



REPUBLIC OF SIERRA LEONE

INTERIM POVERTY REDUCTION STRATEGY PAPER

Freetown
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LIST OF ACRONYMS AND ABBREVIATIONS

ADB	African Development Bank
AFSL	Armed Forces of Sierra Leone
AFRC	Armed Forces Revolutionary Council
BSL	Bank of Sierra Leone
BSDS	Base Line Service Delivery Survey
CAS	Country Assistance Strategy
CBOs	Community Based Organisations
CDF	Civil Defense Forces
CISU	Central Intelligence and Security Unit
CPI	Consumer Price Index
CPU	Central Planning Unit
CRRP	Community Rehabilitation and Reintegration Project
CSO	Central Statistics Office
DDR	Disarmament, Demobilisation and Reintegration
DFID	Department for International Development
EAP	Emergency Assistance Project
EC	European Commission
ECOWAS	Economic Community of West African States
EC/SLRRP	European Support and Sierra Leone Rehabilitation and Reintegration programme
EPRU	Economic Policy and Research Unit
ERRC	Economic Rehabilitation and Recovery Credit
ERSF	Emergency Recovery Support Fund
FGD	Focus Group Discussions
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries Initiative
HIV/AIDS	Acquired Immune Deficiency Syndrome
IAAC	Integrated Approach to Aid Co-ordination
IDB	Islamic Development Bank

IDPs	Internally Displaced Persons
IHSIP	Integrated Health Sector Investment Programme
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IMC	Inter-Ministerial Committee
I-PRSP	Interim Poverty Reduction Strategy Paper
IRDP	Integrated Rural Development Project
IMPS	Integrated Microprocessor Systems
M&E	Monitoring and Evaluation
MICS 2	Multi-Indicator Cluster Survey II
MNRRR	Ministry of National Resettlement, Rehabilitation and Reconstruction
MODEP	Ministry of Development and Economic Planning
MOF	Ministry of Finance
MTEF	Medium-Term Expenditure Framework
NCRRR	National Commission for Resettlement, Rehabilitation and Reconstruction
NGOs	Non-Governmental Organisations
NRRP	National Rehabilitation and Recovery Programme
NUC	Njala University College
PASCO	Poverty Alleviation Strategy Coordinating Office
PDP	Preventive Development Programme
PHU	Peripheral Health Unit
PRSC	Poverty Reduction Steering Committee
PRSP	Poverty Reduction Strategy Paper
PRWC	Poverty Reduction Working Committees
QUAP	Quick Action Programme
QIAP	Quick Impact Action Programme
RH/FP	Reproductive Health and Family Planning
RRR	Rehabilitation, Resettlement and Reconstruction
RUF	Revolutionary United Front

SAPA	Social Action for Poverty Alleviation
SLRA	Sierra Leone Roads Authority
SPP/TC	Strategic Planning and Action Process Technical Committee
SRRP	Support to Resettlement and Reintegration Programme
STI	Sexually Transmitted Infection
TEP	Training Employment Programme
UN	United Nations
UNAMSIL	United Nations Mission in Sierra Leone
UNDP	United Nations Development programme
UNICEF	United Nations Children's Emergency Fund
VAT	Value Added Tax
WFP	World Food Programme

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EXECUTIVE SUMMARY

Poverty in Sierra Leone is endemic and pervasive. In fact, the country is ranked at the bottom of the UNDP Human Development Index as the poorest in the world. The ten-year civil war has further exacerbated the depth and severity of poverty.

The human development and social indicators, including illiteracy, primary school enrollments, life expectancy, maternal deaths, malnutrition, and child mortality rates, are about the worst in the world. The infant mortality rate (IMR) is about 182/1000, while life expectancy at birth is about 38 years compared to 45 years for Sub-Saharan Africa. The adult literacy rate is estimated at 30%, while the population with access to safe drinking water is about 34%. Endemic diseases, especially malaria and HIV/AIDS, loom as a menace. About four-fifths of the population lives in absolute poverty, with expenditures below US\$1 a day.

The major causes of poverty in Sierra Leone are multi-dimensional and include high unemployment and underemployment, high debt burden, poor growth performance, lack of income and access to basic social services.

In spite of the negative impact of the conflict, since 1996 Government has undertaken important economic reforms. Macroeconomic management has improved, markets and trade have been liberalised, and opportunities for private sector operators widened. The IMF, World Bank, EC, and the UK (DFID) have continued to support economic reforms and efforts to stabilize the economy and improve service delivery. However, the huge debt service payments continue to crowd out public investments in the social sectors and hampers private investment.

The poverty strategy will primarily focus on addressing the immediate challenges of the transition from war to peace. The strategy will emphasize the continued implementation of sound economic policies to attain macroeconomic stability within an overall framework of good governance. A stable macroeconomy will also underpin the sectoral and other more specific interventions that have been designed through participatory processes involving consultations with civil society.

In recognition of the current situation in the country, the poverty reduction strategy will be implemented in two phases - a transitional (2001-2002) and medium-term phase (2003-2005). The transitional phase (2001-2002) will focus on improving the living standards of the most vulnerable groups including returnees, internally displaced persons (IDPs) and other war victims as well as addressing the urgent rehabilitation and reconstruction requirements. In this regard, emphasis will be placed on the restoration of security, re-launching the economy and the provision of basic social services to the most vulnerable groups.

In order to provide the enabling environment to facilitate poverty reduction, the highest priority will be given to the creation of a security environment that allows the free movement of persons and goods. A key component for the re-establishment of security countrywide is the implementation of the Disarmament, Demobilisation and Reintegration (DDR) programme. In tandem with the implementation of the DDR programme, the Government is currently restructuring, retraining and equipping the army and police within the context of its comprehensive security policy.

The second priority is to relaunch the economy. The macro-economic strategy seeks to sustain the gains already achieved in reducing macroeconomic imbalances in the economy. The Government will seek to reduce its debt burden to augment public expenditure in the social sectors. The Government will also provide returnees and IDPs with basic agricultural inputs and services to improve food security and the lives of returnee farming population. Towards improving the livelihood of returning artisanal miners, Government will sensitize them to form co-operatives/groups to facilitate their access to credit.

Improving the poor's access to basic education and health care, and enhancing income and employment opportunities will reinforce the positive impact of the fiscal, monetary and exchange rate policies on growth and poverty. In this way the benefits of growth will be distributed more equitably to all segments of society, especially the most vulnerable. The Government will therefore focus on priority areas in education and health and the promotion of gender equality.

In the medium term phase, as security and accessibility improves throughout the country, Government will embark on long-term development programmes to be defined in consultation with civil society during the preparation of the full PRSP.

The Government is developing a participatory system to monitor and evaluate the progress of implementation and the impact of the poverty strategy. To facilitate the implementation of the monitoring and evaluation strategy, both qualitative and quantitative input, process and output indicators will be established and reviewed in consultation with key stakeholders.

Data to establish levels of the monitoring indicators will be generated through focus group discussions, budget tracking, service delivery surveys and other routine national surveys. Another valuable source of both qualitative and quantitative data is the annual service delivery survey. Other data sources include the rapid participatory household income and expenditure survey, the national population census, and statistics compiled by sectors/ministries and local and international agencies.

The governance structure for the preparation of the PRSP comprises three key committees [that is, the Inter-Ministerial Committee (IMC), Poverty Reduction Steering Committee (PRSC), and the Poverty Reduction Working Committees (PRWC)], and the Poverty Alleviation Strategy Coordinating Office (PASCO).

The timeline for the preparation of the full PRSP will extend to end December 2002. During this period, a number of stakeholder consultative workshops, diagnostic analyses and participatory data collection activities are planned. The preparation of the full PRSP will require technical assistance to ensure its timely completion, as well as to continue building national capacity.

CHAPTER ONE

1. INTRODUCTION

1.1 Background

1. Sierra Leone with a small open economy has suffered prolonged deterioration and accompanying low standards of living despite vast resource endowment (minerals, marine, human and arable land). After recording a marginal positive growth rate of about 1.8 % in 1984, the economy was near collapse by the end of the 1980s. Since then, the country has yet to register marked increases in the growth rates of output to improve the standard of living of the majority of its 4.7 million population.

2. War related activities have caused extensive damage to an already inadequate economic and social infrastructure leading to a further deterioration in the living standards of a hard-pressed population. Gross Domestic Product per capita, estimated at US\$237 in 1990, declined by about 40% during the subsequent decade, to about US\$142 in 2000. The conflict compounded the adverse legacies from long periods of economic decline and mismanagement including deteriorated capacity and weak institutions. The dismal performance of the economy has had an adverse effect on human and social development.

3. The human development and social indicators are about the worst in the world. They include lagging primary school enrollments, low life expectancy, and high child mortality rates, while endemic diseases, especially malaria and HIV/AIDS, loom as a menace. The extent of poverty among the population, particularly the rural segment, is manifested in the Human Development Index, which ranks the country as the least developed in the world. About four-fifths of the population is living in absolute poverty. The infant mortality rate (IMR) is about 182/1000, while life expectancy at birth is about 38 years compared to 45 years for Sub-Saharan Africa. The adult literacy rate is estimated at 30% while the population with access to safe drinking water is about 34%.

4. While some gains have been recorded in economic performance in recent years, the continuing negative impact of the war has severely constrained the achievement of sustained positive growth rates required to improve the lives of ordinary Sierra Leoneans and reduce poverty. Poverty has, therefore, become pervasive and intensified. The continued decline in output, especially agricultural output, has had drastic negative effects on food prices and rural incomes. The nominal costs of basic food items have risen more than four-fold between 1991-2000. The critical food supply situation has further impoverished vulnerable groups, especially the rural poor, low-income urban families, and small-scale farmers. The nutritional status of women and children has worsened.

1.2 The Poverty Reduction Programme

5. Given the pervasive and deepening poverty facing a greater segment of the population, the Government's key objective is to fight poverty and improve the living conditions for the most vulnerable population in the near term. In working towards the attainment of this goal, the Government is committed to forging strong partnerships with the private sector, civil society groups and the donor community.

6. To alleviate poverty, the Government has protected social sector expenditure in the face of a severe dwindling of revenues. The share of social sector expenditure in total recurrent expenditure rose from 15% in 1990/91 to 21% in 1995/96. Despite high security and external debt interest payments, the share of social sector expenditures has averaged 26% in the last five years. The Government has also demonstrated the importance it attaches to poverty reduction by emphasizing that the first steps in the Lome Peace Agreement should primarily involve the disarmament, demobilisation and reintegration (DDR) of former combatants. The DDR programme is to be implemented concurrently with the Rehabilitation, Resettlement, and Reconstruction (RRR) programme, whose major objectives are reconstruction and poverty reduction.

7. To rebuild the shattered economy, the Government has developed, in consultation with civil society, a two-phase approach in implementing the poverty reduction strategy. During the transition period (2001-2002), focus will be on the immediate needs of internally displaced persons, returnees, the most vulnerable war victims, rehabilitation of basic economic and social infrastructure and economic recovery. At the same time, a medium term strategy is being developed in the context of a full Poverty Reduction Strategy Paper (PRSP) that will be prepared through a consultative process.

8. This document outlines the Government's objectives, strategies and programmes for poverty reduction both in the transition period and the medium term. Chapter two describes the current poverty situation in the country and provides data on poverty profiles and the causes and determinants of poverty. Chapter three describes the poverty reduction strategy including detailed descriptions of interventions in key sectors with a poverty focus. Chapter four discusses the monitoring and evaluation strategy to assess progress of the interventions on the poverty situation. Chapter five describes the road map for the preparation of the full PRSP. It provides a detailed description of the processes and technical assistance requirements to complete the full PRSP.

CHAPTER TWO

2. THE POVERTY SITUATION

2.1 The Macro-economic Situation

9. Sierra Leone's economic performance in recent years has been adversely hampered by the difficult security situation. The unstable political and security situation, especially since the coup d'état of 1997, disrupted economic activities resulting in sharp contractions in output. Real GDP growth declined, on average, by nearly 8% from 1997 to 1999. This dismal growth performance is reflected in low savings and investment rates as well as weak fiscal and external sector positions. This has resulted in high unemployment levels and declining per capita incomes.

10. In spite of the negative impact of the conflict, the Government has, since 1996, undertaken important economic reforms. Macroeconomic management has improved, market and trade have been liberalised, and opportunities for private sector operators widened. In support of further reforms and efforts to stabilise the economy, the International Monetary Fund (IMF) approved an economic programme in the context of the Emergency Post Conflict Assistance Facility in December 1999. The World Bank also approved the Economic Rehabilitation and Recovery Credit to assist Government in restoring protective and economic security. Other donors, including the Islamic Development Bank (IDB), the Department for International Development (DFID) UK and the European Commission (EC) have provided ongoing emergency recovery assistance and budgetary support to enhance Government's capacity to fund critical programmes and improve service delivery.

11. The country continues to face an unsustainably large external debt. External debt, including arrears, is estimated at about \$1.2 billion or 188% of GDP in 2000. Debt service payments (excluding debt relief) are estimated at 47.8% of export of goods and non-factor services. As at end 2000, preliminary estimates of the net present value (NPV) of external debt to exports, GDP and domestic budget revenue were, respectively, 709.3%, 125.3% and 1095.4%. The debt burden militates against a sustainable economic recovery since it crowds out investments, particularly in education and health.

2.2 Information and Institutions for Poverty Analysis, Design, Implementation and Monitoring

12. A major constraint for poverty analysis, policy formulation, implementation and evaluation is the paucity of up-to-date socio-economic information. This prevents a more thorough and detailed analysis of the current poverty situation in the country. This problem is compounded by the weak institutional capacity for analysing poverty.

