000	8 ACP SL 09	Post Conflict Budget	4.030.000			4.030.000	4.030.000	4.030.000	4.030.000								4.030.000
2003	8 ACP SL 018	Works contract Freetown Conakry Road (*) supervision + works	8.818.000	700.000		2.000.000	8.818.000	2.700.000	1.000.000	1.700.000			2.000.000		2.000.000		4.000.000
2003	9 ACP SL 003	Installation of hand pumps verification study - contract Edward Davies	12.170	12.170			12.170	12.170	12.170								12.170
2003	9 ACP SL 009	Study on the rehabilitation of seven jetties					0	0								0	0
2003	9 ACP SL 008	Audit of Budget support and evaluation of Matrix	195.000	50.000		50.000	195.000	100.000	100.000				95.000			0	95.000
2003	9 ACP SL 001	Accountability Study	49.000	30.000		19.000	49.000	49.000	49.000							0	0
2003	9 ACP SL 010	Terms and Conditions of the GoSL-SRL Loan Agreement	65.000	13.000		52.000	65.000	65.000	65.000							0	0
2003	9 ACP SL 005	Roads Infrastructure					0	0				32.000.000	8.000.000		8.000.000	32.000.000	16.000.000
2003	9 ACP SL 006	Re-Opening of Rutile Mine			25.000.000	12.500.000	25.000.000	12.500.000	12.500.000				12.500.000		0		12.500.000
2003	9 ACP SL 004	Transitional support to former IDPs returnees, refugees and hosting	20.000.000			8.000.000	20.000.000	8.000.000	8.000.000	2.000.000		2.000.000	4.000.000		2.000.000	2.000.000	6.000.000
2003	8 ACP SL 018	see line 25															
2003	9 ACP SL 007	Refurbishment of Education & health facilities RRP			5.000.000	2.500.000	5.000.000	2.500.000	1.500.000	1.000.000		1.500.000	5.000.000	2.500.000	5.000.000	4.000.000	4.000.000

(*) Note the rest of the Works contract will be topped up from 6 ACP RPR 594 4.8 million and 7 ACP GUI 124 3.0 million euro

Forecasts 2004
New global commitments (including individual commitments and payments)

Sierra Leone				FORECAST 2004										FORECAST 2005					
				1 st Semester		2 nd Semester		TOTAL		Payments 2004 estimation risk factor			1 st Semester		2 nd Semester		TOTAL		
Title	Project (Global Commitment)	Month 2004	Amount	RISK	indiv comm A	payments B	indiv comm C	payments D	indiv comm A+C	payments B+D	Low L	Medium M	High H	indiv comm A	payments B	indiv comm C	payments D	indiv comm A+C	payments B+D
TOTAL 2004			30.672.200		0	0	8.700.000	3.900.000	8.700.000	3.900.000	200.000	3.700.000	0	11.350.000	4.630.000	64.700.000	26.650.000	76.050.000	31.280.000
	Support to local Elections	June	2.000.000	2			2.000.000	2.000.000	2.000.000	2.000.000		2.000.000						0	0
	Technical Cooperation Facility (TCF)	March	1.872.200	1			500.000	400.000	500.000	400.000	200.000	200.000		350.000	280.000	200.000	200.000	550.000	480.000
	Support to the NAO's Office	July	3.100.000	2			2.200.000		2.200.000	0					600.000	500.000	300.000	500.000	900.000
	Health LRRD	July	6.700.000	2			4.000.000	1.500.000	4.000.000	1.500.000		1.500.000			1.000.000	1.500.000	1.000.000	2.700.000	2.000.000
	Decentralisation	July	6.000.000	2					0	0				5.000.000	1.250.000		1.000.000	5.000.000	2.250.000
	Rural Roads Rehabilitation	Nov	10.000.000	2					0	0						10.000.000	2.000.000	10.000.000	2.000.000
	Long term TA to Ministry of Mines	Nov	1.000.000	2					0	0				1.000.000	250.000		150.000	1.000.000	400.000
	Freetown Conakry High way. Over laying	2005	17.000.000	2					0	0								0	0
	Non focal Sectors Audits, Evaluations.	2005	5.000.000	2					0	0						2.500.000	1.000.000	2.500.000	1.000.000
	Macro economic support. Budget Support	2005	50.000.000	2												50.000.000	20.000.000	50.000.000	20.000.000
	Accountability/ Non State Actors	2.005	7.000.000	2					0	0				5.000.000	1.250.000		1.000.000	5.000.000	2.250.000

Pipeline 2003 -2007

9th EDF

Sierra Leone.

AIDCO Unit	Task Manager	EDF or LB	Title of Project	2003	2004	2005	2006	2007	Total 2003 - 2007	Comments
C7	Puerta M.	9A	Road infrastructure programme	42.000.000	0	0	0	0	42.000.000	Avant-projet doit être reçu fin juin
C5	Tudor J.	9B	Transitional support to former IDPS, returnees, refugees and hosting	25.000.000	0	0	0	0	25.000.000	In the circuit since 22/7 - B envelope
C7	Puerta M	9B	Reopening of Rutile Mine	25.000.000	0	0	0	0	25.000.000	Changement de projet
C7	Puerta M	8	FREETOWN CONAKRY ROAD	10.000.000	0	0	0	0	10.000.000	PMS approuvée
C5	Tudor J.	9A	Refurbishment of Education & Health Facilities	10.000.000	0	0	0	0	10.000.000	In the circuit since 25/6 - Topping-up of RRP
C3	O'Sullivan L.	9A	Macro economic support. Budget Support	0		50.000.000	0	0	50.000.000	
C7	Puerta M.	9A	Freetown Conakry High way. Over laying	0		17.000.000	0	0	15.000.000	
C4	Aldaya, M	9A	Accountability/Non State Actors.	0		7.000.000	0	0	7.000.000	Pre-feasibility study to be completed 1st quarter 2004. PIF in June 2004
C4	Aldaya, M	9A	Decentralisation	0	6.000.000	0	0	0	6.000.000	Pre-feasibility study on-going. Project Identification form (PIF) in April 2004
C4	Aldaya, M	9A	Support to the NAO's Office	0	3.100.000	0	0	0	3.100.000	
C4	Aldaya, M	9A	Support to local Elections	0	2.000.000	0	0	0	2.000.000	2,0m Election Support Project identification Fiche sent to HQ Febr. 2004
C2	Barbé T.	9A	Technical Cooperation Facility (TCF)	0	1.872.200	0	0	0	1.872.200	
C4	Aldaya, M	9A	Non Focal sectors. Audits, Evaluations.	0	0	5.000.000	0	0	5.000.000	
C7	Puerta M	9B	Longterm TA to Ministry of Mines		1.000.000	0	0	0	1.000.000	
C7	Puerta M	9A	Refurbishment of 600 km of rural roads	0	10.000.000	0	0	0	10.000.000	
C7	Puerta M	9A	Study on the Rehabilitation of Seven Jetties							no extension of DAG
C3	O'Sullivan L.	9A	Audit of Budget support and Matrix of Corrective Measures.	195.000					195.000	
C3	Aldaya, M	9	Accountability Study	49.000					49.000	
C7	Puerta M	9A	Terms and Conditions of GoSL-SRL Loan Agreement	79.000					79.000	
C4	Tudor, J	9B	Health LRRD		6.700.000	0	0	0	6.700.000	
TOTAL				112.323.000	30.672.200	79.000.000	0	0	221.995.200	

OTHER EDF 6 PROGRAMMES**Breakdown of EDF decision by Economic Sector**

Emergency Support						
6.002	Cholera Epidemic Victims	78.412		78.412		78.412
6.023	Liberian Refugees	339.011		339.011		339.011
		417.423	0	417.423	0	417.423
OTHERS						
6.003	Rehabilitation Telecom Network	2.500.000		2.500.000		2.500.000
6.009	Rehabilitation Telecom Network Phase 11	2.372.873		2.372.873		2.372.873
6.019	Rural Development Kambia	317.205		317.205		317.205
6.020	TA - Ministry of Energy & Power	5.481		5.481		5.481
6.021	Rural Development	842.804		842.804		842.804
6.046	Technical Assistance to the NAO	502.274		502.274		502.274
6.047	NPA Project	7.500.000		7.500.000		7.500.000
		14.040.637	0	14.040.637	0	14.040.637
Total for other Programmes - EDF 6		14.458.060	0	14.458.060	0	14.458.060