13. Accordingly, a major Government priority is to ensure access to relevant, reliable and timely socio-economic information on the poverty situation. In the transition period, the Strategic Planning and Action Process (SPP) Technical Committee, in consultation with the Central Statistics Office (CSO), would carry out ad hoc surveys to establish benchmarks regarding the current poverty situation and how it evolves. In the medium-term, the priority will be to build a comprehensive information base for poverty analysis and monitoring. This would involve, as a first step, a population census that will be conducted in 2002 to provide information about the geographical distribution and characteristics of people when they would have returned to their homes after the war. The census would also provide a basis for comprehensive household income and expenditure surveys or living standards measurement survey.

14. In 2000, the Central Statistics Office in collaboration with UN agencies concluded the Multi-Indicator Cluster Survey (MIC2) while the Strategic Action and Planning Process/Technical Committee (SPP/TC) conducted the Baseline Service Delivery Survey. Under the UNDP funded Integrated Approach to Aid Coordination (IAAC), sectoral overviews on external aid inflows have also been undertaken. The results have provided updated information on some of the statistics for measuring and monitoring the poverty situation and its dimension in the country. Additional information for updating the poverty profile will be generated from a rapid household income and expenditure survey and participatory poverty assessment that will be conducted during the preparation of the full PRSP in 2001 - 2002.

15. As part of the efforts to strengthen the CSO, Government intends to transform it into an autonomous statistical institution. The legislation to do this will be presented for approval to parliament during 2001. The Act will advance the planning, production, analysis, documentation, storage, dissemination and use of social and economic statistics.

2.3 Poverty Profile and Causes

2.3.1 Poverty Profile

16. In recent years, the plunge in economic activity and other effects of the ten-year civil conflict have drastically worsened the misery of most Sierra Leoneans. The internal and external displacement of at least three million people has increased both the incidence and severity of poverty in all regions of the country.

a. Income Aspects of Poverty

17. As mentioned above, there are no current nation-wide statistics on household expenditure for determining the incidence and depth of poverty. The last household survey was conducted in 1989/90 and the results of that survey were used to prepare Poverty Profiles for Sierra Leone in 1994. These poverty profiles were prepared using the International Standard definition of poverty; those who spend less than one US dollar per day. Information on the incidence and severity of poverty obtained from these poverty profiles by area is provided in Tables 2.1 and 2.2 below.

TABLE 2.1: RURAL URBAN POVERTY INDICES

REGION OF RESIDENCE	POPULATION SHARE (%)	POVERTY INDICES			CONTRIBUTION OF POVERTY (%)		
		P ₀	P ₁	P ₂	P ₀	P ₁	P ₂
Rural	65.4	0.883	0.731	0.654	57.1	69.8	74.2
Small Towns	33.5	0.709	0.404	0.296	18.5	12.5	10.9
Large Towns	1.2	0.766	0.435	0.307	24.3	17.7	14.9
All S/Leone	100.0	0.816	0.586	0.489	100.0	100.0	100.0

Source: CSO (SHEHEA 1989/90)

TABLE 2.2: PROVINCIAL LEVEL POVERTY INDICES

REGION OF RESIDENCE	POP. SHARE (%)	POVERTY INDICES			CONTRIBUTION OF POVERTY (%)		
		P ₀	P ₁	P ₂	P ₀	P ₁	P ₂
Eastern	26.4	0.800	0.557	0.465	25.9	24.6	24.6
Northern	35.4	0.857	0.650	0.553	37.2	41.2	42.0
Western	15.9	0.808	0.509	0.393	15.7	13.6	12.6
Southern	22.3	0.775	0.567	0.479	21.3	20.6	20.8
All S/Leone	100.0	0.816	0.586	0.489	100.0	100.0	100.0

Source: CSO (SHEHEA 1989/90)

Where:

P₀ (headcount index) is the proportion of the population with monthly per capita expenditures below the defined poverty line of Le3, 962.6 (the equivalence of US\$1 per day in 1989/90).

P₁ (depth of poverty) is indicative of the expenditures spending shortfall of the poor relative to the defined poverty line

P₂ (severity index) is related to the depth of poverty but reflecting the weights of the poorest more heavily than the less poor (those just slightly below the poverty line).

18. As Table 2.1 shows, in 1990, a greater proportion (65%) of the population lived in rural areas while 33.5% and 1.2% lived in small and large towns, respectively. Overall, 81.6% of the population lived below the poverty line of US\$ 1 per capita per day or Le3962.6 per capita per month. The incidence of poverty was highest in the rural areas with 88.3% of rural population considered to be poor compared to 70.9% of those in small towns and 76.6% in large towns. The contribution to national poverty (as shown by the head count index) was 57.1% in rural areas, 18.5% and 24.3% for small and large towns, respectively.

19. The shortfall in income/consumption levels of all the poor persons in the country relative to the poverty line was estimated at 58.6% for the entire country in 1990. In other words, an average income level of all the poor was insufficient to cover about 50% of the minimum household food requirements. When compared to the national average of 58.6%, the shortfall was highest in the rural areas with a poverty gap of 73.1%. The poverty gap in the small and large towns was estimated at 40.4% and 43.5%, respectively, contribution to the depth of poverty was 69.8% by the rural areas, 12.5% by small towns and 17.7% by large towns. The table also shows that poverty was most severe, as shown by the severity index, in the rural areas (with $P_2 = 65.4\%$), less severe in the large towns ($P_2 = 30.7\%$) and least severe in small towns ($P_2 = 29.6\%$). Overall, nearly one-half of the population lived in abject poverty in 1990. The contribution to the severity of poverty was 74.2% by rural areas, 10.9% by small towns and 14.9% by large towns.

20. By region, Table 2.2 shows that 85.7% of the residents of the Northern Province were poor compared to 80.8% in the Western Area, 80% for the Eastern and 77.5% for the southern province. The shortfall in the income/consumption levels of the poor relative to the poverty line was highest in the Northern Province with ($P_1 = 65\%$), followed by the Southern Province ($P_1 = 56.7\%$), Eastern Province ($P_1 = 55.7\%$) and Western Area ($P_1 = 50.9\%$). The provincial contribution to the poverty gap was 41.2% in the Northern Province, 24.6% in the Eastern Province, 20.8% for the Southern Province and 13.6% in the Western Area. Poverty was also most severe in the Northern Province ($P_2 = 42\%$), followed by the Southern Province ($P_2 = 47.9\%$), Eastern Province ($P_2 = 46.5\%$) and the Western Area ($P_2 = 39.3\%$).

21. The Report also provides information by gender and occupational disparities shown in Tables 2.3 and 2.4 respectively. Table 2.3 indicates a high prevalence of poverty in the male-headed households, accounting for 98% of the national population most of which is female. Female-headed households, though 2% are of better living standards.

TABLE 2.3: POVERTY INDICES BY GENDER OF HEAD OF HOUSEHOLD

GENDER OF HEAD OF HOUSEHOLD	POP. SHARE (%)	POVERTY INDEX			CONTRIBUTION OF POVERTY (%)		
		P ₀	P ₁	P ₂	P ₀	P ₁	P ₂
Male Headed	97.7	0.817	0.587	0.489	97.8	98.0	97.9
Female Headed	2.3	0.761	0.551	0.459	2.2	2.0	2.1
All	100	0.816	0.586	0.489	100.0	100.0	100.0

Source: CSO (SHEHEA 1989/90)

TABLE 2.4: POVERTY INDICES BY OCCUPATION OF HOUSEHOLD MEMBERS

MAIN OCCUPATION	POVERTY INDEX			CONTRIBUTION TO POVERTY (%)		
	P ₀	P ₁	P ₂	P ₀	P ₁	P ₂
Not Applicable ¹	0.827	0.594	0.498	55.5	56.3	56.6
Prof./Technical	0.851	0.660	0.569	2.4	2.7	2.8
Admin. Managers	0.831	0.592	0.499	0.3	0.3	0.3
Clerical Related	0.802	0.577	0.486	1.2	1.2	1.2
Sales Workers	0.827	0.622	0.534	13.5	14.3	14.7
Service Workers	0.802	0.617	0.531	2.5	2.7	2.8
Agric./Forestry	0.785	0.535	0.426	20.4	18.7	17.8
Product./Transp.	0.776	0.529	0.442	3.9	3.5	3.5
Unclassified	0.780	0.610	0.537	0.2	0.3	0.3
All S/Leone	0.816	0.586	0.489	100.0	100.0	100.0

Source: CSO (SHEHEA 1989/90)

22. Table 2.4 shows high levels of poverty among certain occupational categories, often perceived to be better off in nominal income terms. These occupations have a poverty headcount of over 70% with Professional/Technical, Administrators/Managers, Sales workers, Service Workers and Clerical related occupation over 80%.

¹ These people who did not declare their employment status, include students, disabled, homemakers and pensioners.

23. Ranked on the basis of the deprivation index, from highest to lowest, Professional/Technical category had an average of 66% followed by Sales workers, Service workers and Administrators/Managers, with 62.1%, 61.7%, and 59.2%, respectively. Agriculture/forestry occupations showed relatively low levels of poverty. The severity index put Professional/Technical, Sales workers and Service workers all in excess of 50%. Ranking the occupations in terms of the levels of the poverty indices, from the poorest to least poor, results in the following order: Professional/Technical, Sales workers, Service workers, Administrators/Managers, Clerical-related, Production/Transport and Agriculture/Forestry. Although Agriculture/Forestry tops the ranking, its relative contribution to poverty across indicators averages between 18% and 20%, while Professional/Technical averages to 2% to 3%. This reflects the large proportion of the population engaged in some form of agricultural activity.

24. In concluding, the survey results show that in 1990 poverty in Sierra Leone was pervasive and endemic. Though poverty affects all regions in the country, it was largely a rural phenomenon. In the last decade, the disruptions to economic activity, destruction of physical and social infrastructure and the internal and external displacement of the population caused by the civil conflict has increased the incidence, depth and severity of poverty as well as altered the regional distribution of poverty.

25. In a bid to enhance the income levels of the poor segments of the population in formal employment, Government, while pursuing inflation-reducing measures, introduced Minimum Wage Legislation in March 1997. The minimum wage was fixed at Le21, 000 (US\$24.7) per month from an average lowest salary of about Le4,000 (US\$4.5). In addition, Government implemented a structured salary increase averaging 40 percent in May 1998 and increased transport allowance from Le3, 500 (US\$1.76) to Le20,000 (US\$9.8) in July 2000 for all public sector workers. Furthermore, Government approved an increase in the non-taxable income threshold from Le480, 000 to Le800, 000 for basic salary and an additional Le800, 000 as threshold for allowances with effect from April 2000. This resulted in a significant reduction in the tax burden on the lower income earners. However, the internal displacement of the population and the accompanying increase in household sizes due to the escalation of the civil conflict, together with the depression of economic activities, has rendered these efforts ineffective in addressing the poverty situation. Instead, the poverty situation has worsened.

b. Non-income aspects of poverty

i. Education and Training

26. The conflict has worsened the situation in the education sector. A survey conducted by NCRRR on the restoration of Government in March 1998 shows that the destruction to educational facilities include 1,270 primary schools, 820 secondary, tertiary and vocational schools, three teachers training colleges and the Njala University College. The consequences of this damage and deterioration are reflected in a recent UNDP Human Development Report 1998. The report shows that only three out of every ten Sierra Leoneans can read and write compared to a sub-Saharan average of 6 out of 10

persons. Primary school enrollment, which was about 55% of children in the school age bracket in 1990, declined to about 42% in 1999 with marked gender and regional disparities. In 1999, the school attendance rates in the Northern and Eastern Provinces were 28% and 35 % respectively, lower than the rest of the country, as revealed by the Multi-Indicator Cluster Survey 2000 (MICS2 2000).

27. The gender perspective is also crucial. Of the nearly 80% of the illiterate population, illiteracy among females stands at 89% and for men 69%. Among children, the primary school enrollment for girls is 38% against 52% for boys. Dropout rates are generally high and highest between grades 1 and 2 where they have been estimated to be 25%.

28. The conflict has also disrupted the educational process for a large number of children following massive displacement from their localities. Some of these children are enrolled in already overcrowded schools with inadequate facilities. UNICEF estimates that about 67% of school-going age children are currently out of school. The pupil teacher ratio at the primary level of over 60:1 in most schools in safe areas, particularly in Freetown, is too high. School libraries are largely nonexistent while the displacement of teachers and low real wages have affected morale.

29. The new 6-3-3-4 system that emphasizes vocational training and caters for early school leavers and weak students is facing immense difficulties. Inadequate vocational/technical training institutions, lack of basic tools and materials are major problems. Above all, graduate trainees are mostly not provided with start-up kits to facilitate the establishment of their own business enterprises.

ii. Food Security

30. A fundamental aspect of poverty in Sierra Leone is food poverty. Most households do not have access to adequate food supply due to both low domestic production levels and abysmally low incomes. Farm inputs (including tools and seeds) and technology are inadequate and rudimentary. The bad state of the overall road network, particularly feeder roads, further restricts access to major markets and the transportation of bulky items. These factors have severely constrained the expansion of farm incomes to pay for other necessities, including food. Deforestation also contributes to low crop yield.

31. The conflict has also seriously disrupted agricultural activities countrywide resulting in the displacement of an estimated 500,000 farm families, loss of essential farm inputs and destruction of rural infrastructure, institutions and service centres. As a consequence, in 1999 only about 20% of the national requirement of 450,000 metric tons of rice was domestically produced. Livestock population and fish production (inland fisheries) have also been reduced significantly.

32. The daily per capita supply of calories has diminished and is estimated at 2,035 Kcal compared to 2,663 for developing countries. Protein intake at 44 grams compared to

67 grams for developing countries, is very low. This largely accounts for the high prevalence of malnutrition, especially among women and children. The MICS2 reported 27% of under-five children and 34% of children to be underweight and stunted respectively.

iii. Health, Water and Sanitation

33. Available global indicators show that the health situation in Sierra Leone is the worst in the world. Life expectancy is 38 years compared to 45 years for Sub-Saharan Africa (UNDP, 2000). The low life expectancy is due to infant and child mortality rates, about the highest in the world. The maternity mortality is also extremely high.

34. The MICS2 (2000) reported infant and child mortality rates of 170 and 286 per 1000 respectively for 1998, as well as a maternal mortality rate (MMR) of 1,800 (\pm) per 100,000 live births in 1999. This MMR, the highest of any country in the world, has mainly resulted from induced abortion (21%), obstructed labour (21%), ruptured uterus (16%), sepsis (11%), and bleeding and eclampsia (11%).

35. The MICS2 Report largely attributed the exceptionally high infant and child mortality rates to the relative high prevalence of malnutrition, malaria, acute respiratory tract infections and diarrhea diseases. The reported underweight prevalence and stunting prevalence are respectively 27% and 34%, which are lower than the levels of Sub-Saharan Africa, mainly reflecting the positive efforts of Government and Aid Agencies. Although acute respiratory infection, in particular pneumonia, is common throughout the country, its prevalence is highest in the North.

36. The high incidence of malaria, as reflected in the national child morbidity rate (due to the disease) of 46% is largely explained by the dependence of the approach to malaria control in Sierra Leone on treatment rather than prevention. Further, the spatial distribution of the incidence of malaria shows highest prevalence in the North, the Province least exposed to resources for preventing and treating the disease.

37. Another emerging and important contributory factor to the high levels of infant and under-five mortality rates, for which reliable data is lacking, concerns HIV/AIDS. Indications are that the incidence of HIV/AIDS is increasing mainly as a result of the civil conflict. According to the MICS2 Report, 46% of women of childbearing age in the country are unaware of HIV/AIDS while very few know where they can be tested for HIV, indicating the potential consequences for the spread of the disease in the country.

38. The dismal health situation is also attributable to inadequate health and sanitation facilities. Over 415 health units, including 15 hospitals and 150 primary health centers, have been destroyed and remain non-functional in many towns and villages. Health workers have abandoned workstations in most rural communities and relocated to safe towns. The 2000 Baseline Service Delivery Survey (BSDS) reported that about 65%, 60% and 80% of the population are without access to safe drinking water, health services and sanitation, respectively. The MICS2 reported sewage and refuse disposal facilities to

be grossly inadequate, and contribute to the spread of water-borne diseases and malaria. Also, environmental management practices are very poor.

iv. Women and Children

39. In Sierra Leone, women account for about 51% of the total population. They contribute to the provision of most of the household food requirements, including carrying out domestic chores and caring for the aged and children. This notwithstanding, they are marginalized in society and lack adequate access to productive assets including land, credit, training and technology. Women, with limited access to formal sector employment, resort mainly to food production and petty trading (where the earnings are generally low) to earn a living for themselves and their dependents.

40. As mentioned earlier, the illiteracy rate amongst women is not only very high, but significantly higher than that for men. This is due mainly to their lower school enrollment, higher dropout rates, early marriages, higher household demand for female labour and teenage pregnancies. Although life expectancy for women is relatively high (41.3 years) compared to men, their health status is very poor due to high fertility rates (of 6.1 children per woman), work-related stress, extremely high maternal mortality rates and inadequate supply of food nutrients.

41. The situation of women is made worse by some of the customary and religious practices. These limit their reproductive rights and participation in and contribution to national affairs.

42. Due to the conflict, women have endured additional gender related problems associated with sexual assaults, stresses and psychological strain of carrying unwanted pregnancies. As a consequence, the status of women is further reduced as is their welfare, self-confidence and self-esteem including increased vulnerability to trauma and depression.

43. Respect for children's rights is extremely limited. Children orphan-hood and child labour are very common, and 16% of the children live with neither biological parent (MICS2, 2000). The MICS2 revealed the participation of children aged 5-14 years in paid (2%) and unpaid work (48%). The civil war has also left behind thousands of children in extremely difficult circumstances. These include children on the streets and many unaccompanied children some of whom were conscripted to swell the ranks of the various armed factions. Many young girls and women face the hazards of sexual assaults.

2.3.2 Causes of Poverty

44. The nature and causes of poverty are diverse and interrelated. The fundamental causes of poverty in Sierra Leone include the following:

a) Bad Governance and Economic Mismanagement

45. The centralized governance, thriving corruption, prevalence of rent-seeking activities and poor economic management, especially in the 1980s, eroded most of the conditions necessary for national development, equitable distribution of economic resources and social services. The poor capacity for economic policy formulation and implementation led to bad policies which resulted in high inflation and meagre or negative output growth, increasing the number of the poor and vulnerable groups. The conflict has exacerbated the situation with the flight of qualified and skilled workers.

46. In recognition of this decline in state integrity and efficiency, the democratically elected Government in 1996 set out to implement governance reforms as a top priority. The process was envisaged as the basis for kick-starting the country's socio-economic development that had been neglected for almost three decades. In 1997, with assistance from the UNDP and the World Bank, the Government formulated a national strategy for good governance. The further deterioration of the security and political situation during the period 1997-1999 disrupted the implementation of the programme. The programme was resuscitated in 2000 with funds provided by the Department for International Development (DFID), United Kingdom and the United Nations Development Programme.

b) Poor Growth Performance

47. Economic performance in the 1990s has been heavily conditioned by the unstable security situation. Following a wave of rebel attacks and the subsequent closures of the rutile and bauxite mines and disruptions to agricultural activities, economic growth plummeted by nearly 10% in 1995. However, the relatively improved security situation that prevailed in 1996 following the return to civilian democratic rule and the accompanying efforts to consolidate peace and stabilize the economy, witnessed GDP recovery of 5 percent. The economic recovery was undermined by the coup d'état of May 25, 1997 and the rebel invasion of the city in January 1999, as the attendant massive destruction of socio-economic infrastructure resulted in the dramatic decline in real GDP. In 1997, real GDP plunged 20%, stagnated in 1998, and declined a further 8% in 1999. These sharp contractions in output resulted in high unemployment levels and declining per capita incomes.

48. Real GDP recovered by 3.8 percent in 2000 following improvements in the security situation and expansion in economic activities. However, to progressively reduce poverty, Sierra Leone would need to achieve sustained higher real positive growth rates.

c) Increased Vulnerability from the Civil War

49. The protracted conflict has a direct negative impact on infrastructure. Further more, the increased uncertainty and risk associated with the conflict eroded investor confidence, leading to drastic declines in private, as well as public investment. It also minimized development activities by donors in the country.

50. The performance of public finances has also been dictated, to a large extent, by developments in the security situation. The large contraction in output during the period 1997-1999 led to a similar reduction in the government's revenue base. Domestic Government revenue during the period averaged 6.6% of GDP. Against this weak revenue performance, expenditure pressures to fund security-related activities and external debt service payments persisted. The effect of these developments was the crowding out of public spending on social and economic sectors. In 1999, security-related expenditures were estimated at 4.6% of the GDP compared to 1.1% for the social and economic sectors².

51. The bauxite and rutile mines remained closed since the rebels attacked the mines in 1995. Major alluvial diamond mining areas are still inaccessible due to continued rebel occupation. This has resulted in the loss of 10% of national income, 14% of total employment and 90% of exports. The continued inaccessibility to the alluvial diamond mines, which usually provide jobs for thousands of youths and illiterate adults, has also considerably reduced rural incomes and worsened the incidence and severity of poverty in both rural and urban communities.

52. By 1998, NCRRR estimated that the conflict has resulted in the internal displacement of at least three million Sierra Leoneans with about 1.5 million fleeing to neighbouring countries as refugees. The resulting absorption of displaced relatives into households has exacerbated the already considerable strain on the social fabric of the society. Social problems such as teenage pregnancy, crime and juvenile delinquency are on the rise as is the incidence of Sexually Transmitted Infections (STIs), HIV/AIDS and other war related physical and psychological trauma. In 1997, a UNDP Global Human Development Report indicated that about 68,000 people in the 0-49 age group lived with HIV/AIDS. This number would have risen substantially following the rebel invasion of the capital city in January 1999, when a huge number of young girls, women and children were raped and kidnapped.

53. The transport sector is one of the hardest hit in terms of destruction to infrastructure. The Ministry of Transport and Communication estimated that about 75% of privately operated vehicles were burnt or destroyed during the May 1997 events and the subsequent instability. Several boats were also sunk along the coastal areas. Feeder roads, which provide outlets for farmers to sell their products in market centres, were either dug out or the bridges destroyed by rebels.

d) Unemployment and Under-employment

54. Reliable statistics on unemployment and under-employment are not available. However, guestimates from the Ministry of Labour and Industrial Relations are indicative of an unemployment rate, being highest among the youths, and those aged 18 and 35. The declining trends in economic performance since 1995 and the large-scale retrenchment of

² Security-related expenditures cover emergency defence, peace operations, police, prisons and contributions to disarmament, demobilisation and re-integration.

workers both in the private and public sectors have further accentuated the unemployment situation.

55. Underemployment is also a very serious problem. Informed observers believe that it is highest among the lower echelon of the civil service where idleness and absenteeism are high and commonplace. The long hours worked in the informal sector to eke out a meagre living are further indications of high under-employment of the invisible type.

56. A survey of businesses in 1998 showed that the modern sector has narrowed significantly. This is largely due to the shrinkage in public sector employment and the destruction and closure of many private sector establishments. Although some of the redundant formal sector workers have sought refuge in the informal sector, mostly as petty traders, they lack the skills and qualifications required to re-enter formal employment when the situation improves. Currently, it is estimated that the informal sector accounts for at least two-thirds of the labour force and over 70% of the urban labour force. As the prospects for rapid employment growth in the modern sector are limited, a growing proportion of the labour force will be compelled to seek employment in the informal sector.

57. In rural areas, inadequate farm incentives and insecurity in the countryside have limited rural dwellers from engaging in farming activities. A large number of displaced farmers residing in safe towns lack access to land and farming implements. For those remaining in safe rural areas, inadequate farm inputs, the seasonality of agriculture and the absence of opportunities for non-farm activities have created massive rural under-employment.

e) Lack of Access to Basic Social Services

58. As mentioned earlier, a large proportion of the population lacks access to basic social services including health care, education, potable drinking water and sanitation. This is largely due to inadequate budgetary provisions, poor delivery systems and, more recently, the war. Even though budgetary expenditures on the social services, notably education and health, have increased in nominal terms between 1992/93 and 1999, the real and per capita estimates are not encouraging. Budget data show that while recurrent expenditure on education increased from about US\$12.0 million in 1992/93 to about US\$19.72 million in 1999, the average real spending per child school going age was less than US\$10. In the case of health, recurrent expenditure that stood at about US\$ 4.3 million in 1992/93 increased by about 17% in 1998 and then fell by about 41% in 1999. In per capita terms, average annual recurrent expenditure on health care, which was about a dollar in 1992/93, dropped to about US\$0.64 in 1999.

59. Social services expenditures, accounting for 24.4% of total recurrent expenditure in 1999, were still below the critical level required for enhancing service delivery.

Inadequate infrastructure, coupled with the lack of trained staff, logistics and weak institutions have contributed to poor service delivery in the rural areas.

f) Other factors

60. Other causes include adverse terms of trade, as well as debt burden, which as already indicated in section 2.1 (para. 11) crowds out private investment and social public expenditures.

CHAPTER THREE

3. THE POVERTY REDUCTION STRATEGY

61. The national poverty strategy will primarily focus on addressing the immediate challenges of the transition from war to peace. The strategy will emphasize the continued implementation of sound economic policies to attain macroeconomic stability and re-launch the economy within an overall framework of good governance. A stable macro-economy will also underpin the sectoral and other more specific interventions that have been designed through participatory processes involving consultations with civil society as well as create a more favourable environment for private sector operators.

62. In recognition of the current situation in the country, the poverty reduction strategy will be implemented in two phases - - transitional and medium-term phases (see Policy Matrix, Annex 3.1). The transitional phase (2001-2002) will focus on improving the living standards of the most vulnerable groups including returnees, internally displaced persons (IDPs) and other war victims as well as addressing the urgent rehabilitation and reconstruction requirements. The medium term phase (2003-2005) will address longer-term development problems when security and accessibility would have improved considerably throughout the country.

3.1 The Transitional Phase

63. Rebuilding the war-ravaged economy as well as addressing the urgent and basic needs of war victims will remain Government's utmost priority in the transitional period. In this regard, emphasis would be placed on the following (a) restoration of security for life and property including the protection of human rights; (b) re-launching the economy; and (c) the provision of basic social services to the most vulnerable groups as well as enhancing access to productive assets. The detailed activities under each of these headings are described below.

a) National Security and Good Governance

64. The resolution of the conflict remains an important first step in any programme designed to address the poverty needs of the population. In this regard, the Government remains committed to the principal provisions of the Lome Peace Agreement and subsequent recent agreements signed in Abuja and Freetown. The Lome Peace Accord represents a broad framework for cessation of hostilities and establishment of sustainable peace.

65. In order to provide the enabling environment to facilitate poverty reduction, the highest priority will be given to the creation of a security environment that allows the free movement of persons and goods. A secure and peaceful environment will also enhance the participation of private sector operators and will facilitate the implementation of anti-poverty programmes with a maximum impact on targeted beneficiaries.

66. The main goal is to re-establish security in all parts of the country so that humanitarian assistance to the displaced population and victims of war can be facilitated. A key component for the re-establishment of security countrywide is the implementation of the Disarmament, Demobilization and Reintegration (DDR) programme. This programme seeks to bring about protective security and improve the law and order situation nation-wide. It is targeted at approximately 45,000 ex-combatants including adult and child combatants from the Armed Forces Revolutionary Council (AFRC), RUF and CDF. As of December 2000, a total number of 26,699 ex-combatants (59% of the estimated target) have been disarmed, of which 12,909 have been provided with reintegration opportunities.