Annexe 5 - Financial Situation 7th EDF

Breakdown of EDF decision by Economic Sector
Period ending 31-12-2003

	Decision		Commitment		Disbursement	
	at 31-12-2003	In 2003	at 31-12-2003	In 2003	at 31-12-2003	In 2003
Infrastructure (Roads)						
7.003 Improvement of Ffown Conakry Highway	454 627		454 627		454 627	
7.044 SURA - Support Programme	20 500 000		17 506 954	9 904 200	6 150 089	2 272 497
7.047 Road Maintenance Policy Study	56 523		56 523		56 523	
7.088 Improvement of Ffown Conakry Highway	70 668		70 668		70 668	
7.092 Foundation inspection - Matang Bridge	18 264		18 264		18 264	
7.101 Studion prioritisation of 600KM of Rural roads	150 000	150 000	115 000	115 000	20 519	20 519
	21 259 112	150 000	18 222 056	10 019 200	6 776 720	2 293 016
Agriculture						
7.007 Programme to support the Agricultural Sector	4 113 357	-255 154	4 113 357	-255 154	4 113 357	0
Fisheries						
7.040 Study on Fisheries Management	56 543		56 543		56 543	
Budget Support						
7.006 SASP	7 788 750		7 788 750		7 788 750	0
7.053 SASP & STABEX Funds Audit	79 810	0	79 810	0	0	0
	7 868 560	0	7 868 560	0	7 788 750	0
Institutional Strengthening						
7.013 TA for Micro Projects	629 730		629 730		629 730	
7.014 TA for SURA	722 047		722 047		722 047	
7.014 Support to Accountant - General Dept	2 248 907	31 693	2 248 907	100 252	2 248 907	402 827
7.015 TA to NPA	511 914		511 914		511 914	
7.016 Training & Institutional Support to NAO	48 526		48 526		48 526	
7.046 Study - TA to Accountant - General Dept	37 889		37 889		37 889	
7.055 Management services to the NAO	60 080		60 080		60 080	
7.071 TA to the NAO	36 417		36 417		36 417	
7.078 Management services for INEC etc	62 340		62 340		62 340	
7.079 Support to the Ministry of Finance	182 731	-317 269	182 731		182 731	
7.080 Support to the Ministry of Finance	736 083	-13 917	736 083		736 083	
7.081 TA to the NAO	460 000	0	460 000		366 741	0
7.093 TA to the NAO - SASP	475 000	0	465 500		287 891	0
7.084 Support to the Ministry of Finance	0	0	0	0	0	0
7.095 Formulation of a programme - WOF	0	0	0	0	0	0
7.096 Support to AID Cooperation Unit	750 000		508 500		277 843	21 500
7.097 Services - Joe Keeney	271 000		217 300		216 356	16 326
	7 182 744	-362 279	7 628 164	100 252	6 428 395	440 754
Health						
7.069 Health Sector Identification & Intervention	107 339		107 339		107 339	
7.082 Review of Health Sector Support Programme	47 822		47 822		47 822	
	155 160	0	155 160	0	155 160	0
Non Focal Sector						
7.017 Micro - Project Programme	1 945 934		1 945 934		1 945 934	
7.018 Study - Write at OKNP	35 614		35 614		35 614	
7.019 Workshop on Child Soldiers	10 600		10 600		10 600	
7.020 Study - Child Soldiers & War affected Children	34 124		34 124		34 124	
7.034 Return of qualified African Nationals	122 153		122 153		122 153	
7.050 Children Affected by the War	992 299		992 299		992 299	
7.065 Evaluation Claims - KONG	43 000		43 000		43 000	
7.070 Review of Information Technology - PKF	24 653		24 653		24 653	
7.086 Preparation LDC Conference	41 255	-33 195	41 255	0	41 255	
7.090 Formulation of a NP for 9th EDF	89 259		89 259		89 259	
	3 263 391	-33 195	3 263 391	0	3 263 391	0
RRP						
7.069 Identification of RRP	47 547		47 547		47 547	
7.071 Finalisation of RRP	14 687		14 687		14 687	
7.072 Resettlement & Rehabilitation Programme	9 177 892	-22 138	9 177 892	0	9 042 612	122 760
7.087 Rehabilitation & Resettlement Programme	10 000 000		8 156 822	1 249 602	6 061 216	4 534 830
	19 240 097	-22 138	17 395 719	1 249 602	15 196 062	4 657 590
Good Governance						
7.039 Study - Electoral Reform	58 890		58 890		58 890	
7.051 TA to the Electoral Process	153 584		153 584		153 584	
7.054 Dissemination of Electoral Information	24 400		24 400		24 400	
7.058 Democracy Programme	44 658		44 658		44 658	
7.067 TA Advisory course - Elections	21 996		21 996		21 996	
7.095 Services - IFES	50 000		45 800		0	0
7.100 Population & Housing Census	5 200 000	0	80 000	80 000	303 328	0
	5 493 328	0	429 128	80 000	303 328	0
Electricity						
7.032 Rehabilitation of the Electricity Sector	4 500 000		3 975 963	-5 488	2 568 277	
7.094 Emergency support to the Power Sector	62 551	-6 044	62 551	-1 349	62 551	0
7.099 Emergency Rehabilitation Transmission Sys	1 920 000	0	1 610 253	1 610 253	0	0
	6 522 551	-6 044	5 546 767	1 603 418	2 630 827	0
System						
7.069 Cost Estimate - Restart Sierra Route	71 761	-3 779	71 761	-3 779	71 761	
7.088 Marketing & coal competitiveness Study	58 467		58 467		58 467	3 830
	131 223	-3 779	131 223	-3 779	131 223	3 830
Private Sector Development						
7.076 Audit of Central and Commercial Banks	255 525		255 525		255 525	0
Rural Development						
7.027 Rural Water supply Programme	1 200 000	-5 600 000	1 175 435	-1 327 119	812 958	0
TOTAL NFP	77 144 812	-4 332 588	65 663 038	11 466 441	47 928 242	7 395 190
Total Allocation	83 600 000					
Decision/Allocation		%				
Commitment/Allocation		%				
Disbursement/Allocation		%				

OTHER EDF 7 PROGRAMMES
Breakdown of EDF decision by Economic Sector
Period ending 31-12-2003

	Decision		Commitment		Disbursement	
	at 31-12-2003	In 2003	at 31-12-2003	In 2003	at 31-12-2003	In 2003
STABEX						
7.001 STABEX-90 Coffee	2 041 855		2 041 855		2 041 855	
7.004 STABEX-91 Cocoa	750 543		750 543		750 543	
7.005 STABEX - 91-Coffee	652 727		652 727		652 727	
7.036 STABEX - 92-Cafe	1 894 465		1 894 465		1 894 465	
7.036 STABEX - 92-Cocoa	636 598		636 598		636 598	
7.042 STABEX - 93 - Coffee	1 661 101		1 661 101		1 661 101	
7.043 STABEX - 93 - Cocoa	1 053 166		1 053 166		1 053 166	
7.060 STABEX - 94 -Coffee	194 261		194 261		194 261	
7.061 STABEX-94 -Cocoa	1 180 756		1 180 756		1 180 756	
7.064 STABEX Transfer	140 055		140 055		140 055	
	10 005 526	0	10 005 526	0	10 005 526	
Structural Adjustment Support Programmes(SASP)						
7.038 SASP	11 901 086		11 901 086		11 901 086	
Emergency Support						
7.002 Refugee Aid	146 300		146 300		146 300	
7.010 Emergency Aid	260 095		260 095		260 095	
7.012 Assistance to Displaced persons	665 166		665 166		665 166	
7.020 Emergency Aid	415 177		415 177		415 177	
7.021 Emergency Aid	275 000		275 000		275 000	
7.031 Emergency Aid	496 865		496 865		496 865	
7.037 Emergency Aid	837 042		837 042		837 042	
7.038 Emergency Aid	330 824		330 824		330 824	
7.041 Emergency Aid	359 376		359 376		359 376	
7.048 Emergency Aid	825 370		825 370		825 370	
7.049 Emergency Aid	515 214		515 214		515 214	
7.052 Emergency Aid	531 059		531 059		531 059	
7.056 Emergency Aid	682 780		682 780		682 780	
7.057 Emergency Aid	700 000		700 000		700 000	
7.059 Emergency Aid	780 139		780 139		780 139	
7.062 Emergency Aid	719 312		719 312		719 312	
7.063 Emergency Aid	215 085		215 085		215 085	
7.075 Emergency Aid	1 562 042		1 562 042		1 562 042	
	10 336 865	0	10 336 865	0	10 336 865	0
OTHERS						
1.006 Risk Capital NPA	8 000 000		8 000 000		8 000 000	
1.023 Formation - 1981-1985	961		961		961	
1.024 Rural Development - Kamba	162 578		162 578		162 578	
1.025 Komadugu Agric Programme	165 264		165 264		165 264	
1.026 Punt Lake Agric Programme	155 220		155 220		155 220	
1.028 Rehab Telecom Network	103 258		103 258		103 258	
1.029 Berimba Baby Food	146 662		146 662		146 662	
1.030 TA to the Ministry of Tourism	426		426		426	
1.073 WWV AFODD Phase II	1 751 002		1 751 002		1 751 002	
1.074 Analysis for System	184 189		184 189		184 189	
	10 668 708	0	10 668 708	0	10 668 709	0
Total for other Programmes - EDF 7	42 912 187	0	42 912 186	0	42 912 186	0

Annex 6 - Financial Situation 8th EDF

Breakdown of EDF decision by Economic Sector Period ending 31-12-2003

	Programme	Decision		Commitment		Disbursement	
		at 31-12-2003	in 2003	at 31-12-2003	in 2003	at 31-12-2003	in 2003
	Budget Support						
8,011	Post Conflict Budget Support	12.550.000	0	0	0	0	0
	Infrastructure						
8,018	Freetown-Conakry Road	10.000.000	10.000.000	1.182.000	1.182.000	0	0
8,020	Study- Rogbere Junction- Pamelap Rd	27.815	0	27.815	0	20.800	16.358
8,021	Sierra Rutile Study	12.540	12.540	12.540	12.540	12.540	12.540
		10.040.355	10.012.540	1.222.355	1.194.540	33.340	28.898
	Institutional Strengthening						
8,006	Inst. Stren. MOF	4.500.000	0	457.000	0	441.440	2.402
8,017	TA to the NAO	200.800	0	200.800	0	98.059	19.028
		4.700.800	0	657.800	0	539.500	21.430
	Health						
8,012	Health Sector Support Programme	28.000.000		7.660.996	7.583.000	1.771.992	1.698.185
8,015	TA to the Ministry of Health	747.512		614.270	0	113.284	113.284
		28.747.512	0	8.275.266	7.583.000	1.885.276	1.811.469
8,007	RRP Resettlement & Rehab. Programme	20.000.000		19.822.260	3.866.060	15.292.722	2.955.545
8,016	Good Governance Election Support Programme	1.506.703	-492.365	1.490.211	2.720	1.166.009	8.914
TOTAL NIP		77.545.370	9.520.175	31.467.892	12.646.320	18.916.846	4.826.256

Total Allocation	
Decision/Allocation	%
Commitment/Allocation	%
Disbursement/Allocation	%

OTHER EDF 8 PROGRAMMES

Breakdown of EDF decision by Economic Sector Period ending 31-12-2003

	Programme	Decision		Commitment		Disbursement	
		at 31-12-2003	in 2003	at 31-12-2003	in 2003	at 31-12-2003	in 2003
8,003	SASP					0	0
	Budget Support						
8,008	Post Conflict Budget Support						
8,009	Post Conflict Budget Support	10.900.000		6.870.000		6.870.000	
8,010	Post Conflict Budget Support	1.600.000		0	0	0	0
		12.500.000	0	6.870.000	0	6.870.000	0
Total for other Programmes - EDF 8		12.500.000	0	6.870.000	0	6.870.000	0

Annex 4a - Financial situation 6th EDF

Breakdown of EDF decision by Economic Sector
Period ending 31-12-2004

Account. No.	PROGRAMMES	Decision		Commitment		Disbursement	
		at 31-12-2004	in 2004	at 31-12-2004	in 2004	at 31-12-2004	in 2004
	Infrastructure (Roads)						
6.004	Construction Fadugu Kubaia Rd	11,963,736		11,963,736		11,963,736	
6.011	ST. Waterloo Masiaka Rd Rehab.	59,909		59,909		59,909	
6.016	Study: Waterloo - Masiaka Rd	56,732		56,732		56,732	
6.024	Waterloo - Masiaka Rd	15,675,589		15,675,589		15,675,589	
6.048	Evaluation of Assets - RTC	53,100		53,100		53,100	
6.051	Study - Songo - Moyamba Junction	0		0		0	
6.052	Study-Taiama - Bo Highway	0		0		0	
6.053	Study - Masiaka - Taiama Highway	0		0		0	
6.055	Study - Songo - Moyamba Junction	26,275		25,300		15,319	9,252
6.056	Study-Taiama - Bo Highway	35,900		29,600		17,381	11,792
6.057	Study - Masiaka - Taiama Highway	78,700		75,300		48,638	15,396
		27,949,940	0	27,939,265	0	27,890,403	36,440
	Agriculture						
6.034	Interim management - SLPMB	45,982		45,982		45,982	
	Fisheries						
6.007	NW Artisanal Fisheries prog.	6,424,207		6,424,207		6,424,207	
	Budget Support						
6.005	Study - Sectoral Import Programme	83,930		83,930		83,930	
6.013	Sectoral Import Programme	4,707,212		4,707,212		4,707,212	
6.045	Regularisation of seized fund A/c	1,223,012		1,223,012		1,223,012	
		6,014,154		6,014,154		6,014,154	
	Institutional Strengthening						
6.014	TA to the NAO	645,788		645,788		645,788	
6.015	Study to AT Prog Accountant Dept.	25,000		25,000		25,000	
6.017	TA to the Ministry of Tourism	126,730		126,730		126,730	
6.022	AT Ministry of Finance	600,790		600,790		600,790	
6.026	Auditing Services to the NAO	337,712		337,712		337,712	
6.030	TA to the NPA	721,482		721,482		721,482	
6.035	TA to the Ministry of Agriculture	489,036		489,036		489,036	
6.036	Study on TA to Auditor Gen. Dept.	35,267		35,267		35,267	
		2,981,805		2,981,805		2,981,805	
	Health						
	Water & Sanitation						
	STABEX						
	Non Focal Sector						
6.018	Evaluation Micro Project	18,748		18,748		18,748	
6.031	Review of proposal for micro projects	2,016		2,016		2,016	
6.032	Assistance to the SL work Oxen	58,113		58,113		58,113	
6.033	Closure EDF 5	50,970		50,970		50,970	
6.044	Assistance to tendering procedure	28,970		28,970		28,970	
		158,816		158,816		158,816	
	RRP						
	Good Governance						
6.049	Support to return to Democracy	252,977		252,977		252,977	
	Electricity						
6.003	Rehabilitation Telecom Network	2,500,000		2,500,000		2,500,000	
6.009	Rehabilitation Telecom Network Phase 11	2,372,873		2,372,873		2,372,873	
6.006	Study - Rehab. Electricity sector	96,650		96,650		96,650	
6.029	Consultancy Service -Rehab. NPA	28,807		28,807		28,807	
6.037	Study Western Area Dist. Systems	49,585		49,585		49,585	
6.039	Audit- supply of lub oil to NPA	31,143		31,143		31,143	
6.042	Rehabilitation of Electricity sector	8,109,595	-790,405	8,109,595		8,109,595	
6.050	Prep. Of Financing Proposal - Dist. Systems	71,819	-503	71,819	-503	71,819	0
6.054	Rehabilitation of Electricity sector	79,204	-242	79,204	-242	79,204	0
		13,339,675	-791,150	13,339,675	-745	13,339,675	0
	Private Sector Development						
6.008	Rehab. Telecom Network	5,247,083		5,247,083		5,247,083	
6.038	Evaluation of Assets - SLET & SLNLC	140,000		140,000		140,000	
6.040	Study - Impact of cellular phones	56,500		56,500		56,500	
6.043	Billing Computer expert	10,317		10,317		10,317	
		5,453,900		5,453,900		5,453,900	
	Rural Development						
6.010	TA Rural Water Supply	107,964		107,964		107,964	
6.025	Evaluation of Rural Water Supply	134,034		134,034		134,034	
		241,998		241,998		241,998	
	TOTAL NIP	62,863,453	-791,150	62,852,778	-745	62,803,916	36,440
	Total Allocation	62,863,453					
	Decision/Allocation		100,0%				
	Commitment/Allocation		100,0%				
	Disbursement/Allocation		99,9%				

OTHER EDF 6 PROGRAMMES
Breakdown of EDF decision by Economic Sector

Emergency Support						
6,002	Cholera Epidemic Victims	78.412		78.412		78.412
6,023	Liberian Refugees	339.011		339.011		339.011
		417.423	0	417.423	0	417.423
						0
OTHERS						
6,019	Rural Development Kambia	317.205		317.205		317.205
6,020	TA - Ministry of Energy & Power	5.481		5.481		5.481
6,021	Rural Development	842.804		842.804		842.804
6,046	Technical Assistance to the NAO	502.274		502.274		502.274
6,047	NPA Project	7.500.000		7.500.000		7.500.000
		9.167.764	0	9.167.764	0	9.167.764
						0
	Total for other Programmes - EDF 6	9.585.187	0	9.585.187	0	9.585.187

Annexe 5a - Financial Situation 7th EDF

**Breakdown of EDF decision by Economic Sector
Period ending 31-12-2004**

Account. No	PROGRAMMES	Decision		Commitment		Disbursement	
		at 31-12-2004	in 2004	at 31-12-2004	in 2004	at 31-12-2004	in 2004
	Infrastructure (Roads)						
7.003	Improvement of F/town -Conakry Highway	454 627		454 627		454 627	
7.044	SLRA - Support Programme	20 500 000		19 492 752	1 720 798	10 304 466	4 153 411
7.047	Road Maintenance Policy Study	56 523		56 523		56 523	
7.088	Improvement of F/town -Conakry Highway	70 698		70 698		70 698	
7.092	Foundation inspection - Mabang Bridge	18 264		18 264		18 264	
7.101	Study on prioritisation of 600KM or Rural roads	150 000		115 000		81 779	61 261
		21 250 112	0	20 207 864	1 720 798	10 986 357	4 214 671
	Agriculture						
7.007	Programme to support the Agricultural Sector	4 113 357		4 113 357		4 113 357	0
	Fisheries						
7.040	Study on Fisheries Management	56 543		56 543		56 543	
	Budget Support						
7.009	SASP	7 788 750		7 788 750		7 788 750	
7.093	SASP & STABEX Funds Audit	79 810		58 816	-20 994	58 816	0
		7 868 560	0	7 847 566	-20 994	7 847 566	0
	Institutional Strengthening						
7.011	TA for Micro Projects	629 730		629 730		629 730	
7.013	TA for SLRA	722 047		722 047		722 047	
7.014	Support to Accountant - General Dept	2 248 907		2 248 907		2 248 907	
7.015	TA to NPA	511 914		511 914		511 914	
7.016	Training & Institutional Support to NAO	48 526		48 526		48 526	
7.046	Study - TA to Accountant - General Dept.	37 989		37 989		37 989	
7.055	Management services to the NAO	60 080		60 080		60 080	
7.077	TA to the NAO	36 417		36 417		36 417	
7.078	Management services for INEC etc.	62 340		62 340		62 340	
7.079	Support to the Ministry of Finance	182 731		182 731		182 731	
7.080	Support to the Ministry of Finance	736 083		736 083		736 083	
7.081	TA to the NAO	460 000		416 167	-43 833	416 167	46 427
7.083	TA to the NAO - SASP	475 000		368 658	-96 492	368 658	80 967
7.084	Support to the Ministry of Finance	0		0		0	
7.085	Formulation of a programme - MOF	0		0		0	
7.096	Support to AID Cooperation Unit	750 000		608 350		447 861	170 018
7.097	Services - Joe Keeley	221 000		216 356	-1 544	216 356	
		7 182 764	0	6 886 295	-141 869	6 725 806	297 411
	Health						
7.069	Health Sector Identification & Intervention	107 339		107 339		107 339	
7.082	Review of Health Sector Support Programme	47 822		47 822		47 822	
		155 160	0	155 160	0	155 160	0
	Non Focal Sector						
7.017	Micro - Project Programme	1 945 934		1 945 934		1 945 934	
7.018	Study - Wildlife at OKNP	35 614		35 614		35 614	
7.019	Workshop on Child Soldiers	10 600		10 600		10 600	
7.033	Study - Child Soldiers & War affected Children	34 124		34 124		34 124	
7.034	Return of qualified African Nationals	122 153		122 153		122 153	
7.050	Children Affected by the War	992 299		992 299		992 299	
7.065	Evaluation Claims - KPMG	43 000		43 000		43 000	
7.070	Review of Information Technology - PKF	24 653		24 653		24 653	
7.086	Preparation LDC Conference	41 255		41 255		41 255	
7.090	Formulation of a NIP for 9th EDF	35 759		35 759		35 759	
		3 285 391	0	3 285 391	0	3 285 391	0
	RRP						
7.066	Identification of RRP	47 547		47 547		47 547	
7.071	Finalisation of RRP	14 687		14 687		14 687	
7.072	Resettlement & Rehabilitation Programme	9 177 862		9 177 862		9 114 946	72 334
7.087	Rehabilitation & Resettlement Programme	10 000 000		9 070 133	914 511	7 572 389	1 481 173
		19 240 097	0	18 310 230	914 511	16 749 569	1 553 506
	Good Governance						
7.039	Study - Electoral Reform	58 690		58 690		58 690	
7.051	TA to the Electoral Process	153 584		153 584		153 584	
7.054	Dissemination of Electoral Information	24 400		24 400		24 400	
7.058	Democracy Programme	44 658		44 658		44 658	
7.067	TA Advisory council - Elections	21 996		21 996		21 996	
7.095	Services - IFES	50 000		45 800		0	0
7.100	Population & Housing Census	5 500 000	0	4 885 558	4 805 558	2 616 817	2 616 817
		5 853 328	0	5 234 686	4 805 558	2 920 145	2 616 817
	Electricity						
7.032	Rehabilitation of the Electricity Sector	4 500 000		3 554 932	-319 030	3 554 932	986 656
7.094	Emergency support to the Power Sector	62 551		62 551		62 551	0
7.099	Emergency Rehabilitation Transmission Sys.	1 990 000		1 870 429	260 176	1 477 660	1 477 660
		6 552 551	0	5 487 912	-58 855	5 095 143	2 464 316
	Sysmin						
7.089	Cost Estimate - Restart Sierra Rutile	71 761		71 761		71 761	0
7.098	Marketing & cost competitiveness Study	59 462		59 462		59 462	
		131 223		131 223	0	131 223	0
	Private Sector Development						
7.076	Audit of Central and Commercial Banks	255 525		255 525		255 525	0
	Rural Development						
7.022	Rural Water supply Programme	1 200 000		1 175 435		812 958	0
	TOTAL NIP	77 144 612	0	73 147 188	7 219 150	59 134 745	11 146 721

Total Allocation	77 144 612
Decision/Allocation	100% %
Commitment/Allocation	95% %
Disbursement/Allocation	77% %

OTHER EDF 7 PROGRAMMES
Breakdown of EDF decision by Economic Sector
Period ending 31-12-2004