67. In tandem with the implementation of the DDR programme, the Government has also developed a comprehensive security policy that provides a clear framework for the operations of the sector. In order to give effect to this policy, Government has promulgated the Security and Intelligence Act 2000. Among other things, the Act will establish the National Security Council as the highest security policy-making body in the country. It will also provide a legal framework for the operations of the entire security sector. The new security policy provides for the establishment of a Central Intelligence and Security Unit (CISU), which will complement the functions of the Military Intelligence Branch and the Special Branch of the Police.

68. One of the most important developments in the security and defense sector is the retraining and restructuring of a professional army under the guidance of the British Defense Forces. A significant number of soldiers have passed out successfully since the retraining programme was launched earlier in 2000. Under a stringent and rigorous screening and recruitment system, equal opportunity is being given to individuals from every region of the country that meet the required standards of eligibility. Structurally, Government intends to have a streamlined army that will be consistent with the requirements for internal security and protecting our borders.

69. In the restructuring process, accountability and civilian control of the army are important elements and a number of developments have occurred in this area. The Defense Headquarters has undergone some structural changes to reflect the new policies in civil-military relations for the efficient functioning of this sector. Civilians now exercise oversight in the areas of finance, general administration and development planning. Establishment of an Armed Forces Review Committee, comprising representatives of the armed forces and civil society that will undertake periodic reviews of incentives is under serious consideration.

70. The police force is also being restructured and is now better equipped to respond to the safety needs of the population than it was a few years ago. There has also been a significant change in public perception of the police. Its image as a corrupt institution is gradually disappearing. In order to further enhance its image, a disciplinary and investigations office has been set up at Police Headquarters to handle public complaints about their conduct and take corrective action.

71. A priority for good governance is to strengthen institutional capacity in support of the rule of law and economic management, and simultaneously ensure that transparency and accountability is an integral part of the culture in Sierra Leone. The Good Governance programme will put in place a more decentralized, transparent and proactive system of governance with built-in checks and balances to minimize, corruption in government and public administration with civil society playing a key role in the planning and monitoring of policies and budgetary oversight. In this regard, emphasis will be placed on effective participation of the populace in governance issues. The thrust will be on grassroots participatory democracy (conducting parliamentary and presidential elections), decentralisation of functions and authority, respect for human rights and checking abuse of power.

72. While improving the capacity and efficiency of the public sector to delivery services, the Government will popularise the strategic planning and action process (SPP) to maximize the participation of civil society in the formulation of development priorities and strategies (see section 4.3), as well as in public expenditure reviews, tracking of budgetary expenditures and monitoring of service delivery (see sections 4.4 and 4.5). Further, the emerging district coordination mechanisms, under the NCRRR, for packaging, delivering and monitoring relief, resettlement, rehabilitation and reconstruction packages will be restructured and reformed to ensure maximum participation of beneficiary communities and better results.

73. The current priorities under the good governance programme for which resources are committed and implementation is satisfactorily progressing include: restoration and resettlement of displaced paramount chiefs; reactivation of local government administration (review of codes of practice and chieftom councilors' list); initiation of the result-based monitoring of service delivery; restructuring of the police force; restructuring and retraining of the Army; media reform; judicial and legal reforms; civil service reforms including corporate governance that seeks to improve the operations of state enterprises and decentralization. The Paramount Chief Restoration Project, geared towards restoring local administration, is crucial to the implementation of the activities planned under the decentralization reforms.

b) Re-Launching the economy

74. The second priority is to re-launch the economy. In this connection, Government recognizes that the maintenance of macroeconomic stability is a pre-requisite for the attainment of sustainable and higher economic growth, essential for reducing poverty. The Government's near- and medium-term macro-economic strategy would seek to sustain the gains already achieved in reducing macroeconomic imbalances in the economy by continuing to implement sound fiscal and monetary policies, while ensuring the prudent management of financial resources (see Macroeconomic Framework, annex 3.2).

75. Within the medium-term framework, the main objectives of the programme for 2001 are as follows: (i) to contain inflation, as measured by the Consumer Price Index

(CPI), to an average of 8.0%; (ii) limit the external current account deficit, excluding official transfers, to 25.8% of GDP on account of the anticipated higher spending on reconstruction and rehabilitation activities; and (iii) to ensure an additional increase in net foreign assets of the Central Bank, which should rise to 1.6 months of imports of goods and non-factor services³. To achieve these objectives, the government will implement the fiscal, monetary, structural, institutional and social policy measures described below.

76. Real GDP growth is expected to rise by 5.0% in 2001 from 3.8 % in 2000. Both private and public investments are projected, to rise from 1.7% and 6.3% of GDP in 2000 to 6.0% and 15 % in 2001, respectively. The increase in private investment will come from improved investor confidence in the security climate and the expected streamlining and modernisation of the legal and regulatory code. The large increase in public investment is projected for the reconstruction and rehabilitation of the damaged physical and social infrastructure. The recovery of agriculture and official mining activities are also expected to contribute to economic growth in 2001.

77. Fiscal Policy: The Government will aim to increase domestic revenues from 11.4% of GDP in 2000 to 12.3% in 2001 by strengthening revenue collection and expanding the tax base. The creation of an Independent Revenue Authority is expected to improve the administrative capacities of Income Tax and Customs and Excise departments.

78. An important element of fiscal policy in 2001 and in the medium-term is the restructuring of import taxes and accompanying changes in excise duties. As part of Government's continuing indirect tax rationalization programme, the tariff structure is being harmonized with those in the sub-region to reduce cross border smuggling and foster official trade. The top import duty rate has been reduced from 40% to 30% with effect from 2001. Rice and baby foods will continue to attract the special import duty of 15%. Government is also carefully studying ways of moving towards broad-based consumption taxation such as the Value-Added Tax (VAT) in the medium-term. To this end, and in line with commitments under the ECOWAS, the Government will continue with the rationalization and reduction in external tariffs to a range of 0-25 percent, and an average external tariff of about 15 percent by 2003. These measures are expected to enhance tax compliance, improve the business environment and generate higher revenues.

79. On the expenditure side, Government will intensify on-going efforts to strengthen public expenditure management to ensure accountability, efficiency and effectiveness in the use of public funds. Government has approved the implementation of the MTEF from the 2001 financial year. Within the MTEF framework, Government will continue to restructure its expenditure pattern in line with its growth and poverty reduction priorities with a role for civil society in budgetary oversight. The main objective of public expenditure policy in the medium-term will be to shift allocations away from the lower priority areas (such as the general services) to the social and economic sectors, especially

³ These macroeconomic indicative targets will be jointly revised with the IMF on an annual basis.

agriculture and rural infrastructure. The key challenge will be to identify and reorient expenditures to obtain optimum gains in terms of service delivery to rural communities.

80. Monetary Policy: The principal objective of monetary policy in the medium-term is to maintain the single digit inflation rates attained in 2000. To this end, broad money growth will be slowed down in line with the inflation objective, while a substantial increase in credit to the private sector will be ensured to support economic recovery, by reducing banking system credit to the public sector.

81. The Bank of Sierra Leone (BSL) will continue to conduct monetary policy through the use of market-oriented instruments and in the context of market-determined exchange and interest rates. In particular, the flexible exchange rate policy will be maintained to enhance the country's competitiveness, promoting exports and economic growth. The BSL will improve the stability and efficiency of the financial system by strengthening bank supervision and strictly enforcing prudential regulations within the framework of the revised Banking and BSL Acts. The BSL will enforce strict foreign open positions on commercial banks to encourage inter bank trading, sales to the foreign exchange auction and a deepening of the foreign exchange market.

82. Government will also continue to facilitate access to credit to the poor in the rural and informal sectors by providing the enabling environment for thriving micro-credit financing schemes and institutions. It is hoped that, with the more stable economic and security environment, the commercial banks will be able to increase their lending to the productive sectors of the economy and extend their branch network throughout the country.

83. Reduction of External Debt Burden: Government's key objective is to reduce the external debt overhang and its associated debt service burden, which crowds-out private investment as well as public expenditure in the social sectors. Hence, the country's external debt strategy will remain an integral part of both the macroeconomic framework and poverty reduction programmes.

84. Government will seek maximum debt relief under the Enhanced HIPC Initiative. Any relief obtained will be utilized as additional resources to finance critical poverty reduction activities. Also, Government will ensure that all new borrowings are highly concessional with a grant element of at least 35%. The Government is committed to targeting new loan resources to improve basic social services and the revival of economic activities.

85. The country's high level of indebtedness, coupled with the requirements to fund reconstruction, rehabilitation and poverty-focused activities, indicates that debt relief under the Enhanced HIPC Initiative may not be sufficient for poverty reduction. In this regard, Government will seek additional debt relief in excess of the enhanced HIPC Initiative Framework consistent with the proposal of the G7 meeting in Cologne, Germany. The national debt strategy will, therefore, be reviewed. This will clearly define the institutional arrangement, borrowing policy as well as reviewing the donor-funded

project cycle including the duties and responsibilities of all institutions involved in loan contracting and utilization. A debt management monitoring committee will review borrowing procedures and improve debt-recording system.

86. The development of the private sector is an important part of the strategy to stimulate recovery and growth. During the transition period, efforts will be geared to promoting micro-enterprise development in order to create employment and raise incomes in the formal and informal sectors, as is currently being done the RRR programme. In this context, government will facilitate the provision of basic management skills for micro-enterprises. As a result of these measures as well as the enhancement of micro-financing schemes and the extension of banking services to rural areas, the contribution of services' sector to GDP is projected to rise by 7.3% in 2001.

87. In reducing its role as owner and operator of public enterprises and thereby allowing wider private sector participation, Government will undertake the divestiture and reform of public enterprises (PEs). While continuing the monitoring of the performance of financial indicators of PEs in the portfolio, the Government formulated a strategic plan to implement the reform programme. Funds generated from the proceeds of the divestiture of state enterprises, including the gains from ending current subsidies to prop up non-performing enterprises, will be redirected to finance socio-economic development and the extension of services to the poor, particularly in the slums and deprived rural areas.

88. The PE broad strategy will entail: outright of loss making enterprises operating in competitive markets; improving efficiency of large PEs, especially utilities, (through management contracts, performance contracts, joint ventures and leases) before being offered for sale; and giving high priority in the sale of process to employee ownership schemes in order to mobilize domestic support for the successful implementation of the programme.

89. A National Commission for Privatisation (NCP), a Presidential Commission with an executive secretariat, will be established to implement the PE divestiture programme. In line with best practice, the Commission will act as the prudent "shareholder" of all public enterprises in the government portfolio with a mandate to manage enterprises through its delegates under its sole supervision and control. In essence, the Commission will act as the sole and exclusive representative for and on behalf of government in all state enterprises, and hence replacing ministry's representative on boards of PEs.

90. Economic Sectors: As well as improving the macroeconomic framework, Government will implement measures in key economic sectors to ensure sustainable growth in output. In the area of agriculture, Government's priority is to improve the livelihood of the farming and fishing population of returnees and IDPs with the aim of restoring food security especially in the rural areas. In this connection, Government will provide returnees and IDPs with basic farm inputs and tools through the NCRRR and other donor-supported programmes, as well as ensure the provision of extension services to the resettled farming population. To enhance agricultural productivity, Government

will initiate the rehabilitation of partially developed Inland Valley Swamps. The improved accessibility to farming communities and the implementation of these measures will increase the contribution of agriculture to GDP by 6.0% in 2001. Agricultural exports are not expected to recover in the near term.

91. In the mining sector, Government will endeavour to enforce mining policies (currently under review) and organize miners into co-operatives. The aim is to improve the livelihood of the returning mining population and encourage activities in this sector to be more open and transparent. Government will also enforce the provisions of the current mining policy relating to the development of the artisanal and small-scale miners. Due to the expected increase in official mining activities and the implementation of these measures, the contribution of the mining to GDP is projected to grow by 5.0% in 2001. As a consequence, diamond exports may recover slightly in the transitional period.

92. Government's priority in the infrastructure sector is to improve land, coastal and river transportation in order to increase access of the rural farming population and the urban poor to market centres as well as social and economic services. The key focus will be to promote community rehabilitation and maintenance of feeder roads and bridges. At the same time, major trunk roads and jetties will be rehabilitated. Efforts will also be made to promote the use of non-motorized transport (such as pushcart, bicycle) in rural communities.

c) Social Programmes

93. The measures described above are intended to create a favourable environment for economic growth and should lead to an increase in employment and improvement in the living standards of the population. To improve basic social indicators and help reduce poverty, these measures will be supplemented by specific actions in the area of education, health, access to drinking water; housing and better sanitation as well as by the on-going targeted interventions, social safety nets and activities to promote gender equality.

93. In the education sector, Government's priority is to increase school enrollment and retention rates as well as improve the quality of basic education. Government will recruit qualified teachers to be assigned on a priority basis to rural areas; reconstruct a substantial number of schools and the creation of additional classes with funding from the Government budget and Emergency Recovery Support Fund (ERSF) and Integrated Rural Development Programme (IRDP); and increase budgetary resources to schools for the acquisition of basic teaching equipment and essential school supplies and texts. The aim is to introduce universal free primary education (that is, for classes 1-6) with effect from September 2001 in all Government-owned and assisted schools. The Government will continue to fund the payment of the salaries of teachers, provision of textbooks, teaching and learning materials and fees to facilitate wider access to primary schools. The on-going school transportation programme that provides subsidized bus fares to school children in the capital city will be expanded and extended to the major provincial towns and rural areas.

94. In the health sector, Government will seek to reduce maternal and infant mortality rates and to control and prevent the spread of malaria. To achieve this, Government will increase budgetary allocations to basic health centres, reconstruct and rehabilitate peripheral health clinics, and hire and train additional medical staff to improve access to basic health care services, especially in the rural areas. Additional funding for these activities will also be accessed through the ERSF, IRDP and Support to Resettlement and Reintegration Programme (SRRP). The school health programme, mainly providing free health care to urban school children, will be continued and extended to the rural areas.