		Decision		Commitment		Disbursement	
		at 31-12-2004	in 2004	at 31-12-2004	in 2004	at 31-12-2004	in 2004
STABEX							
7.001	STABEX-90 - Coffee	2.041.855		2.041.855		2.041.855	
7.004	STABEX-91 -Cocoa	750.543		750.543		750.543	
7.005	STABEX - 91 -Coffee	652.727		652.727		652.727	
7.035	STABEX - 92 -Café	1.694.465		1.694.465		1.694.465	
7.036	STABEX - 92 -Cacao	636.598		636.598		636.598	
7.042	STABEX - 93 - Coffee	1.661.101		1.661.101		1.661.101	
7.043	STABEX - 93 - Cocoa	1.053.166		1.053.166		1.053.166	
7.060	STABEX - 94 -Coffee	194.261		194.261		194.261	
7.061	STABEX -94 - Cocoa	1.180.755		1.180.755		1.180.755	
7.064	STABEX Transfer	140.055		140.055		140.055	
		10.005.526	0	10.005.526	0	10.005.526	0
Structural Adjustment Support Programmes(SASP)							
7.008	SASP	11.901.086		11.901.086		11.901.086	
Emergency Support							
7.002	Refugee Aid	146.300		146.300		146.300	
7.010	Emergency Aid	280.095		280.095		280.095	
7.012	Assistance to Displaced persons	665.166		665.166		665.166	
7.020	Emergency Aid	415.177		415.177		415.177	
7.021	Emergency Aid	275.000		275.000		275.000	
7.031	Emergency Aid	496.885		496.885		496.885	
7.037	Emergency Aid	837.042		837.042		837.042	
7.038	Emergency Aid	330.824		330.824		330.824	
7.041	Emergency Aid	359.376		359.376		359.376	
7.048	Emergency Aid	825.370		825.370		825.370	
7.049	Emergency Aid	515.214		515.214		515.214	
7.052	Emergency Aid	531.059		531.059		531.059	
7.056	Emergency Aid	682.780		682.780		682.780	
7.057	Emergency Aid	700.000		700.000		700.000	
7.059	Emergency Aid	780.139		780.139		780.139	
7.062	Emergency Aid	719.312		719.312		719.312	
7.063	Emergency Aid	215.085		215.085		215.085	
7.075	Emergency Aid	1.562.042		1.562.042		1.562.042	
		10.336.866	0	10.336.865	0	10.336.865	0
OTHERS							
7.006	Risk Capital - NPA	8.000.000		8.000.000		8.000.000	
7.023	Formulation - 1981-1985	961		961		961	
7.024	Rural Development - Kambia	162.578		162.578		162.578	
7.025	Koinadugu Agric. Programme	165.264		165.264		165.264	
7.026	Port Loko Agric. Programme	155.220		155.220		155.220	
7.028	Rehab. Telecom Network	103.258		103.258		103.258	
7.029	Benimix Baby Food	146.662		146.662		146.662	
7.030	TA to the Ministry of Tourism	-426		-426		-426	
7.073	WNW AFCOD Phase II	1.751.002		1.751.002		1.751.002	
7.074	Analysis for Sysmin	184.189		184.189		184.189	
		10.668.708	0	10.668.708	0	10.668.709	0
Total for other Programmes - EDF 7							
		42.912.187	0	42.912.186	0	42.912.186	0

Annex 6a - Financial Situation 8th EDF

Breakdown of EDF decision by Economic Sector Period ending 31-12-2004

Account. No.	Programme	Decision		Commitment		Disbursement	
		at 31-12-2004	in 2004	at 31-12-2004	in 2004	at 31-12-2004	in 2004
	Budget Support						
8,011	Post Conflict Budget Support	12.550.000		12.550.000	12.550.000	12.550.000	12.550.000
	Infrastructure						
8,018	Freetown-Conakry Road	10.000.000		7.435.000	6.253.000	1.725.616	1.725.616
8,020	Study- Rogbere Junction- Pamelap Rd	27.815		27.815		21.818	1.018
8,021	Sierra Rutile Study	12.540		12.540		12.540	
		10.040.355	0	7.475.355	6.253.000	1.759.974	1.726.634
	Institutional Strengthening						
8,006	Inst. Stren. MOF	4.500.000	0	1.720.000	1.263.000	681.329	239.889
8,017	TA to the NAO	200.800	0	200.800	0	193.088	95.029
		4.700.800	0	1.920.800	1.263.000	874.417	334.917
	Health						
8,012	Health Sector Support Programme	28.000.000		8.577.136	916.140	3.149.600	1.377.607
8,015	TA to the Ministry of Health	747.512		635.370	21.100	469.937	356.653
		28.747.512	0	9.212.506	937.240	3.619.537	1.734.261
	RRP						
8,007	Resettlement & Rehab. Programme	20.000.000		19.848.659	26.398	17.535.345	2.242.623
	Good Governance						
8,016	Election Support Programme	1.506.703		1.489.853	-358	1.166.009	
TOTAL NIP		77.545.370	0	52.497.173	21.029.280	37.505.281	18.588.435

Total Allocation	77.545.370
Decision/Allocation	100%
Commitment/Allocation	68%
Disbursement/Allocation	48%

OTHER EDF 8 PROGRAMMES

Breakdown of EDF decision by Economic Sector Period ending 31-12-2004

		Decision		Commitment		Disbursement	
		at 31-12-2004	in 2004	at 31-12-2004	in 2004	at 31-12-2004	in 2004
						0	0
	Budget Support						
8,003	SASP	8.200.000		8.200.000		8.200.000	
8,008	Post Conflict Budget Support	9.700.000		9.700.000		9.700.000	
8,009	Post Conflict Budget Support	10.900.000		10.900.000	4.030.000	10.900.000	4.030.000
8,010	Post Conflict Budget Support	1.600.000		1.600.000	1.600.000	1.600.000	1.600.000
	Post Conflict Budget Support			0	0	0	0
		30.400.000	0	30.400.000	5.630.000	30.400.000	5.630.000
	STABEX						
8,001	Stabex - 95 Cocoa	1.204.511		1.204.511		1.204.511	
8,002	Stabex - 96 Café	916.761		916.761		916.761	
8,004	Stabex 99 cocoa beans	535.820		535.820			-535.820
8,005	stabex 99 coffee - raw or roasted	2.034.747		2.034.747			-2034747
8,013	Franchise Art.195 A- Cacao	53.056		53.056			-53056
8,014	Franchise Art.195 A- Café	364.585	280.253	359.341	275.009		-84332
		5.109.480	280.253	5.104.236	275.009	2.121.272	-2.707.955
	Total for other Programmes - EDF 8	35.509.480	280.253	35.504.236	5.905.009	32.521.272	2.922.045

Annex 7 - Financial Situation 9th EDF

Breakdown of EDF decision by Economic Sector
Period ending 31-12-2004

ENVELOPE 'A'

Account. No.	Programme	Decision		Commitment		Disbursement	
		at 31-12-2004	in 2004	at 31-12-2004	in 2004	at 31-12-2004	in 2004
	Budget Support						
9,008	Audit of Budget Support	195.000		194.422	194.422	68.985	68.985
	Infrastructure						
9,005	Road Infrastructure Programme	42.000.000		25.300	25.300		
9,009	Study on Rehab of 7 Jetties	98.328					
9,010	Study on Terms of Rutile Loan	79.000		64.629	64.629	49.790	49.790
9,016	Rehabilitation of 650km feeder roads						
		42.177.328	0	89.929	89.929	49.790	49.790
	Institutional Strengthening						
9,011	Technical Cooperation Facility	1.872.200	1.872.200				
9,014	Support to the NAO	3.130.000	3.130.000				
9,015	TA to the Min. of Mineral Resources	1.000.000	1.000.000				
		6.002.200	6.002.200	0	0	0	0
	Rural Development Programmes						
9,003	Verification of Hand Pumps	9.632		9.632		7.072	7.072
9,007	Resettlement & Rehabilitation Programme	10.000.000		4.619.000	4.619.000	2.131.088	2.131.088
		10.009.632	0	4.628.632	4.619.000	2.138.159	2.138.159
	Good Governance						
9,001	Good Governance & Institutional Supp.	49.100		49.100	49.100	43.389	43.389
9,002	Support to Decentralisation process	72.120		61.800		42.569	41.325
9,012	IFES - Assistance to Local Elections	1.999.000	1.999.000	1.621.050	1.621.050		
		2.120.220	1.999.000	1.731.950	1.670.150	85.958	84.713
	TOTAL ENVELOPE 'A'	60.504.380	8.001.200	6.644.933	6.573.501	2.342.892	2.341.647

Total Allocation Envelope 'A'	165.496.812
Decision/Allocation	37%
Commitment/Allocation	4%
Disbursement/Allocation	1%

ENVELOPE 'B'

Account. No.	Programmes	Decision		Commitment		Disbursement	
		at 31-12-2004	in 2004	at 31-12-2004	in 2004	at 31-12-2004	in 2004
	Infrastructure						
9,006	Re-opening of Sierra Rutile	25.000.000					
	Health						
9,013	Transitional Support to Health Sector	7.000.000	7.000.000				
	Rural Development Programmes						
9,004	Institutional Support to IDPs, Returnees etc.	25.000.000		18.933.963	18.933.963	6.086.147	6.086.147
	Total Envelope 'B'	57.000.000	7.000.000	18.933.963	18.933.963	6.086.147	6.086.147

Total Allocation Envelope 'B'	62.700.000
Decision/Allocation	91%
Commitment/Allocation	30%
Disbursement/Allocation	10%

Annex 8: Migration Profile - Sierra Leone (updated December 2004)

Migration is an important feature in Sierra Leone's society and economy. Some 500,000 Sierra Leone nationals, or roughly 10 % of its population, are estimated to be abroad. A considerable brain drain to Europe and North America touching all sectors, took place over the last decade due to the civil war, resulting in about 30% of highly educated nationals leaving the country. According to the information available, the UK is hosting the highest number of Sierra Leonean nationals in Europe. Estimations indicate that about 100,000 Sierra Leone nationals lived in the UK in 2002, as both illegal migrants and middle class professionals.

The Republic of Sierra Leone is a member state of the International Organisation for Migration. IOM in collaboration with the United Kingdom Department of Home Affairs was anticipated in 2004 to facilitate the voluntary, dignified return and reintegration to Sierra Leonean nationals who are denied asylum in the UK. On returning to Sierra Leone the returnees will contribute to their home country's development and in addition they will be offered the option to select reintegration micro-projects of their choice with a total value ranging from Pound sterling 500 to a maximum of 1,000 per project. Also the government of the Netherlands has indicated its intention to return approximately 46,000 asylums denied foreign nationals within 3 years and will adopt the British Voluntary Assisted Return Programme.

In addition UNHCR is currently actively promoting voluntary repatriation of Sierra Leone emigrants from around the region. Subject to the availability of funds, IOM is prepared to undertake the orderly and safe return of the 4,000 Sierra Leone Economic Migrants now stranded in the Gambia that will opt for voluntary repatriation by sea from the Gambia to Sierra Leone. This is the most economically viable part of the migrant population – teachers, nurses, doctors, lawyers, and technicians in different trades and professions- that left the country leaving it suffering from a serious brain drain. There is no way Sierra Leone is going to effectively implement its economic recovery programs without bringing back home these professionals. At this point in time the Government of Sierra Leone cannot afford to bring in expatriates to fill the gap already created.

There has been difficulty, however, in obtaining accurate data and statistics of the migratory dynamics of other emigrant and immigrant populations. Most of the national institutions are still weak and recovering only slowly from the period of armed conflict and disruption of public administration. This explains much of the considerable information gap displayed by the migration profile. A Population and Housing Census, was carried out in December 2004 and reports from this will give a clear picture of the county's demography and migration dynamics. However, the census report is yet to be published for use.

According to UNHCR, in April 2002 they were estimated to be 136.612 Sierra Leonean refugees (involuntary emigrants) in West Africa alone of which 83.130 were in Guinea, 37.724 in Liberia, 7.630 in Gambia, and around 2.000 each in Cote d'Ivoire, Nigeria and Ghana. Liberia and Sierra Leone are the largest refugee producing countries in the region and Guinea, Cote d'Ivoire the largest hosting countries.

In 2003, Sierra Leone refugees in Guinea decreased from 57.000 to 20.300 and some 50.000 refugees to this and other neighbouring countries were waiting for repatriation. In December 2003, the number of Sierra Leonean refugees living in neighbouring Liberia was estimated at

13,000. By the end of 2003, most of the remaining refugees who were out of the country returned to their places of origin in Sierra Leone partly motivated by the fierce fighting in Liberia during the first half of 2003. This also led to the influx of approx. 55,000 Liberian refugees now staying in 8 refugee camps. In 2004 there are no reports of Sierra Leone refugees staying outside the country.

During the period under review, IOM provided safe and orderly transportation assistance to a cumulative total of 44,000 Sierra Leone IDPs who volunteered for facilitated return transport from IDP camps to their areas of origin or to resettlement areas of their choice. This group of IOM assisted displaced persons needed accommodation at their places of resettlement, which have been destroyed during the protracted civil war. As the largest part of the huge migratory moves of IDPs and returning refugees has come to an end, the focus of the government and international aid agencies is shifting from humanitarian relief and protection to assisting local communities in rebuilding their infrastructure and livelihoods.

According to recommendations of the Liberia reconstruction needs assessment UNHCR and IOM are responsible for the return and reintegration of some estimated 3,000 disarmed and demobilized Sierra Leonean ex-combatants from Liberia. However, ex-combatant registration and socio-economic profiling has been difficult in Liberia.

Violent attacks on refugee camps within Liberia in 2002 and 2003 triggered new population movements inside the country. Conflicts and political situation in Liberia influence the continuous fluctuation of involuntary immigration and Liberia is thus considered to be the nucleus of the regional conflict system in the region. In April 2002 it was reported by UNHCR to be a total of 251,000 Liberian refugees in neighbouring countries, 10% of whom (24,512) were in Sierra Leone. The year after Liberia refugees in Sierra Leone increased from 122,000 to 134,500 people.

In 2004 calendar year, increase in resettlement and family reunification activities mainly Liberian refugees in Sierra Leone will result in 600 departures from Freetown broken down as follows: United States of America–300, United Kingdom– 100, Norway – 150, Canada – 100.

IOM is also coordinating a programme against trafficking in women and minors in Sierra Leone, Liberia and Guinea – Mano River Union. The overall objective of the project is to assist the Governments of the Mano River Union in implementing the ECOWAS Heads of State and Government in implementing the Political Declaration and Plan of Action to eradicate trafficking in human beings especially women and children through capacity building of the judiciary, prosecutors, law enforcement agencies, customs and immigration officers in anti-trafficking detection and prevention.

In line with proposals made in the 2003 joint annual report, additional EC policy initiatives should be included in the country programme in the areas of migration. EU Member States and international agencies are deemed better placed to play a leading role with regard to the issue of *migration*. Nevertheless, the EDF programme may provide assistance through financing of additional studies if required.

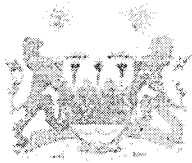
Annex 9

Donor Matrix 2003

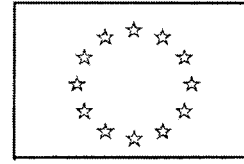
Donors/Areas	Infra-structure	US m\$	Social Sectors	US m\$	Good Governance	US m\$	Budget Support	US\$	Economic sectors, agriculture; others;	US m\$
Dfid: Poverty Reduction Framework Agreement (10ys)	Community Reintegration Program; Infrastructure reconstruction program;		Support to NACSA; Support to PRSP; reproductive health; immunisation;		Police Support Program; Law Development Program; Decentralisation and Local Government; Security Sector Reform; Anti- Corruption Comm; Media development Project; Public Service Reform; Local elections;		Programm Aid (exact amount depends on performance)	Approx 15/ year over 3 years	Diamond sector Program; Civil society support; Youth in Progress;	
US AID: Transition Strategy Phase II (3 districts)			Community reintegration of children; child survival program; HIV sensitis.		Transparency of Mining Sector				Food for peace, food for work, Community recovery; civil society support; youth reintegration	
World Bank: Transitional Support Strategy	Transport sector development	35	Health Sector Reconstruct. and developm Rehabilit. of basic educat. sector support HIV/AIDS program	20 20 15	public sector management support; in 2004: Institut. Reform and Capacity Building (PFM and decentralisation);	3,5 25	ERRC II	30	National Social Acion Project	35
ADB: CSP 2002-2004			Basic educat. improvement	10,5	Multi-sector capacity building;		Economic rehabilit. and recovery program;		Marine fisheries and agricult. program reconstruct. of communities	
UNDP: Country Program (2004-2007)					Rule of law decentralisation; elections; public sector reform; capacity building; citizen empowerment				National biodiversity action plan Security sector reform; PRSP-support national recovery and peace building	
Europ. Comm.: 9 th EDF CSP NIP and programs under previous EDFs	rehabilitation of priority infrastructure, feeder roads, social infrastr. TA to SLRA	€80	Health sector support program (8 th EDF)	€ 28m over 5 years	Decentralisation Accountability Local Elections NSA-support	€ 6m € 5m € 2m € 4m	Budget support	€50m	NAO-support TCF Rutile Mines LRRD	€3,2m € 1,8m € 25m €25m

ANNEX 10

**ADDENDUM TO THE CSP AND 9TH EDF NIP AND
MINUTES OF THE MID-TERM REVIEW MEETING OF 10 FEBRUARY 2005**



REPUBLIC OF SIERRA LEONE



EUROPEAN COMMISSION

**Addendum
to the
Country Strategy Paper and National Indicative
Programme**

**European Community
and the
Republic of Sierra Leone**

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10/02/05

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**Addendum
to the
Country Strategy Paper and National Indicative Programme**

European Community and the Republic of Sierra Leone

A mid-term review of the Country Strategy Paper (CSP) and National Indicative Programme (NIP) for the Republic of Sierra Leone was carried out during 2004 in accordance with Article 5(6-7) of Annex IV to the ACP-EC Partnership Agreement.

Following the completion of the mid-term review (MTR), in the light of an assessment of the country's current needs and performance, the Community revises the resource allocation for Sierra Leone as follows:

	Initial 9 th EDF allocation	Initial 9 th EDF allocation + old EDF transfers (end 2003)	New allocation after MTR (also including transfers from previous EDFs)
A envelope (M EURO)	144	154.7	164.7
B envelope (incl. Sysmin, exclud. peace facility)	76	72.7	62.7

An amount of 10 M EURO has been transferred from the B envelope to the A envelope.

The present addendum adjusts the indicative allocations for envelopes A and/or B referred to in paragraph 2 of the general provisions, accompanying the CSP and NIP, as well as all other references to these amounts in the different chapters and annexes to the CSP and NIP.

As part of the mid-term review, it has been agreed to maintain the country strategy as contained in the CSP and NIP.

The new breakdown of the indicative allocation intended to cover long-term development activities (envelope A) is presented below:

	Initial indicative allocation		Indicative allocation after the MTR	
<i>Rehabilitation of priority infrastructure</i>	70 M EURO	48.6 % of total	81.7	49.7 %
<i>Governance & Inst. Support</i>	19	13.2 %	28.0	17.0 %
<i>Macroeconomic support</i>	50	34.7 %	50	30.3 %
<i>Non focal sector</i>	5	3.5 %	5	3.0 %
	144	100	164.7	100

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10/10/2005

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Rehabilitation of Priority Infrastructure

The following specific objective will be pursued: "Improved access to markets and social services by the Sierra Leone population, particularly in the north and east of the country.

The major interventions foreseen are: rehabilitation and maintenance works; refurbishment of selected sections of the Trans West African Highway; rehabilitation of a section of the Freetown-Conakry Highway; rehabilitation of rural roads; rehabilitation of priority social infrastructure.

Good Governance and Institutional Support

The following specific objective will be pursued: "improved governance and financial management in priority areas".

The major interventions foreseen are: support to crucial ministries and support to the deconcentration of services in social sectors; establishment of an accountable public finance management system; support to the office of the NAO; support the Anti Corruption Commission; support the decentralization process and the organisation of elections

Macroeconomic support

No change.

Programmes outside the focal sector

No change.

The adjustments in the focal sectors and programmes outside the focal sectors, as presented in this addendum, constitute adjustments to all the relevant sections of the CSP and NIP, including annexes, which relate to these same areas of intervention.

Date: 10 February 2005

Signatures:

For the Government of the Republic of Sierra Leone

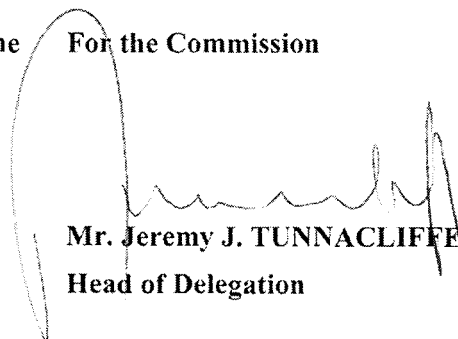


10/02/05

Mr. Mohammed B. DARAMY

Minister of Development and Economic Planning

For the Commission



Mr. Jeremy J. TUNNACLIFFE

Head of Delegation

MINUTES

Mid Term Review of the implementation of the Country Strategy Paper and the 9th EDF National Indicative Programme Mamba Point, Freetown 10 February 2005

Participants:

EC Delegation

Mr. Jeremy Tunnacliffe
Mr. Andreas Laggis
Ms. Lea Vuori
Ms. Karine Genty
Ms. Kirsi Pekuri
Mr. Daniel Hurtado Dominquez
Robyn Schnuir
Olive Macauley
Cordelia Williams

NAO Office

Mr. Mohammed B.A. Timbo
Ms. Amy Myers
Mr. Alpha M.B. Sesay
Mr. Howard Cummings

Ministry of Development and Economic Planning

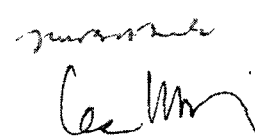
Deputy Minister Ibrahim Mohamed Sesay
Ms. Kona Koroma, Development Secretary
Mr. A. Jam-Jalloh, Deputy Director for Planning
Mr. Eric Jumu, National NGO Coordinator
Ms. Abie Kamara, Senior Planning Officer
Lauren Johnston

Ministry of Finance

Deputy Minister S.B. Marah
Mr. Samura Kamara, Financial Secretary
Mr. Cyprian Kamaray, Director of Budget
Mr. J.O. Wellington

Office of the Vice-President/DACO

Dr. Francis Kai-Kai
Mr. Kawusu Kebbay



SLRA

Director General I.M. Kebbay,
Deputy DG A.D.E. Jackson

Ministry of Works

Minister Mr J.C. Boima
Mr. John Aruna, Professional Head

Ministry of Mineral Resources

Mr. Francis K Ngebeh
Dr. M.R.D Sesay
Mr. S.K. Brima

Ministry of Agriculture

Patrick Hanmar, Director General
Deputy Director General, E.K. Allieu
Mr. Dennis Kamara

NaCSA

Mr. John P Ngebeh

Ministry of Health and Sanitation

Minister Abator Thomas

Ministry of Education

Mr. A Wurie, Minister

Decentralisation Secretariat

Director: Emmanuel Gaima

ACC

Mr. Mohammed Dumbuya

Donor Partners

DfID: Ian Stuart
DFiD: Richard Hogg
France: Rene Revoltier
Germany: Astrid Ilper
WB: Jacob Saffa
UNDP: Nancy Asanga
UNDP: Grahim Chipande
UNDP: Agessandn Angouss
SADCO: Denise Luttui Crisan

Parliament

Hon. Ibrahim S. Sesay J.P., Chairman of Finance Committee

Hon. Mr. Sawi, Chairman of Development Committee
Hon. Chukuma Johnson

Civil Society

Civil Society Movement: Mr. Bockarie Enssah
INGO Representation: Mr. Nicholas Webber
Chamber of Commerce: Mr. Christopher Foster

1. Opening Statements by the chairs

Hon. Ibrahim M. Sesay
Deputy Minister of Development and Economic Planning

Mr Sesay briefly presented the contents of 9th EDF framework and referred to the MTR conducted in 2004.