95. Government will also seek to provide free Maternal and child health care services to all pregnant and nursing mothers nation-wide and will enhance the availability of medical supplies and equipment to all hospitals. It will ensure the availability of basic drugs at cost recovery rates affordable to most vulnerable segments of the population.

96. Government will continue to implement the Expanded Programme of Immunization (EPI) to reduce the spread of communicable diseases among infants and children under the age of five.

97. To minimise the spread and rise in STDS/HIV/AIDs cases, Government will intensify information and education campaigns to increase the public's awareness of the incidence of STDs/HIV/AIDS. It will also promote the use of AIDS preventive measures through distributing condoms and training counsellors on home-based care for people living with AIDS. The focus will be on youths and women of reproductive age.

98. Government's housing policy is to facilitate opportunities for returnees and IDPs to access affordable housing and community facilities. Government will build local capacity to produce and deliver low cost building materials, as well as increase its stock of low-cost shelter units and provide the enabling environment for enhanced private sector participation in the supply of affordable housing units.

99. Social Safety Nets: Government recognises the special needs of persons whose physical circumstance renders them incapable of benefiting from the facilities put at the disposal of the population. In order to address the special circumstances of such needy persons, a social safety net scheme will be introduced to benefit vulnerable groups, the old, disabled and needy. The scheme is expected to promote basic shelter and support, and access to basic health care services for these persons.

100. The Government will also establish a National Social Security (Social Security and Insurance) Scheme to strengthen existing state and traditional sources of support for retirees in both the public and private sectors.

101. Promoting Gender Equality: The Government has established special national machinery for gender- and children-related activities including the creation of a Ministry for Gender and Children's Affairs. A national gender-in-development policy has also been formulated. The formulation of this policy demonstrates the commitment of Government to the principles of social justice and equality.

102 Presently, the Ministry, through various women's NGOs, has embarked on strategic actions dealing with the poverty of women and children. The main thrust of these actions is to empower women and young persons in rural and depressed urban areas through capacity building and employment creation. Furthermore, in the case of women, Government will enhance their access to essential productive resources (including credit and appropriate skills training), as well as their participation in decision-making at national, provincial, district and local levels. Constraints to women's access to resources and customary laws, will also be reviewed. For children, their empowerment will be facilitated by the enactment of appropriate bills in accordance with the UN Convention on the Rights of the Child. Government has also recently approved the creation of the National Agency for War-Affected Children.

103. The Government also recognises that success in the poverty strategy will depend on gender mainstreaming. In this regard, Government has approved policies for gender mainstreaming and the advancement of women. Government will also ensure that gender-mainstreaming policies are translated, understood, disseminated and implemented by all sections of the Sierra Leone society.

104. The social programmes described here have been factored in the 2001 budget, currently being implemented by the Government based on a macroeconomic framework agreed with the IMF and the World Bank. To fund these activities, government has allocated the sum of Le54 billion, representing 66% of the expenditure for goods and services. Donors currently fund about 50% of the Government budget.

d) Ongoing Poverty Interventions

105. In tandem with the implementation of these key priority activities, Government will continue to work with various partners to implement emergency poverty interventions. To this end, the National Commission for Resettlement, Rehabilitation and Reconstruction (NCRRR), under which various programmes (including SAPA) are being funded, is making tremendous strides in the areas of poverty reduction and reconstruction of community infrastructure facilities in the education and health sectors⁴. The SAPA programme and other financial institutions (excluding commercial banks) also played a key role in implementing the government funded micro-credit programme, targeting especially women and youths.

106. The Community Re-integration and Rehabilitation Project (CRRP), which seeks to address the short-term post-conflict needs of ex-combatants, refugees, IDPs and the communities to which beneficiaries return, was successfully launched in March 2000 in Freetown, (Western Area), in Bo (Southern region) and in Kenema (Eastern region). Insecurity and hindered access precluded launching the CRRP in the North. Notwithstanding, project implementation in the North has been initiated. The CRRP, funded by the World Bank and the African Development Bank, has two components: the Economic Recovery Support Fund (ERSF) and the Training and Employment

⁴ The SAPA programme will end in June while the other programmes will continue.

Programme (TEP). The ERSF will facilitate the recovery of communities through the restoration of basic economic and social services via demand-driven community oriented projects that target IDPs and refugees. The TEP supports social and economic reintegration of ex-combatants through counseling, training and employment initiatives.

107. The Economic Rehabilitation and Recovery Credit (ERRC) is a World Bank quick disbursing loan in the amount of US\$30 million that provides critical balance of payments and budgetary support to finance part of the foreign exchange and budgetary costs of the programme to establish peace and security. These funds also contribute to the transitional safety net allowance for adult ex-combatants and the settlement plan of domestic public sector arrears to the private sector.

108. The Preventive Development Project (PDP), funded by the UNDP focused on the resettlement and reintegration of the conflict affected population, including ex-combatants by means of community-based initiatives and reintegration programmes linking emergency and humanitarian assistance to long term development. The programme was, however, disrupted by the events of January 1999. However, available resources were converted into the Quick Impact Action Programme (QIAP) to respond to the humanitarian crisis presented by the rebel incursion of the western area. The successor programme to the PDP is the Support to Resettlement and Re-integration Programme (SRRP). The project will seek to link emergency and development assistance in the restoration of an environment that will permit the resumption of peaceful and sustainable reintegration.

3.2 Medium-Term Phase

109. As mentioned earlier, as security and accessibility improves throughout the country, Government will embark on long-term development programmes. While the programmes aimed at improving governance and reviving the economy will continue into the medium term, the full PRSP will determine the long-term development priorities including the governance system which the citizens would like in the post conflict period. To define the strategy and action plan for the medium-term, a number of diagnostic and policy and sector reviews and studies are planned. These include updating the poverty profile to determine the causes and incidence of poverty, and analysing the growth potential of the economic sectors. The timing of these actions is more fully described in Chapter 5 and Table 5.1.

110. Government is proposing the framework of the following broad programmes in the medium-term. These programmes include: (a) Good Governance; (b) Revival of the Economy, and (c) Social sector development. These proposed programmes/activities would be reviewed and discussed during consultations with civil society in the preparation of the full PRSP. The new governance/social fund mechanisms being piloted under the SAPA and ERSF will contain the elements of a new “partnership” approach, in conjunction with the SPP, to service delivery in the medium term. The main priority sectors and proposed activities are described below.

a) Good Governance Programme

111. The general objective of the Governance Reform programme is to ensure the effective functioning of Government machinery for the efficient delivery of services, taking into account the need for structured participation. The national strategy on good governance aims at:

- i. Promoting a democratic environment in which the various national organs (the Executive, Parliament, civil society, public service, judiciary, police) inter-relate to each other in a transparent and accountable manner; and
- ii. Establishing a Rule of Law where justice and human rights are respected and popular participation in development is enhanced for sustained national progress.

112. The programme strategy is based on two fundamental and complementary principles of governance: (i) individuals, groups or institutions entrusted with the authority to utilize national resources are required to be transparent and accountable; and (ii) ensuring that their activities are improving the well being of the people they are serving. The implementation of the overall governance programme has been classified into five sub-programmes. These are:

- Re-activation of Local Government Administration and decentralisation of Central Government functions: This involves the restoration of paramount chiefs and conducting democratic elections in vacant chiefdoms and district councils.
- Awareness-raising among the civil populace about their rights, privileges and obligations and enhancing the role of the media by improving information and communication infrastructure.
- Public Sector reform and capacity development for efficient and effective service delivery: This entails reorganizing and downsizing the civil service and enhancing economic management capacity.
- Reinforcement of the judiciary and legal system for safeguarding the rule of law and human rights: This also involves restructuring of the military and the police.
- Transparency and Accountability to deal firmly with corruption: The Anti-corruption Commission will have a critical role in implementing the strategies being developed by Government.
- Re-enforcement of the result based model of governance through the sustained support for the Strategic Planning and Action Process (SPP).

b) Revival of the Economy

113. Government will continue to implement prudent fiscal and monetary policies to consolidate macroeconomic stability, foster an enabling environment for private sector development, including privatisation of state enterprises, and reduce debt overhang through access to enhanced HIPC resources, creating the basis for sustainable economic recovery and progressive improvements in living standards, especially for the poor. These policies will be backed by implementation of sector programmes in the key economic sectors including agriculture and mining as well as infrastructure development in the transport, energy and telecommunications sectors.

114. Agriculture: The primary objective of Government's agricultural policy in the medium term is to promote sustained growth of agricultural output to restore food security and generate agricultural tradable surpluses. Particular attention will be paid to increasing food production in order to attain food security. It is envisaged that food production will be increased through a multi-pronged approach. The access and quality of extension services will be enhanced to afford farmers information on improved techniques. Access to improved post-harvest technologies, including milling and storage facilities, will receive particular attention. Efforts will be made to create the enabling environment for increased private sector participation in these activities. A fundamental review of the agricultural land tenure system will also be undertaken to enhance private sector involvement. Rural financial intermediaries will be established in all farming communities to complement and augment existing institutional arrangements.

115. In the marine subsector, Government will undertake the rehabilitation of outstations to ensure the implementation of artisanal fisheries programmes and extension services. This is expected to increase the supply of fish for domestic consumption, enhance the availability of fish protein and exportable marine products.

116. Mining: Government's policy is to continue to improve the livelihood of small-scale miners and to provide a conducive environment to attract private investment into capital-intensive large-scale mining as well to ensure environmentally friendly mining practises. Government will therefore continue to enforce the provisions of the current mining policy that encourages both local and foreign private investment in the sector and ensures the rehabilitation of the environment damaged by mining activities. Strategies will be put in place to improve the livelihood of the entrepreneurs in the vicinity of the mining centres by removing obstacles to the expansion of small-scale economic activities to service key mining centres within the context of an integrated mining economy.

117. Tourism: Efforts will be made to diversify tourism activities as well as undertake intensive tourist promotion campaigns. Government will also facilitate access to micro-credit financing for small-scale entrepreneurs in the industry. The Tourism Master Plan (1982) and the Tourism Development Act (1990) will be reviewed with a view to attracting private investment into the sector.

118. Infrastructure: The overall objective of Government Policy in this sector is to rehabilitate the transport infrastructure and transform it into an efficient, safe and reliable system. Additionally, Government will intensify the rehabilitation of landing sites/jetties to reduce the cost of sea transportation and ensure its safety. To further reduce the cost of rural transportation, Government will promote the expansion of non-motorised modes of transportation including bicycles, wheelbarrows, pushcarts and canoes.

119. In the medium term, Government's role in the transport sector will be limited to a regulator and provider of basic infrastructure (such as feeder roads). In this context, the capacity of the Sierra Leone Roads Authority (SLRA) for planning and sustainable maintenance of the road network will be strengthened.

120. In the energy sector, the National Power Authority will be restructured and placed under a management contract with a private firm in order to improve efficiency of operations. Efforts will be made to complete the construction of the Bumbuna Hydroelectric Dam with funds provided by the ADB and the Italian Government. The Dam is expected to provide reliable electricity supply to a greater proportion of the country, including a large number of rural areas. At the same time, donor financing will be sought to support rural electrification.

121. Government will also encourage the active participation of the private sector in the telecommunications sector to enhance both internal and external communications nationwide.

c) Social Sector Development

122. Education: In the medium term, the objective of Government's education policy is to increase access to high quality basic education and to raise adult literacy. Teacher-training colleges will be expanded and provided with teaching and learning materials to support the training of more teachers. Efforts will also be made to complete the rehabilitation of school infrastructure and facilities as well as expand these facilities in rural communities. Government will introduce compulsory and universal free primary education to enhance accessibility to basic education. It will also improve on the facilities in technical and vocational schools and institutes, establish adult education training centres and promote research and development in the University of Sierra Leone.

123. Health and Nutrition, Water and Sanitation: The focus of Government's health and sanitation policy in the medium term will continue to promote and enhance the supply of quality, sustainable, accessible and equitable health care services for all Sierra Leoneans. In this regard, Government will expand and strengthen the decentralised network of reliable and quality facilities at the primary, secondary and tertiary levels with sufficient logistics to ensure functionality and enhance accessibility, as well as to improve the supply of drugs at cost recovery and of safe drinking water and the improvement of general sanitation in both urban and rural areas.

124. To enhance further improvements in maternal, infant and under-five health care, Government will expand the coverage of and access to quality health care services, continue the immunisation programme against endemic diseases, and intensify the health education campaign programme. In tandem, the promotion of the consumption of food rich in micronutrients will be enhanced.

125. To deal with the STDs/HIV/AIDs epidemic, Government, while continuing to assist those living with the disease, will mainly direct its actions for preventing HIV infections through the expansion and intensification of the treatment of STDs, counselling, voluntary testing, and above all, information, education and communication campaigns on STD/HIV/AIDs. Government will also provide counselling and technical-vocational training, and facilitate access to economic opportunities to mitigate the impact of HIV/AIDs.

126. To control the spread of malaria, the thrust of Government's approach will be on prevention, through the sustained support for the use of insecticide treated bed nets, especially among the poor, and for environmental health education campaign programmes.

127. Government, in collaboration with the World Bank, will put in place modalities for effective waste management, to be implemented in collaboration with private contractors through a youth employment scheme. Water and sanitation facilities will also be improved to widen access to potable drinking water and increase access to safe excreta disposal.

128. Housing: In the medium term, Government's objective is to increase the supply of housing facilities for low-income earners. Government will provide the enabling environment for effective participation of the private sector in the provision of housing.

CHAPTER FOUR

4. MONITORING AND EVALUATION (M &E) STRATEGY

4.1 Objectives

129. The Government is developing a participatory outcome monitoring system to monitor and evaluate the progress of implementation and impact of its anti-poverty strategy. The monitoring process will assess improvements in service delivery, using quantitative and qualitative indicators defined in consultation with civil society. It will also assess the efficient and effective utilization of public resources allocated to both urban and rural communities through the Medium-Term Expenditure Framework (MTEF).