It was recalled that the priority sectors of the CSP and the NIP are:

1. Rehabilitation of Priority Infrastructure
2. Good Governance and Institutional Strengthening
3. Macroeconomic Support

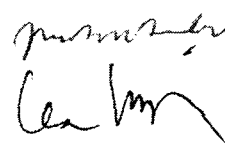
It was recalled that approx. 50% of the A Envelope have been allocated for Rehabilitation of Basic Infrastructure. These inputs will also help to push the Government's food security programme forward and to provide foundations for investment promotion, efficient service delivery and the mining sector.

Regarding the second Focal Sector, Good Governance, Institutional Strengthening and Capacity Building, Mr Sesay stated the emphasis laid by the Government (GoSL) on good governance as a prerequisite for peace and economic development. The ongoing decentralization process and the recent successful local government elections highlighted GoSL's efforts in the area of governance.

It was emphasized that the future allocations for the EC/SL cooperation depends upon performance and an increased absorptive capacity. The Cotonou Agreement requires an annual review of the NIP. In addition, a MTR had to be carried out after two years of the 9th EDF implementation, and a Final Review will be undertaken at the end of the 5-year coverage period of the 9th NIP.

Rehabilitation of Priority Infrastructure continues to be one of the GoSL's main priorities. Reference was made to a possible urban sanitation project.

The Government's satisfaction was expressed regarding the deconcentration by the Delegation, hopefully leading to a further increase in staffing. It is hoped that this will have a positive effect on the level of program implementation and disbursement rates.



H.E. J.J. Tunnacliffe
Head of EC Delegation in Sierra Leone

Mr Tunnacliffe recalled that Sierra Leone has reached its half way point in the implementation of the 9th EDF and that the product of our deliberation today could be the signing of an addendum to the National Indicative Programme (NIP). The NIP was signed in July 2003 based on the Country Strategy Paper (CSP) prepared after discussions with GoSL during 2002/2003. The CSP has its roots in the EC's Development Policy (2000) and guidelines that stress concentration on selected Focal Sectors so as to improve performance. It was recalled that the well performing ACP states benefit from additional EDF resources.

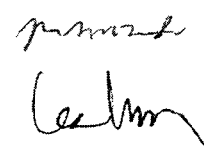
It was recalled that at current disbursement rates, it would take 18 years to use all the resources allocated to Sierra Leone thus putting Sierra Leone in the worst performance category of ACP states. It was argued that there were good reasons for such figures and, as a result, Sierra Leone maintained its allocation.

Mr Tunnacliffe recalled that the 9th NIP for Sierra Leone covers two Focal Sectors: Priority Infrastructure and Good Governance and Institutional Strengthening coupled with Macroeconomic Support and a Non Focal Sector allocation. Since the preparation of the NIP, initiatives in several additional sectors have been added for a variety of reasons. The EC's involvement in the health sector increased through the Global Fund for TB, HIV and Malaria to an estimated 30M€. STABEX funds, Linking Relief, Rehabilitation and Development activities (LRRD) and Food Security budget line support the agricultural sector to an amount of 20 M€, and the mining sector is to receive 26 M€. Fisheries are to be supported from national, global and regional funding, and there have been expressions of interest from Sierra Leone for the Water Facility Global Fund. The EC already involved in water and sanitation sector and with the proposed global education facility and Human Rights and Democracy initiatives, the task is enormous. Mr Tunnacliffe recalled that the EDF funds being diverted into as many as ten sectors, there is an immense need for expertise to design and implement projects and programmes successfully.

Mr Tunnacliffe recalled that as a country's performance rating determines its EDF resource allocation, the EDF funds must be allocated in sectors where there is a comparative advantage.

2. Introduction of the Mid Term Review Process and Outcome

Mr M.B.A. Timbo
Director of the National Authorising Office



Mr Timbo recalled that the EU-ACP Cotonou Partnership Agreement, signed in 2000, established a review process that required the NAO in each ACP country as well as each EC Head of Delegation to annually take an operational review of the NIP as well as undertake a mid-term and end-of-term review of the CSP and NIP in the light of the current needs and performance.

The performance assessment is based on a review of the utilization of resources allocated to an individual ACP country. The MTR process was carried out against this background.

It was recalled that the MTR process started with an annual operational review focused on the results achieved in focal sectors against the identified targets and impact indicators as well as a review of sectoral policy commitments. It looked into the effectiveness of the implementation of current operations and the extent to which the time table of commitments and payments have been respected.

He emphasized that this assessment was completed with a series of consultations between GoSL and the Delegation where both agreed that there was no need to change overall strategy as laid in the CSP, and that the implementation of the NIP should be expedited within the existing framework. In order to forestall a possible reduction in the country allocation following the MTR, parties agreed to speed up disbursements and to closely monitor implementation of the benchmark targets agreed in the 2003 Annual Operational Review.

With regards to Non State Actors (NSA), it was agreed to take into account all provisions made for their participation in the implementation of ongoing projects/programmes such as Resettlement and Rehabilitation Program (RRP), Accountability, Decentralisation, HSSP and LRRD. Of the new initiatives proposed during the review process, only a few were considered possible for Non Focal Sectors.

He then went on to say that a Joint Annual Report (JAR) was subsequently done by the Delegation and the NAO and submitted to the Commission accompanied by a cover note prepared independently by the Delegation, which set out the Community's position on the key issues that were to be dealt within the MTR. The position paper provided an assessment of the "special conditions" including the main economic and political events affecting the country's needs and performance.

Draft MTR conclusions were prepared as a stand-alone document by DG Development of the EC which summarized the key findings of the JAR and where the cover note provided an overall assessment of the country and its performance.

The MTR conclusions were subsequently forwarded to GoSL for comments and approval. The Conclusions showed that the Country Strategy priorities and financial allocations remain the same as per the NIP. GoSL accepted these conclusions leading to the final version of the MTR conclusions.

Mr Timbo stated that the meeting today was to provide a further opportunity to allow concerned parties to review the MTR conclusions and confirm the priorities set in the NIP.

Mr A. Laggis
Head of Operations, EC Delegation in Sierra Leone

Mr Laggis stressed that the MTR goes beyond the annual operational reviews and aims at adapting the CSP when specific problems have been identified, to enable a change in the country's strategy or in the resource allocation, and the incorporation of new EC/EU policy initiatives and commitments.

He mentioned that while the change in strategy is based on a joint proposal by the NAO and the Head of Delegation, the adjustment in resource allocation is a Community decision taken in the light of current needs and performance. No change in strategy has been suggested for Sierra Leone as its performance was considered adequate even if some adjustments were introduced in particular commitments. As a result, the focal sectors will continue to be the Rehabilitation of Priority Infrastructure, Good Governance / Institutional Support and Macroeconomic Support.

He recalled that the MTR suggested supplementing Envelope A by 10M€ from Envelope B meant for unforeseen needs. From the initial allocation of 76.0 M€ in the Envelope B an amount of 12.7 M€ remains as 25 M€ was committed to the LRRD programme, 25 M€ to the Sierra Rutile Mine, 10 M€ is transferred to the A Envelope and 3.3 M€ was committed to the African Peace Initiative.

He pointed out that the country's performance was assessed on the basis of agreed criteria:

1. Financial criteria, which looked at the capacity to commit and absorb financial resources in the country. (The figures for 2004 are five times higher than 2003.)
2. Special considerations, which included the assessment of the country's progress in:
 - Institutional reforms and poverty reduction
 - Governance, political and post conflict situation
 - Resource limitations at the level of the NAO office and the EC Delegation

The combination of these criteria resulted in a global appraisal that the performance of Sierra Leone was sufficient and there was thus no net change in resources but rather a transfer between envelopes.

Mr Laggis concluded that it was the first time that such a thorough and systematic review of the CSP had been undertaken as the Lomé Conventions did not include a review of policy objectives and there was no adjustment of financial envelopes based on country performance. This made the 2004 MTR complex, time consuming and lengthy process involving different levels of consultation. However, it seemed to be considered as a positive experience by the stakeholders.

Mr A. Laggis
Head of Operations

The involvement of Non State Actors (NSA's) has been improving and they should be given the possibility of contributing to the draft MTR report and commenting on further steps of the process. NSAs' participation should be reassessed in the context of the 2005 Annual Review with a view of defining a strategy for the 2006 ETR and the next programming cycle.

Questions and Answers

The Minister of Education, Mr A Wurie, said that the migration of Sierra Leoneans to Europe was extremely high and despite the improved infrastructure the country is losing work force. He felt that more should be done in terms of training personnel in the social sector and retaining those that were trained. Mr Tunnacliffe answered by saying that the EC is targeting two ministries at the moment under the budget support programme, namely Health and Education. He stated that these funds should be used in the training and retaining of personnel rather than in general expenditures of the ministries.

3. Conclusions of MTR on the 3 focal sectors: Programming perspectives as identified in the MTR conclusions

Rehabilitation of Priority Infrastructure

Ms Lea Vuori

Head of Infrastructure, EC Delegation in Sierra Leone

Ms Vuori mentioned that based on MTR conclusions, the initial allocation for Priority Infrastructure will be increased from 70 to 86M€, of which 52M€ has already been committed for the 42M€ the Road Infrastructure Programme and 10M€ for the Resettlement and Rehabilitation Programme (RRP), respectively.

She went on to say that there is 9.5M€ in the pipeline for Rural Roads and approximately 20M€ for the Freetown-Conakry Highway Overlay. The exact cost of the Overlay will depend on the alternative selected for the Magbele Bridge. Budget for this project is to be prepared by a consultant in the coming months.

The rest of the infrastructure allocation is to be left for potential future needs in the road sector. The Delegation suggests to postpone any decisions regarding the 'labour intensive programs for rehabilitation for urban sanitation' due to the following reasons:

- Potentially increased budget estimate for the Freetown-Conakry Overlay project
- Widening the scope of infrastructure sector activities to new sub-sectors is not advisable based on the principles of the EC's 2000 Development Policy
- There may be need for topping up the budgets of certain road projects at a later stage.

Ms Vuori continued by focusing on the 42M€ Road Infrastructure Programme:

- A bulk of the project concerns the Masiaka-Taiama-Bo Road in which both the works and the supervision tenders are ongoing. There were delays due to the need to update

the previously prepared documents, both technically and to conform to the 9th EDF. However, the problems have been overcome and the bids for the supervision and works will be received in March and May, respectively.

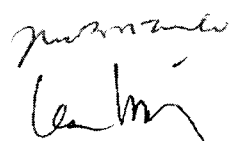
- The other road to be rehabilitated is the Songo-Moyamba Junction where another consultant had to be contracted for making technical and procedural changes to the tender document. Despite certain unexpected technical problems, the works and supervision tenders should be launched by mid-2005.
- The EC will also provide a Technical Assistant (TA) to the Sierra Leone Roads Authority (SLRA). The respective tender will be launched in the beginning of March, with the TA team expected to start in the 3rd quarter of 2005. The TA's will support SLRA in the implementation of the EDF programme in terms of road maintenance and rehabilitation, financial management and general management where needed.
- And finally, a Programme Estimate for the maintenance of selected roads has been prepared by SLRA and is currently being revised by the Delegation.

She concluded by stating that the Resettlement and Rehabilitation Program (RRP) is currently implementing a 5M€ Programme Estimate to rehabilitate and reconstruct educational and health facilities throughout the country which is to be completed by July 2005. An extension to the operational implementation period of the Financing Agreement has been requested from the Commission in order to allow enough time for the reconstruction of St John's Hospital in Lunsar, the Lassa Fever Ward in Kenema and other relevant undertakings (5M€). The RRP implementation is expected to end in December 2006, depending on the Rider.

Questions and Answers:

The Minister of Education, Mr A. Wurie, stated that the EC is extremely visible with regard to its programmes in Sierra Leone but he felt that GoSL does not always get credit of the initiatives. He was also worried that the donors sometimes take initiatives in a speed that cannot be matched by the Government. Mr Tunnacliffe answered by saying that the RRP worked very closely with two Ministries – Education and Health – on the identification of the project activities. He said that it is up to the Government to sensitize the people of Sierra Leone on their involvement. Mr Timbo, The Director for the National Authorising Office, added that every application for a specific project and programme is sent to the specific Ministry and they actively participate in project implementation and monitoring. He recalled that the ownership and the maintenance of the finalized project is the responsibility of the Government. Ms Vuori recalled that e.g. in the road sector SLRA takes a lead in sensitising the concerned communities and takes full responsibility of the EDF programmes.

Mr B. Enssah from the Civil Society Movement wanted to know who was responsible for the sluggish disbursement of funds and whose responsibility it is to inform affected communities. Mr Timbo, The Director of NAO said that the sensitization of projects was the responsibility of the Government, and Mr Tunnacliffe stated that the disbursement of funds had increased five fold and will continue to increase in 2005. Mr Enssah also wanted to know how projects were selected. Mr Timbo answered by saying that it was a



consultative process where also members of Parliament and the Civil Society are involved if need be.

Mr Enssah further questioned why the EC is not funding the energy sector. Ms Vuori answered by saying that the EC has to focus on fewer sectors and GoSL did not suggest energy sector as one of the priority sectors for the 9th EDF. It was also recalled that other donors are involved or about to become involved in this sector. Mr Tunnacliffe recalled that the EC has been involved in the energy sector under previous EDF's.

Dr Kai Kai of DACO asked how the 650km of rural roads were chosen. DG Kebbay of SLRA clarified that the communities in the four selected districts were first asked to prioritise roads in their respective districts, and an independent consultant further prepared the final list of roads to be rehabilitated based on their socio-economic importance.

Good Governance and Institutional Strengthening

Ms Karine Genty

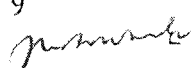

Head of Social Services and Good Governance, EC Delegation in Sierra Leone

Ms Genty recalled that the MTR conclusions suggested increasing the initial allocation for the Good Governance from 19m€ to 28 m€. Ms Genty stated that out of the 28M€, 2M€ had already been committed for EC Assistance for Local Government Elections, 3.1M€ for the Support to the NAO Office and 1.9M€ for the Technical Cooperation Facility. Thus, 21M€ remains non-committed.

Ms Genty went on to say that there are two projects in the pipeline, Support to Decentralization (10M€) and Support to Local Accountability (10M€ envisaged but exact budget not known as financial proposal and budget to be prepared by consultant in coming months.)

She said that the MTR conclusions prepared in 2004 suggest "reinforcing focal sector 2 to allow funding for additional activities relating to the promotion of human rights and the fight against corruption". However, Ms Genty suggested that this should not lead to the preparation of separate projects for the following reasons:

1. As stated by the HoS for Infrastructure, widening the scope of activities would be counter-productive and is not in line with EC guidelines on the management of External Aid.
2. Fight against corruption
This should be considered as a cross cutting issue, as reinforced by the final version of the National Anti Corruption Strategy (NACS). All projects should include activities ensuring that the MDAs involved are implementing the NACS.

9



Direct support to the ACC will not be envisaged as it is already supported by DfID for its functioning budget. However, a possible area of intervention would be setting up a public complaint mechanism at district level: this will be considered in the preparation of the "Support to Local Accountability" project.

3. Promotion of Human Rights

Seven projects in this field are already funded through the EIDHR budget line and nine project proposals are currently being evaluated by the Delegation following a Call for Proposals (CfP) launched in 2004 on Support for Democratisation, Good Governance and the Rule of Law. (The priorities identified in the CfP are Strengthening the capacity of civil society organizations/ Human Rights training for public officials/ Enhancing the legal protection of human rights.)

Another six CfP's, which include a Human Rights component, were launched in 2004 but the Delegation is awaiting information from Headquarters regarding the proposals submitted for Sierra Leone. A local CfP for micro-projects will be launched within the next three months and will target local partners with an overall envelope of 215,000€.

She pointed out that EIDHR programming for 2005 – 2006 identifies two focus campaigns for Sierra Leone:

1. Promoting Justice and Rule of Law, which cover the effective functioning of ICC, restrictive use of death penalty and eventual abolition and the reinforcement of international human rights mechanisms. (20M€ over 2005-2006)
2. Advancing Equality, Tolerance and Peace, which covers securing, respect for the rights of indigenous people and conflict prevention and resolution. (32M€ over 2005-2006)

The EIDHR budget line has been supporting the TRC until the end of 2003 through OHCHR but she said that it is expected that they will resubmit a proposal to Headquarters to get funding for the monitoring mechanism on the implementation of the TRC report recommendations. Ms Genty emphasized that the EIDHR appears to be the best instrument to get funding for the new National Human Rights Commission.

With regards to implementation she highlighted the following:

-EC Assistance for Local Government Elections (2M€):

A grant contract was signed with IFES for 1.6M€ but the payment request is still pending.

-Support to the NAO (3.1M€)

The Financing Agreement was signed in December 2004 with a suspensive clause granted to recruit the TA team, which is expected to start in July 2005 if the process carries on smoothly. The recruitment process was initiated in August 2004 and a shortlist of consultancy firms is currently being established.

- Technical Cooperation Facility (1.9M€)

The Financing Agreement was signed in May 2004 with the first contract signed in January 2005 to provide short-term emergency TA to the NAO pending the replacement of one member of their staff. It will cover a feasibility study in 2005 for the overlaying of Freetown – Conakry Highway, the finalization of the financing proposal for the "Support to Local Accountability" project and the preparation study for the Budgetary Support project.

Ms Genty went on to talk about projects that are in the pipeline such as:

- Support to Decentralisation

The project identification fiche (PIF) for "Support to Decentralisation" was rejected in June 2004 as implementation mechanisms were to be re-designed. Significant developments had taken place in the field of decentralisation since the submission of the first PIF and as a result some of the activities needed to be revised in order to take into account the planned actions of other donors and the first lessons learnt from the existing World Bank project. The EDF funded project will be almost entirely implemented by the WB through a trust fund.

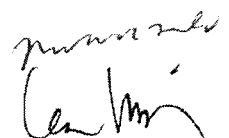
-Support to Local Accountability

The mapping study of accountability mechanisms in Sierra Leone was carried out in May 2004 but comments from the NAO/GoSL on this study were only received in October 2004. A second study will be carried out with TCF funds to draft a financing proposal which will complement the Support to Decentralisation project by strengthening the capacity of civil society in order to enhance its role within the decentralization process, hence improving local government accountability. The budget will be within the bracket of 7-9M €

-The rest of the Good Governance allocation is to be left for potential future needs, such as the 2007 presidential elections.

Questions and Answers

Hon. I.S. Sesay, the Chairman of the Finance Committee in Parliament asked the EU to support the Parliament as the Parliament is actually involved in setting up institutions and acts that would benefit the Anti Corruption Committee. Mr Sesay also stated that the capacity of the judiciary and GoSL audit services remained weak and should be strengthened. Mr Wurie, the Minister of Education, said that corruption could be explained by the delays it takes for a lot of civil servants, such as teachers, to be paid. He said that support should be provided in the field of human resources, especially as regards the payment of staff salaries. He added that a strong emphasis seemed to be put on the monitoring/watchdog role of civil society but that the focus of EC support should be redirected at Government capacity as the civil society remains too weak to carry out this role. The Minister of Health, Ms Abator Thomas wanted to know whether any of the EC



projects are focused on women's rights and whether the capacity of local councils would be reinforced to take into account gender issues.

Ms Genty answered that the judiciary and audit sectors are not underestimated but since the EC does not have prior experience in the judiciary sector in Sierra Leone, it is left in the hands of other donors that are already involved and have more experience in this sector. She added that the Auditor General's Department is benefiting from support from DfID. She went on to say that, as evidenced by evaluation of various projects supporting decentralization processes, decentralization does not work if the capacity of both the local government and the civil society are not strengthened in parallel, hence the importance granted to the capacity building of NSAs. She also added that this priority was in line with GoSL policies and priorities as reflected in the latest version of the F-PRSP. As regards to support to MoE or MoHS for the payment of staff salaries, she made reference to the ongoing budget support which is targeted at social sectors. In addition she mentioned that ongoing EDF projects in the field of social sectors, such as the Health Sector Support Project (8th EDF) are contributing to the strengthening of MDAs' capacity in the field of human resource and financial management. As regards the gender perspective, she recalled that a program that is run by Coopi in Freetown and Kono which focuses on women victims of torture, under the EIDHR budget line and mentioned that the gender perspective was usually streamlined in all EDF funded projects. She also emphasized that implementation of gender equity was first of all the responsibility of the GoSL. Taking as an example the ongoing decentralization process, she mentioned that although the Local Government Act included some elements of gender equality (composition of the Ward Development Committees), these elements had so far not been complied with.

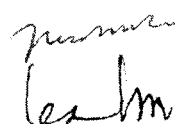
Macroeconomic Support

Ms Kirsi Pekuri

Head of Economic, Trade and Regional Programming Section, EC Delegation in Sierra Leone

Ms Pekuri pointed out that the CSP and NIP for the 9th EDF foresaw 50M€ for Macroeconomic Support, and during the MTR process this allocation was kept at its original level and deemed still necessary. She mentioned that the programming of the 50M€ allocation for the Macroeconomic Support has been delayed for a number of reasons, two main ones being the delays in implementation of the Post Conflict Budget Support and the PRSP process. The PCBS program got back on track, late 2004, with a 10M€ disbursement and another 8.18M€ to be disbursed in early 2005 followed by GoSL achieving the agreed PFM related triggers. She emphasized that remarkable process has been made as GoSL has produced a PRSP, currently under consideration of the WB and IMF Boards.