130. The principal objectives of the M&E strategy are: (i) to provide timely and reliable information to all policy makers, implementing agencies, stakeholders and beneficiaries to ensure that the agreed strategy is being implemented; (ii) to promote transparency and accountability in the design and implementation of the poverty reduction strategy; and (iii) to set-up an effective management information system that will facilitate the flow of information among policy makers, implementing and executing agencies, beneficiaries, including civil society groups, and NGOs.

4.2 Monitoring Indicators

131. In order to make the M&E strategy effective, simple input, process and output monitoring indicators will be established for each anti-poverty activity. A critical element of the monitoring system will be its focus on outcome indicators with the greatest impact on poverty, determined in consultation with the key stakeholders. The indicators, including locally meaningful popular benchmarks, for each poverty activity for all sectors identified in the poverty strategy are provided in the attached Policy Matrix (annexes 3.1 & 3.2)⁵. The historical levels of these indicators are indicated where possible. Targets over the medium term will be defined against which progress towards agreed goals will be measured, while those over the transitional period are shown in annex 3.1b.

4.3 Focus Group Discussions

132. In 1996, the Government, with support from the World Bank, commenced the implementation of a national Strategic Planning and Action Process (SPP) to facilitate participatory consultations in reformulating a new development strategy for poverty reduction. Through the process, the government engaged citizens from across the country to forge a broadly supported national vision statement and build a consensus on medium-term development priorities and strategies in a highly participatory stakeholders consultative exercise. The Focus Group Discussions (FGD) targeted broad stakeholders, including opinion leaders from the local communities; representatives of civil society

⁵ These are commonly understood outcome indicators for measuring changes in community welfare.

organizations; professional organizations; government functionaries; parastatals; NGOs; women organizations; religious leaders; displaced communities; handicapped; university; press; parliamentarians; youth organizations; and local government authorities.

133. Each focus group discussion is conducted in five phases: (i) analyzing the current state of poverty and its key determinants from a multi-sectoral viewpoint (Where are we now?); (ii) forging a common vision for the country's development and identifying realistic medium term goals for poverty reduction (Where do we want to go?); (iii) identifying and prioritizing broad and specific development priorities (How do we get there?); (iv) identifying formal and popular (informal) benchmarks and targets against which progress is measured (How do we know we are getting there); and (v) identifying local follow-up actions and "champions" to further the SPP process in the local communities. During the focus group discussions, participants use the "Budget Game" technique (which is an allocation exercise to determine focus group preference patterns in a resource-constrained decision-making environment) to rank the priorities by displaying their preferences on wall-mounted posters. The use of different colour marker pens enables gender-disaggregated data to be obtained.

134. The benchmarking phase of the process involves the identification of performance benchmarks (outcome indicators) and targets as well as participants' assessment of community welfare using a simple participatory technique known as the Smiley Game developed by the SPP/TC. The "Smiley Game" serves as a mechanism for ordinary citizens --whether or not they can read or write -- to measure progress in community welfare on an ongoing basis using commonly understood indicators known as popular benchmarks. To date, the popular benchmarks that have been tested to measure community welfare are physical security, food security, family health, and opportunities for advancement and community integrity. Community integrity is a positive expression of the level of corruption in the community's environment.

135. Following the consultative process, a national strategic vision emerged, centering on three interrelated objectives: (i) creating a united and peaceful nation enjoying good governance; (ii) fostering improvements in living standards through rapid, stable and equitable economic growth; and (iii) improving the population's health conditions and educational standards. A new round of Focus Group Discussions was conducted in April-May 2000. These consultations recorded top scoring priorities for Security (27%), Education (24%) Good Governance (20%), Agriculture (16%), and Health (13%) (see annexes 4.1-4.2). The results of the Smiley Game indicated significant improvement in welfare during the August 1999 - March 2000 for all five popular benchmarks, except for the northern province, where there was a considerable deterioration due to the prevailing security situation in the region. The most significant improvement in community welfare was recorded in physical security (18%) followed by community integrity (13%), opportunities for education and employment (13%), family health (11%) and food security (10%) (see annexes 4.1-4.7).

136. Since 1996, the sectoral priorities identified in the FGDs have been reflected in the allocations of budgetary resources on an annual basis. The government will build and

improve on the SPP framework to monitor, on a yearly basis, changes in national priorities and strategies as well as in stakeholders' perception of improvements in service delivery and welfare. To date, over 2000 representatives of various stakeholder groups have participated in focus group discussions at the national, provincial, district and chiefdom levels. Moreover, the process has trained 100 volunteer facilitators in Freetown and the three provincial towns of Bo, Kenema and Makeni to conduct comparable focus group meetings at the district level. The process has also undertaken mass public awareness and communication campaign on the development process through the print and electronic media and local drama groups. The process is expected to devolve to more districts and chiefdoms as the security situation improves. The devolution of the process to the local level will facilitate the maximum participation of all socio-politico-economic and cultural groups, thereby ensuring a fair representation in focus group discussions.

4.4 Service Delivery Surveys

137. The Government, with support from the World Bank, mandated the SPP/TC to conduct a nation-wide, Baseline Service Delivery Survey in April 2000. The objectives of the survey were: (i) to gather baseline data on key services that could form the basis for producing performance criteria for these services; (ii) to determine stakeholder perceptions of public service performance from users' standpoint; and (iii) to establish specific formal and popular benchmarks that are locally meaningful. The results from the field survey revealed that communities and households perceived the coverage, quality and impact of key services provided by the government, particularly in the rural areas, to be limited and inadequate. The survey also revealed dire social and economic conditions in the country resulting from a considerable degeneration in social and infrastructure facilities. However, impressive gains were noted in the area of immunization as about 78% of all children under the age of five had been fully immunized. Also, over 70% had been immunized against tuberculosis and 60% for measles. Normalcy was reported to be gradually returning to the countryside, as 95% of the survey respondents indicated their willingness to forgive the rebels for the atrocities they have committed in the interest of lasting peace.

138. In this connection, an important aspect of the M&E strategy is to conduct annual service delivery surveys (SDS). The principal objectives of the service delivery surveys will be: (i) to monitor improvements in service delivery using selected baseline indicators; (ii) to determine changes in stakeholders' perception of improvement in service delivery from users' standpoint; and (iii) to monitor the efficient implementation of development projects at the facility level to determine their impact on local communities.

139. The instruments for the surveys will consist of a structured questionnaire, institutional reviews and interviews with community key informants to determine their perceptions about improvements in service delivery. The questionnaire will consist of three modules: household, community and institutional. While the household and community modules will mainly generate information about services and facilities from the users' standpoint, the institutional module will target sectoral inputs and outputs at the

national level using selected benchmarks. The service delivery surveys are expected to provide valuable quantitative and qualitative data about the constraints the poor face in accessing public services, their views about the adequacy and quality of the services they receive from different service providers, and the extent of corruption they experience in their interactions with government officials.

140. As some selected areas for the 2000 baseline service delivery survey were not accessible at the time of the survey, efforts will be made to expand the coverage of the survey to determine realistic monitorable indicators for the entire country. The survey returns will be processed at the CSO using the Integrated Microprocessor Systems (IMPS) and the Statistical Package for the Social Sciences (SPSS) for cross tabulation and further analysis. The results will be submitted to the Technical Secretariat of the Poverty Reduction Strategy Committee (PRSC) for review and onward dissemination to the public through the print and electronic media, the Government gazette and other private media.

4.5 Tracking Budgetary Expenditures

141. As a measure of its commitment to monitoring the public service system through the efficient and effective utilization of public expenditures, Government, within the SPP framework, conducted a pilot Expenditure Tracking Survey in 2000. The survey was intended to measure public expenditures by budgetary allocations to determine the actual public spending that is used for its intended purpose, especially in rural areas. The results of the survey revealed significant gaps in some key ministries in the disbursement of public resources to rural areas. It also shows some variances between budgetary allocations and actual expenditures in many departments due partly to the stringent tendering procedures for procurement as well as the emphasis on transparency. The survey also confirmed that slow disbursement or non-disbursement of donor funds for many development projects in the rural areas greatly affected implementation of these projects.

142. In order to improve on service delivery in the rural areas, the budget process in 2001 has been designed (within the context of the MTEF) to ensure greater beneficiary involvement in the delivery of services and more emphasis on results and outcomes. The Government has also introduced a new budget and accounting code that shows the allocation of public resources by activity and region. This new coding system will facilitate the tracking of resources to activities in rural areas. Also the Government has established, through the MTEF process, mechanisms such as periodic workshops and meetings for the frank exchange of views with Ministries, Departments and Agencies (MDAs) on budget formulation, implementation, monitoring and reviews. Furthermore, the Government has mandated the newly created Medium-term Expenditure Framework/Technical Committee (MTEF/TC), comprising representatives from government, the university and civil society groups, to sensitize beneficiaries and civil society in budgetary oversight. The sensitization exercise has been done in all safe communities and regions.

143. Further, on the basis of the lessons learned from the sensitization exercise, the Government will facilitate the formation of community budgetary oversight committees, as well as ensure the periodic publication of information on budgetary provisions and service delivery at the local level. In effect, the Government will empower local communities to participate in defining development priorities and strategies (through the SPP methodology), reviewing public expenditure and in monitoring service delivery. The MTEF/TC and SPP/TC in partnership with community stakeholder representatives will, therefore, share the responsibility of monitoring and tracking expenditures during the implementation of the Poverty Reduction Strategy. These committees will undertake semi-annual monitoring and expenditure tracking surveys. Annual public expenditure reviews will also be conducted in collaboration with major donors.

144. The instrument for the field survey for the budget tracking exercise will consist of a structured questionnaire on the key poverty sectors. The questionnaire will be in two parts: part A will be administered to vote controllers of Government line ministries or departments in Freetown, while part B will be administered to regional heads of Government ministries and departments at the provincial, district and chiefdom levels. Budgetary allocations and actual expenditures at the Budget Bureau and the Accountant General's Department will also be obtained to facilitate the monitoring process. Interviews will also be conducted with community key informants on their perceptions about improvements in service delivery. The focus will be on critical poverty reduction activities defined in the policy matrix. Monitoring will be done at the chiefdom, district, provincial and national levels.

4.6 Data Sources and Dissemination

145. Both quantitative and qualitative data will be generated from routine national surveys (including those compiled by sectors, and UN agencies), focus group discussions and rapid participatory appraisals involving representatives of end-user groups. The sample household income and expenditure survey in 2001 (for updating the poverty profile) and the national population census in 2002, planned by the CSO, will provide information for establishing the levels of the poverty monitoring indicators. The results of the National Population Census will provide a basis for monitoring and evaluation of demographic benchmarks as well as sampling frames for future surveys including the Living Standard Measurement Survey (LSMS). The CSO and the technical committees of the SPP and MTEF will collaborate in reviewing the results of the user benefit survey on service delivery as well as the continuous monitoring and tracking of public expenditures.

146. The results of the MICS2 survey recently conducted by the CSO on behalf of the Government, as well as those generated by the Integrated Approach to Aid Coordination (IAAC) baseline survey, will also be a valuable source of information on the monitoring indicators⁶. Furthermore, additional data on key indicators will be obtained from the

⁶ The 2000 Sierra Leone Multiple Indicator Cluster Survey – 2 (MICS2) is a nationally representative survey of households, women and children. The main objectives of the survey are to provide up-to-date information for assessing the situation of children and women in Sierra Leone at the end of the decade and

results of the surveys and focus group discussions conducted by the government within the SPP framework in 2000.

147. An effective and efficient national poverty information management system will be established in the Poverty Alleviation Coordinating Office (PASCO) (see section 5.1 and annex 5.1 for the role of the PASCO). Data collection and dissemination will be integrated through the management information system (MIS) that will be established during the preparation of the full PRSP. Funding for the establishment of the poverty MIS will be provided from the Public Sector Management System (PSMS) credit of the World Bank.

148. The Strategic Planning and Action Process Technical Committee (SPP/TC) with its broad experience in national consultations for participatory development will ensure a broad representation of all the key stakeholders in implementing a participatory poverty monitoring and evaluation strategy. By virtue of their close links to communities, civil society movements, community-based organizations (CBOs) and NGOs will provide easy conduits for the delivery of monitoring and evaluation reports to beneficiaries as well as facilitate the participation of communities in the M & E process. These organisations will also be encouraged to facilitate the dissemination of M&E results to the public.

to furnish data needed for monitoring progress towards goals established at the World Summit for Children and a basis for future action.

CHAPTER FIVE

5. ROADMAP

5.1 Governance and Institutional Arrangements for the preparation of the Interim-Poverty Reduction Strategy Paper (I-PRSP)

149. The initial experience gained in earlier consultations in articulating a national vision put the government on a firm footing to initiate consultations in the preparatory process for the Interim Poverty Reduction Strategy Paper (I-PRSP). The process began in April 2000 with the establishment of an ad hoc Poverty Reduction Steering Committee (PRSC). The committee comprises staff of the Ministry of Development and Economic Planning (MODEP) including CSO, Ministry of Finance (MOF), Bank of Sierra Leone, Social Action and Poverty Alleviation (SAPA) Programme, NGO representation; all were also part of the Strategic Planning and Action Process/Technical Committee (SPP/TC). A PRSP Secretariat was subsequently created within the Social Services Division of the Central Planning Unit (CPU) in MODEP.

150. During the initial stages, several consultative meetings were held to define the modalities of the preparatory process of the I-PRSP. These resulted in the formulation of a working document that defined the framework for the preparation of the I-PRSP. Furthermore, a governance framework was agreed which comprises various committees with representatives from sector ministries with a poverty focus and civil society:

- i. An **Inter-Ministerial Committee (IMC)** chaired by the Minister of Development and Economic Planning, comprises the Ministers of key social and economic sectors (see annex 5.1 for the membership list). This committee provides overall policy guidelines to the PRSC on the process and content and will also oversee the process of preparing and monitoring the implementation of the PRSP;
- ii. A **Poverty Reduction Steering Committee (PRSC)** chaired by the Development Secretary (MODEP) and reporting to the IMC, comprises professional and technical heads of key ministries and agencies (see annex 5.1 for membership list). Its other key tasks are to identify funding sources, provide technical backstopping to consultants, supervise consultative processes and prepare regular progress reports on the formulation and implementation of the poverty reduction strategy;
- iii. The **PRS Technical Committee (PRS/TC)** co-chaired by the Director of Planning (MODEP) and Director of EPRU (MOF) and reporting to the PRSC, is located in the Directorate of the Central Planning Unit (CPU) in the Ministry of Development and Economic Planning. The core technical committee comprises representatives from CPU, EPRU, Bank of Sierra Leone, SAPA and CSO who are

also members of the SPP/TC. Its task has been to coordinate the preparatory process and prepare a draft of the I-PRSP; and

iv. The **Poverty Reduction Working Committees** that prepare the various sectoral and crosscutting contributions to the Poverty Reduction Strategy and also support the PRS/TC. Five Working Committees have been established and report directly to the Poverty Reduction Steering Committee (see annex 5.1).

151. To facilitate and enhance participation by stakeholders, a one-day orientation meeting involving representatives of donor missions, NGOs, line ministries, civil society and international agencies was held in August 2000 with all stakeholders in Freetown. The consultations were aimed at introducing the PRSP concept and the institutional arrangements that have been put in place for the preparation of the I-PRSP.

152. In preparing the Interim Poverty Reduction Strategy Paper, the core technical team made extensive use of the conclusions of the 1996 World Bank country assistance strategy consultations. The priorities that emerged from those consultations were validated by subsequent SPP consultations, including focus group discussions held during 1998-2000 at the national, chiefdom and district levels. In addition, the various National Action Plans for poverty reduction as well as the results of the thematic studies carried out and discussed at the national workshop held in Freetown, from 29th April to 3rd May 1996, have been incorporated in this interim strategy. A workshop involving all key stakeholders was held to discuss the draft Interim Strategy, which was also circulated to key development partners in October 2000. Finally, a national consultative workshop on a draft of the I-PRSP was held in Freetown, on 26th February 2001 involving all stakeholders from various levels including donor representatives. In essence, therefore, the preparatory process of the strategy followed a “bottom-up” approach through a participatory consultative process.

5.2 Plan for the PRSP Preparation

153. The governance structure for the preparation of the I-PRSP will be maintained for preparing the full PRSP. However, the PRS/TC will be replaced by the Poverty Alleviation Strategy Coordinating Office (PASCO) under the leadership of a nationally recruited full-time coordinator with responsibility for coordinating the preparation and monitoring the implementation of the full PRSP (see annex 5.1)

154. The full PRSP preparation exercise will take place from June 2001 to December 2002. It will approach poverty reduction problems in a multidisciplinary, integrated and coherent approach with the participation of all actors and partners involved in poverty reduction efforts such as NGOs, civil society organizations, cooperative associations, beneficiary groups and other stakeholders. It will, therefore, be prepared through a participatory and decentralized approach involving target groups and institutions, government organizations, NGOs, key development partners and civil society.

155. Stakeholders' consultation and participation to ensure maximum ownership of the PRSP will be based on focus group discussions (FGD), working committees and radio and television discussions. These approaches will allow frank exchange of views, as well as enable stakeholders to have a clear and better understanding of poverty reduction strategy and its associated benefits.

156. The SPP FGD methodology, already outlined in the M & E chapter, will be used to engage stakeholders on poverty reduction issues at the national, provincial, district and local levels. As indicated in section 6.1, the working committees will work on five sectoral/thematic areas. Committee members will be representatives from the economic and social sectors/ministries, NGOs and other key stakeholder groups. In respect of the radio and television discussions, a series of structured programmes are planned. Phone-in and write-in options will also be provided to ensure maximum public participation.

157. As indicated in the task-timeline matrix below, a number of consultative workshops are planned which will target political and traditional leaders, senior government functionaries, NGOs, donors and general stakeholders. These consultations will build on the achievements of those organised during the preparation of the I-PRSP. The consultations with political leaders and senior government officials, to be facilitated by the PASCO and World Bank staff, will enlighten these stakeholders on the technical issues of the PRSP and its linkage to concessional loans and debt relief. The preliminary stakeholder consultations, in essence, are meant to validate the content of the I-PRSP, in particular the timeframe of activities and the consultative processes.

158. Consultations with the NGOs are geared towards bringing this group of stakeholders fully into the PRSP preparation. Given their experience in local service delivery and close ties with rural stakeholders, they will contribute greatly in building the national participatory capacity for stakeholders. With regard to donors, in addition to their participation in national consultative workshops, informal mini-CGs will periodically be organised to discuss proposals for poverty reduction and financing needs.

5.2.1 Diagnostic policy and sector reviews and studies

159. A number of technical analyses and studies are planned (see Table 5.1) for the preparation of the full PRSP. This will primarily provide a basis for updating the poverty profile and developing pro-poor economic growth strategies. The initial technical activities will concern the gathering and reviewing of poverty and poverty-related documents relating to Sierra Leone and other heavily indebted poor countries. For these studies, the efforts of the PASCO will be backed by the services of both local and international consultants who will determine the data gaps and the types of missing information, as well as advise on the most appropriate methods (including participatory poverty assessment, household income and expenditure survey, consultations and study visits) for generating the required data sets.

160. The development of the poverty profile, for establishing the number of poor Sierra Leoneans and their characteristics, will follow the poverty desk study. For this, a

rapid, limited sample household income and expenditure survey, supplemented with a rapid participatory poverty assessment (PPA) and service delivery survey, will be undertaken during the second half of 2001. The PPA, in particular, will determine the people's views of poverty (including the attributes of the poor and causes of poverty) and how to reduce it. These surveys will use, as a reference frame, the results of the recently concluded national census's listing survey by the CSO. These efforts are expected to be supported financially by the World Bank, the UNDP, the European Commission, the African Development Bank and the Department for International Development, United Kingdom. The identification of international experts by these organizations will form part of the assistance.

161. Sectoral policies will also be reviewed with a view to determine growth potential, as well as to develop policies that are compatible with poverty reduction goals. An appropriate macroeconomic framework will be developed and will serve as the basis for implementing pro-poor macroeconomic policies, as well as estimating growth-poverty reduction linkages. Other studies will focus on micro-finance, informal sector, land tenure and HIV/AIDs. The study on HIV/AIDs will enable the projection of the population with and without the disease and determination of the impact of disease on the labour force.

162. As reference materials/documents on poverty can easily be accessed through the Internet, investment in information technology, also especially needed for the proposed management information system, will be undertaken.

5.2.2 Participatory data collection activities

163. The collaborative assessment with appropriate stakeholders (see task-timeline matrix) of a number of poverty reduction issues will provide a holistic analysis and at the same time enable the stakeholders to be part and parcel of the process of formulation of the PRSP, hence increasing understanding and appreciation of poverty, and the sense of ownership of the emerging poverty reduction strategy. All stakeholders, including the internally displaced persons (IDPs), ex-combatants and their spouses, women and youths will participate in determining the causes of poverty and the impacts of existing interventions on the poor. With regard to access to land and credit issues, women and youths will be the key collaborating stakeholders. Consultants, working together with the PASCO and SPP/TC, will be needed for executing the required participatory assessment of poverty reduction issues.

5.2.3 Drafting of the PRSP

164. Following the review of the draft PRSP outline by the PASCO and Working Committees on the basis of the outcomes of the first stakeholder consultative workshop, the agreed detailed PRSP outline will be apportioned among the working Committees to initiate the drafting of the PRSP. The initial draft will be discussed at a national stakeholder consultative workshop. The workshop comments will be incorporated into a revised draft, which will subsequently be finalised. The final draft will be submitted to

Cabinet for approval before presenting it to the Executive Boards of the World Bank and IMF. The endorsement of the PRSP document by the Bretton Woods Institutions will pave the way for its dissemination.

5.2.4 Technical Assistance Requirements

165. The preparation of the full PRSP requires a full time Coordinator and the expertise of high level and professional consultants with a good knowledge of Sierra Leone and sound experience in the various areas of interest. International consultants will work with and train their national counterparts in a multidisciplinary, integrated and coherent team. A senior consultant acting as team leader for the entire duration of the exercise will coordinate the work.

166. The consulting team will include the following members:

- i. An international consultant and team leader specialized in the designing, planning and implementation of Poverty Reduction Programmes with a solid field experience in West Africa in general and Sierra Leone in particular;
- ii. A second international consultant specializing in Strategic Planning applied to public programmes and projects;
- iii. Other consultants, particularly locals, with expertise in the areas of Public Expenditure Review; statistical analysis and targeting; participation and gender issues; social funds, income generating activities and micro-finance; education and training; health; water and sanitation; environmental issues; and NGOs. Poverty and management information system specialists will also be needed.

167. The national consultants will act as intermediaries between local actors and the consulting team to ensure the continuous unfolding of the process. The consulting team will carry out its work programme within PASCO, as part of the institutional framework set up by Government.

Expected Output/Task	Responsibility	Time Frame
<p>4. Diagnostic Policy and Sector Reviews and Studies</p> <ul style="list-style-type: none"> • Poverty profile update, including incidence and causes • Developing of pro-poor economic growth strategies, including sectors, micro-credit and transformation of the informal sector • Sector policy reviews and analyses of their growth potentials • Assessment of the impact of HIV/AIDs on the labour force and the cost of curbing the disease 	PASCO, Working Committees Consultants	June-December 2001
<p>5. Monitoring & Evaluation Strategy</p> <ul style="list-style-type: none"> • Revised monitoring and evaluation indicators • Poverty and annual service delivery surveys • SPP focus group discussions • PER • Dissemination and publications of M&E results 	PASCO SPP/TC, MTEF/TC NGOs Central Statistics Office (CSO)	June 2001-November 2002
<p>6. Drafting of the full PRSP</p> <ul style="list-style-type: none"> • Detailed chapter outline and time frame for drafting of PRSP • Working Committees for drafting PRSP • PRSP chapters assigned to drafting Working Committees • Draft PRSP submitted to PRSC • Revised draft PRSP submitted to Inter-ministerial committee • Revised draft PRSP submitted to cabinet for approval • Revised draft PRSP submitted to IMF, World Bank, ADB, EU and DFID, UK • Dissemination of PRSP • Submission of PRSP to World Bank and IMF Boards 	PASCO, Working Committees	<p>July 2001–September 2002</p> <p>March 2002</p> <p>May 2002</p> <p>June 2002</p> <p>July-September 2002</p> <p>December 2002</p>

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Annex 3.1a: Sierra Leone: Interim Poverty Reduction Strategy Paper (I-PRSP) - Policy Matrix

Policy Area	Objectives	Strategies and Measures	Broad Indicators <small>(Indicators for Transitional Period would continue to be monitored in the medium term)</small>	2000 Base Level
I. National Security and Good Governance				
Transitional Period (Ongoing - 2002)	<ul style="list-style-type: none"> - Improved personal safety - Improved safety for personal property 	<ul style="list-style-type: none"> - Disarm and demobilize all combatants except the national army - Engage in peaceful political dialogue and military option - Restructure and retrain the SLA and prison officers - Implement reintegration programme - Provide Social Safety nets Funds (RRR, NGOs) - Retrain the police - Initiate community policing on a pilot basis 	<ul style="list-style-type: none"> - Physical Security (Popular Benchmark) - % of combatants disarmed, demobilised - % of ex-combatants reintegrated into civilian life - % of Chiefdoms under Government control 	<ul style="list-style-type: none"> 1.9 (Max. 4 on Smiley Scale) 59 29 47
	- Improved accountability and transparency	<ul style="list-style-type: none"> - Initiate result-based monitoring of service delivery/conduct corruption survey 	<ul style="list-style-type: none"> - Community Integrity (Popular Benchmark) - Reported cases of financial crimes 	1.9 (Max. 4 on Smiley Scale)
	- Improved participatory development	<ul style="list-style-type: none"> - Improve scope of popular participation in programme planning and monitoring 		
	- Improved administrative justice and human rights	<ul style="list-style-type: none"> - Initiate the rehabilitation of facilities for the administration of justice 	- % chiefs in residence (Paramount or Regent)	
	- Improved local management capacity and institutions	<ul style="list-style-type: none"> - Initiate the rehabilitation of the civil service training college - Implement proposed TA project to build capacity of economic management units 		
	- Democratically elected parliament and president	<ul style="list-style-type: none"> - Ensure a non-partisan, efficient, and functional electoral commission - Conduct democratic parliamentary and presidential elections 		
Medium-Term (2003 - 2005)	- Improved community service delivery mechanisms	<ul style="list-style-type: none"> - Restore local community administration - Extend community policing nation-wide 	- % of functional local administrative units	
	- Democratically-elected district councils restored	<ul style="list-style-type: none"> - Conduct democratic district council elections - Conduct local chiefdom chieftaincy elections 	<ul style="list-style-type: none"> - % District Councils elected and functional - Free and fair elections implemented (in %) 	<ul style="list-style-type: none"> 0 0
	<ul style="list-style-type: none"> - Improved basic service delivery - Sustained result-based monitoring of service delivery 	<ul style="list-style-type: none"> - Implement fiscal decentralization - Sustain the operations of the civil service training college - Improve the performance of the judiciary facilities - Conduct full-blown result-based monitoring of service delivery survey - Conduct living standard survey - Mount effective campaign for anti-corruption, human rights, enforcement and implementation of the constitution 	- Transparency & Accountability Index	

Annex 3.1a: Sierra Leone: Interim Poverty Reduction Strategy Paper (I-PRSP) - Policy Matrix