She went on to say that the EC determines budget support according to development or poverty reduction needs of Sierra Leone, which is important, as budget support can be more effective at delivering large quantities of aid and fighting poverty. She said that



budget support encourages the Government to take greater ownership; it supports good governance including public finance management reforms and enhances structural effects. However, the operations require careful preparation and monitoring to identify risks. Provision of budget support is pre-conditioned on existence of viable medium term macroeconomic framework and reform program that are in line with the community development policy and approved by the Bretton Woods Institutions. PRSP provides this policy framework for Sierra Leone.

Once the pre-conditions are met, the macroeconomic situation is analysed in light of the following points:

- Implementation of macroeconomic and sectoral policies
- Public management and rules on public contract
- Fundamental macroeconomic parameters

She highlighted that the EC's preferred method of delivering Budget Support is direct and untargeted, which means depositing fund releases directly to the government treasury account and the untargeting meaning that the funds are fully fungible. This approach would allow optimal financial management by the government and at the same time allow a level of priority expenditure in social sectors to be followed by the Commission through monitoring of the agreed performance indicators.

She said that where it is possible, the EC can operate under an umbrella of multi-donor budgetary support.

To put a budget support facility into place, a programming exercise will take place, building on the preliminary conditions of the 9th EDF and Sierra Leone's commitment to the PRSP. She emphasized that there needs to be more dialogue and technical steps, first of which is establishing eligibility and justification in three aspects:

1. Broadly speaking the macroeconomic context is set out by the IMF agreement, so this will be followed.
2. Budget Support is provided in the context of the National Strategy as embodied in the national budget and in the medium term budgetary framework; therefore, dialogue is held on this broad strategy.
3. As the implementation of budget support is through the national budget, it is necessary to assess the accountability of public finances before implementation.

She went on to say that once eligibility has been established, the amount and the disbursement need to be set. The identification and appraisal stages of the programming will determine the timing and the size of the different tranches. As budget support aims to achieve poverty reduction, the ideal would be to agree on annual fixed tranche linked to performance in macroeconomic management with a variable linked to results.

She pointed out that once the macroeconomic framework is in place, it will be reviewed and the status of the public finances will be assessed and coordination, using the existing information, will cover at least the following:

- Legal and institutional framework
- Financial flows
- Monitoring and reporting methods and the internal and external control mechanisms
- Democratic control and the fight against corruption
- Selection of key indicators for budget effectiveness and efficiency

She said that in the case of Sierra Leone, it is envisaged that a TA assignment will be launched to undertake this analysis, which will be the base to the decision on whether a Financial Proposal will be drafted, and what the modalities under the budget support facility will be. During the drafting of the financial proposal the decision is to be made on various issues including:

- Possible preconditions
- Disbursement schedule, size and type of tranches
- Indicators for monitoring of the implementation, which should be identified in the PRSP
- Objectives of the process
- Review mechanisms
- Accompanying TA requirements.

She concluded by saying that once agreed, the internal approval process will intensify and the proposal will have to pass tests in the EC Inter-Service Quality Support Group, get a favorable opinion from the EDF Financing Committee and reach a decision from the EC. Only after all this could the Financing agreement be signed, and the implementation of the programme started.

Questions and Answers:

Richard Hogg, the incoming Head of DFID, wanted to know why there was only 50M€ available if the Budget Support was considered as the best practice. Mr Cyprian Kamaray, the Director of Budget was concerned about the timing of the budgetary support as many times the budgetary support risk causing inflation and that it should really be used to support the Governments' needs. Ms Pekuri answered by saying that while budgetary support has the greatest potential as aid delivery mechanism, it also has the greatest risks and thus the limit of 50M€ is meant to limit risks. She carried on to say that the nature of budgetary support has changed; There are new designs and guidelines which address the problems identified by the recipient governments, which should help in terms of disbursement predictability and policy implementation. A lot of effort and cooperation between the Commission and GoSL will be needed in order to push the next budget support operation forward. It is now possible to move further forward with the programming as the PRSP has been drafted and this pre-condition fulfilled.

Mr S Kamara, the Financial Secretary for the Ministry of Finance, wanted to know if there would be any disbursement during 2005. He wanted an analysis of how to move forward as GoSL had assumed in the budgetary process that the first part of the EC budget support would be released during 2005. He thus urged the EC to move forward

quickly. Ms Pekuri answered that it was unlikely that funds would be available before the end of this year. She stated that Sierra Leone has moved forward as the Parliament has passed the Procurement Act, therefore another precondition has been met. She believed that with the shared vision of Sierra Leone and donors they could look at the technicalities. There are now monthly meetings between donors to formulate a Common Action Plan on PFM.

Non Focal Sectors and B Envelope

1. Mining

Ms Lea Vuori

Ms Vuori began by saying that two commitments have been made under the 9th EDF in the mining sector, namely the Re-opening of Sierra Rutile Mine (25M€), which was committed at the end of 2003 under the B Envelope, and the 1 M€ TA to the Ministry of Mineral Resources (MMR) committed in December 2004 under the Non Focal Sectors.

The EC provides the 25M€ as a grant to GoSL which on-lends the funds to Sierra Rutile Ltd (SRL). The purpose of this loan is to enable the re-opening of Sierra Rutile Mine. It is co-funded by Overseas Private Investment Corporation (OPIC) with another 25M\$ and by the SRL shareholders. The repaid interest and capital will be administered with another Financing Agreement to be prepared at a later stage. The repaid funds will be utilized e.g. for the socio-economic development of the surrounding areas of the mine and for the development of the mining and environmental sectors.

Ms Vuori recalled that the EDF funded loan to SRL is matched with environmental and socio-economic covenants whose fulfillment the TA to MMR will closely monitor.

She mentioned that the Loan Agreement between Sierra Rutile Ltd and GoSL was prepared and signed in August 2004. Unfortunately, due to a delay in the preparation of the Loan Agreement between OPIC and Sierra Rutile Ltd, the first disbursement of 18M€ could not be made by the end of 2004 but would be executed in the beginning of 2005, as soon as the last pending document was received from Sierra Rutile Ltd.

She continued by saying that a TA to the Ministry of Mineral Resources (1M€) aims at supporting and monitoring the Re-opening of Sierra Rutile Mine and will also provide general capacity building to the Ministry. The Financing Proposal was signed in 2004 and the tendering is currently starting, which means that the TA should be expected to start in the third quarter of 2005.

Questions and Answers:

The representative of MMR requested capacity building and institutional strengthening to the mining sector. Ms Vuori clarified that the TA to MMR will, in addition to monitoring the re-opening of Sierra Rutile Mine, provide capacity building to the Ministry. Furthermore, a part of the re-paid interest and capital by SRL will be used for the overall

Handwritten signature
Lea Vuori

development of the mining sector, including possible TA to MMR. Support can also be provided for the improvement of mining legislation and other relevant sector development tasks.

Mr B. Enssah from the Civil Society Movement expressed satisfaction for the emphasis on the socio-economic and environmental issues in the EC's involvement in the mining sector.

2. *Fisheries*
Mr Laggis

Mr Laggis said that there are three activities that are currently being worked on for the next year with an estimated budget of between 2 – 3M€:

- To strengthen the capacity of Sierra Leone to export their fish to the international markets. The precondition for this is to develop the fishery policy.
- A survey looking at the fisheries resources and the situation of their use in Sierra Leone.
- The monitoring, controlling and the surveying of fishing activities in West Africa.

Questions and Answers

It was stated that Sierra Leone should work in collaboration with Guinea when determining the status of their fisheries resources as the Guineans have a proper research vessel with qualified scientists aboard.

3. *Environment*
Mr Laggis

Mr Laggis stated that there is a possibility of supporting environmental studies under the 9th EDF.

Questions and Answers

Minister of Works, Mr Boima, suggested that any environmental study carried out should look at the issue of cooking energy in order to reduce the degradation of forests. A note was taken by the EC.

4. *Trade and Industry*
Ms Kirsi Pekuri

Ms Pekuri mentioned that TA has been made available to the Ministry of Trade and Industry to help the Government on EPA negotiations. Trade negotiations with the EU are conducted on regional basis in West Africa under the ECOWAS rather than nationally. There is a possibility to further support the trade issues under the NIP but the EC has to look at what is being supported by other donors before starting new projects.

She concluded by saying that there are many opportunities for assistance in the pipeline under the West Africa Regional Programme and all ACP Support Programmes.

5. *B Envelope*

Mr J.J. Tunnaclyffe

Mr Tunnaclyffe recalled that, in addition to the focal and non-focal sectors discussed before, the B Envelope has so far been tapped as follows: In addition to the 25 M€ rutile mining project, there are two LRRD (Linking Relief to Rehabilitation and Development) projects, amounting to € 25m and 7 M€, respectively. As a consequence of the three committed projects, transfer of 10 M€ to the A Envelope, and an initial reservation of 3.3 M€ for the African Peace Initiative (as per the MTR conclusions), over 90% of the B Envelope has been reserved. There is, consequently, not much space for additional activities. The EC suggests to leave the remaining B Envelope resources to be used for unforeseen needs at a later stage.

4. **Conclusions**

Rehabilitation of Priority Infrastructure

The focus of the sector remains primarily on roads with two main projects in the pipeline: 650km of Rural Roads to be rehabilitated (9.5M€) and the Freetown-Conakry Highway Overlay project (20M€ +/- 2M€). The remaining budget for this sector will be used for tapping up of other on-going road projects.

Good Governance and Institutional Support

Consensus was reached that the ongoing decentralization process is central to Good Governance and is seen as key to improve service delivery. It was agreed that a successful decentralization could only be achieved with the strengthening of civil society capacity. The fight against corruption was considered as a cross-cutting issue and no direct support would be provided to the Anti-Corruption Commission as the latter is already being supported by another donor for its core budget. The Promotion of Human Rights was seen as being financed by a more adequate instrument, the EIDHR budget line

Macroeconomic Support

A 50M€ allocation will be programmed into a facility disbursed over 3 years where the PRSP will be the framework policy. Additionally, macroeconomic stability is a pre-condition. Optimal design is direct and untargeted budget support in coordination with other donors (multi-donor budget support), although the design will depend on PFM and other conditions being met. The timing is important, and therefore all efforts will be made by the GoSL and the EC to make the budget support facility available as soon as possible.

J. J. Tunnaclyffe
Leadman

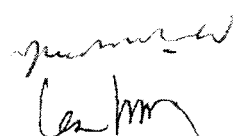
Accountability is very important and therefore the Public Finance Management Reform will be closely followed.

Non focal sectors

In addition to the 1 M€ already committed for the TA to Ministry of Mineral Resources, an estimation of fisheries resources will be conducted by a survey in collaboration with Guinea.

Regarding possible inputs in the field of trade and industry, it is still early to make a concrete commitment, with possible support linked to the ongoing EPA exercise. An input in the environment sector is expected in the form of an environmental study.

Thanks were given by H.E. Jeremy Tunnacliffe and the Hon. Ibrahim M. Sesay. The meeting concluded at 13:15, followed by the signature of the Addendum to the CSP and NIP and a press conference.

A handwritten signature in black ink, appearing to be 'Ibrahim M. Sesay', located at the bottom right of the page.