Policy Area	Objectives	Strategies and Measures	Broad Indicators	2000 Base
			(Indicators for Transitional Period would continue to be monitored in the medium term)	Level
II. Re-launching and Reviving the Economy				
A. Attainment of macroeconomic stability				
(Transitional/Medium-Term Period)				
A1. Fiscal Policy	- Enhance domestic revenue mobilisation	<ul style="list-style-type: none"> - Reduce the primary fiscal deficit and Central Bank financing of deficit - Strengthen tax administration and expand the tax base - Enhance the mobilisation of non-tax revenue - Establish independent revenue authority - Rationalise indirect tax system and harmonise rates with neighbouring countries - Introduce broadbased consumption tax (VAT) - Undertake participatory public expenditure review (PER) - Introduce a Medium-Term Expenditure Framework (MTEF) - Complete verification of civil service payroll - Reallocate expenditures to reflect the poverty priorities of the population - Ensure public expenditure reach the poor - Enhance expenditures to social sectors consistent with requirement to reduce poverty and build capabilities - Monitor improvements in service delivery using the SPP and MTEF framework 	<ul style="list-style-type: none"> - Annual GDP growth rate (%) - Primary fiscal balance(% of GDP) - Domestic revenue (% of GDP) 	7.3 11.7
	- Improve effectiveness of public expenditure			
	- Enhance and Improve quality of service delivery to the poor		- Urban-rural public spending ratio	
			<ul style="list-style-type: none"> - Social spending (% of non-interest non-salary recurrent expenditures) - Western-Northern-Eastern-Sothorn region public spending ratio 	35.5
A2. Monetary Policy and Financial Sector Reforms				
	- Improve effectiveness of monetary policy	- Manage money supply in relation to inflation objectives	- Annual inflation rate (%)	-0.9
	- Improve and enhance credit facilities to activities in which the poor are mainly engaged in	- Promote micro-financing schemes and institutions to increase financial intermediation in rural areas		
	- Stable and viable financial system	<ul style="list-style-type: none"> - Implement the revised Banking and Bank of Sierra Leone Acts - Introduce other financial institutions Act 		
A3. External Sector Policy				
i. Exchange system				
	<ul style="list-style-type: none"> - Maintain flexible exchange system - Build foreign exchange reserves 	<ul style="list-style-type: none"> - Enhance the monitoring and supervision of the foreign exchange market - Enforce open limit positions for commercial banks to facilitate inter-bank trading and development of inter-bank foreign exchange market - Review policy on capital account transactions with the aim of gradually liberalising the capital account 	- Gross international reserves (in months of imports)	1.5
ii. External debt management				
	- Reduced debt service burden and improved financial relations with all external creditors	<ul style="list-style-type: none"> - Undertake borrowing only on concessional terms - Limit new short-term borrowing and adhere to ceilings regrading new non-concessional public and publicly guaranteed borrowing - Develop a well-coordinated programme for debt relief 		
iii. Trade Policy				
	- Liberalised trade regime	<ul style="list-style-type: none"> - Minimise discretionary exemption on customs duties through the strict enforcement of existing legislation - Enforce duty drawback system 		

Annex 3.1a: Sierra Leone: Interim Poverty Reduction Strategy Paper (I-PRSP) - Policy Matrix

Policy Area	Objectives	Strategies and Measures	Broad Indicators	2000 Base
			(Indicators for Transitional Period would continue to be monitored in the medium term)	Level
B. Private Sector Development				
Transitional Period (Ongoing - 2002)	- Enhanced capacity of returning population to restart microenterprises	<ul style="list-style-type: none"> - Improve access to microfinancing and basic management skills - Provide business development services to microenterprises - Re-establish and expand growth centres for skills development 	<ul style="list-style-type: none"> - Opportunity for Advancement (Popular Benchmark) - Annual volume of bank deposits (Million of Leones) 	1.8 (Max. 4 on Smiley Scale) 181734
Medium-Term (2003 - 2005)	<ul style="list-style-type: none"> - Improved livelihood for micro-entrepreneurs - Improved efficiency of small and medium-scale enterprises - Improved incentive structure for SMEs 	<ul style="list-style-type: none"> - Encourage linkages between informal and formal sectors - Develop and implement a pro-SME policy framework - Minimize legal and administrative bottlenecks for SMEs - Implement a new Investment code with incentives for SME 	<ul style="list-style-type: none"> - Volume of micro-credit accessed by microenterprises 	
C. Economic Sectors				
C1. Agriculture				
Transitional Period (Ongoing - 2002)	- Improved livelihood of the farming and fishing population of refugees, IDPs and rural host communities	<ul style="list-style-type: none"> - Assist returned refugees and IDPs with basic improved inputs, food-for-work and technical advice/extension services - Rehabilitate rural extension facilities - Encourage community reforestation and fuelwood lots - Sensitise communities on sustainable forestry management - Rehabilitate partially developed inland valley swamps - Encourage the timely production of reliable agricultural statistics 	<ul style="list-style-type: none"> - Food Security (Popular Benchmark) - Total volume of food aid (in daily adult food equivalents) - Food consumer price index - % of returning refugees & IDPs provided with farming inputs - Forest acreage replanted (in hectare) - Crop acreage under developed IVS (% of total crop acreage under IVS) 	1.9 (Max. 4 on Smiley Scale) 4000 800
	- Improved participation of NGOs and CBOs in agricultural service and input delivery	<ul style="list-style-type: none"> - Review role of Government, NGO and CBOs in agriculture - Strengthen farming-related CBOs 		
Medium-Term (2003 - 2005)	<ul style="list-style-type: none"> - Improved food security - Increased food output 	<ul style="list-style-type: none"> - Improve rural infrastructure: feeder roads and market facilities - Facilitate farming population's, especially women and youths' access to basic productive resources (credit, land, technical advice) 	<ul style="list-style-type: none"> - No. of farming and fishing population graduating from humanitarian relief - % national food requirement produced locally - Volume of imported rice (tons) 	0
	- Improved rural livelihood and reduced community malnutrition	<ul style="list-style-type: none"> - Assist with production of seeds - Promote vegetable production and crop diversification - Restock small ruminants and short cycle animals including poultry and rabbits - Implement pro-women and -youth land, credit and technical advice policies - Diversify sources of productive resources - Strengthen household food security information and early warning system - Improve access to extension services and business skills - Improve supply of improved seeds, tools, fertilizers and low cost post-harvest technologies 	<ul style="list-style-type: none"> - Intake of energy food (% of recommended Kg) - Intake of protein (% of recommended Kg) - Food parity price index - Farmgate price index for a basket of agricultural products produced by small-scale farmers - Average rice yield (Kg/ha) - Agricultural export (Million of Leones) 	1.17 996
	- Improved private sector, NGO and CBO participation in the delivery of basic agricultural inputs and services	<ul style="list-style-type: none"> - Provide appropriate NGO and CBO policy framework - Focus government's role on policy formulation, coordination, and monitoring 		

Annex 3.1a: Sierra Leone: Interim Poverty Reduction Strategy Paper (I-PRSP) - Policy Matrix

Policy Area	Objectives	Strategies and Measures	Broad Indicators	2000 Base
C2. Land tenure policy Medium-Term (2003-2005)	- Improved and equitable access to land for productive activities	<ul style="list-style-type: none"> - Review the agricultural land tenure system - Craft a new agricultural land tenure policy - Establish an efficient land management information system 	(Indicators for Transitional Period would continue to be monitored in the medium term) - % women accessing agricultural land	Level
C3. Infrastructure Transitional Period (Ongoing - 2002)	- Improved land and sea access to markets and services	<ul style="list-style-type: none"> - Rehabilitate major trunk roads - Construct some permanent bridges - Rehabilitate key coastal/river landing/jetties - Promote community rehabilitation and maintenance of feeder roads and bridges - Sensitize communities on the rationale for sustained road maintenance - Promote use of non-motorized transport - Undertake road safety campaigns - Strengthen regulatory framework - Implement SLRA and RTA reforms 	<ul style="list-style-type: none"> - No. of villages accessible by motorable feeder road - Transport sector services consumer price index - Cumulative length of feeder roads rehabilitated (Km) 	510
Medium-Term (2003 - 2005)	- Improved access to market centers	<ul style="list-style-type: none"> - Continue to rehabilitate and maintain trunk and feeder roads, and bridges - Construct and maintain new roads - Promote private sector and community participation in road construction and maintenance - Continue to enforce SLRA and RTA functions - Strengthen regulatory framework 		
- Efficiently managed road fund - Efficiently functioning SLRA and RTA	- Efficiently managed road fund - Efficiently functioning SLRA and RTA	<ul style="list-style-type: none"> - Promote use of non-motorized transport - Undertake road safety campaigns - Strengthen regulatory framework - Implement SLRA and RTA reforms 		
- Low cost transportation for urban workers	- Low cost transportation for urban workers	<ul style="list-style-type: none"> - Strengthen regulatory framework 		
C4. Mining Sector Transition Period (Ongoing-2002)	- Improved livelihood of the artisanal population of refugees and IDPS	<ul style="list-style-type: none"> - Organise miners into cooperatives - Enforce the current mining policies 	<ul style="list-style-type: none"> - Value of official diamond exports (LE M) - Number of licensed artisanal mining 	20000 700
Medium-Term (2003-2005)	- Improved livelihood of small-scale entrepreneurs in the vicinity of mining centres	<ul style="list-style-type: none"> - Encourage small-scale economic activities to service key mining centres within the context of an integrated internal mining economy - Encourage local and foreign investment in mining and in community infrastructure - Encourage the rehabilitation of depleted alluvial mining areas 	<ul style="list-style-type: none"> - Opportunity for Advancement in mining areas (Popular Benchmark) - Acreage of depleted areas rehabilitated 	
C5. Tourism Development Medium-Term (2003-2005)	- Improved livelihood of small-scale holders in tourist areas	<ul style="list-style-type: none"> - Review the 1982 Tourism Master Plan and the 1990 Tourism Development Act - Rehabilitate tourist sites - Diversify tourism activities - Undertake tourist promotion campaigns - Facilitate access to credit plus of small-scale entrepreneurs in tourist districts 	<ul style="list-style-type: none"> - Opportunity for Advancement in tourist areas (Popular Benchmark) - Number of functioning tourist sites - - Number of enterprises established 	

Annex 3.1a: Sierra Leone: Interim Poverty Reduction Strategy Paper (I-PRSP) - Policy Matrix

Policy Area	Objectives	Strategies and Measures	Broad Indicators <small>(Indicators for Transitional Period would continue to be monitored in the medium term)</small>	2000 Base Level
III. Social Programmes and Sector Development				
A. Education				
Transitional Period (Ongoing - 2002)	<ul style="list-style-type: none"> - Increased school enrollment from 45% in 2000 to 55% in 2002 - Increased student retention - Improved quality of basic education 	<ul style="list-style-type: none"> - Introduce universal free primary education - Expand free school nutrition and medical programmes - Raise community awareness for educating the girl child - Equip schools with teaching and learning materials - Provide basic textbooks to schools - Supply science and recreational equipment to schools - Provide school bus transport service - Initiate supply of teaching and learning materials to training colleges - Initiate rehabilitation of school infrastructure and facilities 	<ul style="list-style-type: none"> - Opportunity for Advancement (Popular Benchmark) - Gross primary school enrollment rate (%) - Education expenditure in rural areas (% of GDP) - Pass rate at national Basic Certificate Examination - Retention rate - % of girls enrolled in primary schools - Number of schools rehabilitated and reconstructed - No. of trained and qualified teachers - Student learning achievement - % Literacy rate - % of youths successfully trained and employed 	<ul style="list-style-type: none"> 1.8 (Max. 4 on Smiley Scale) 42 70 40 312 11993 30
Medium-Term (2003 - 2005)	<ul style="list-style-type: none"> - Increased access to quality basic education - Increased access of handicaps to quality basic education - Increased quality of primary and secondary education - Increased adult literacy rate from 25% in 2003 to 40% in 2005 - Improved employability of college graduates 	<ul style="list-style-type: none"> - Introduce compulsory and universal free primary schooling to basic education - Complete rehabilitation of school infrastructure and facilities - Provide educational institutions with facilities and equipment for pupils/students with special needs - Increase number of trained and qualified teachers - Rehabilitate and expand teacher colleges and schools - Provide teaching and learning materials to training colleges - Strengthen monitoring and supervision of school curriculum - Reintroduce district town libraries - Establish adult training centers - Provide more teachers in adult education - Upgrade technical and vocational institutes - Review school and college curriculum - Introduce on-the-job-training programmes - Promote education-employment research oriented development 	<ul style="list-style-type: none"> - % School completion rate - Pupil teacher ratio - % Adult illiteracy rate 	<ul style="list-style-type: none"> 36:1 32

Annex 3.1a: Sierra Leone: Interim Poverty Reduction Strategy Paper (I-PRSP) - Policy Matrix

Policy Area	Objectives	Strategies and Measures	Broad Indicators	2000 Base
			(Indicators for Transitional Period would continue to be monitored in the medium term)	Level
B. Health and nutrition, Water and Sanitation				
Transitional Period (Ongoing - 2002)	<ul style="list-style-type: none"> - Reduced maternal and infant mortality - Reduced prevalence of STD/HIV/AIDS malaria, laser fever and others - Reduced incidence of water borne diseases - Improved supply of safe drinking water - Improved rural and urban sanitation 	<ul style="list-style-type: none"> - Improve health care service delivery mechanisms - Implement the expanded programme of immunization (EPI) - Promote the use of treated mosquito bednets - Strengthen drug cost-recovery system - Expand institutional feeding of under-fives and infants - Retrain health service delivery personnel - Expand health coverage of the more vulnerable groups - Rehabilitate/reconstruct Peripheral Health Units - Intensify community awareness of reproductive health and family planning issues - Provide health care services for HIV/AIDS, STDs, reproductive health and family planning activities - Conduct information, education & communication (IEC) campaigns - Assist the rehabilitation/construction of protected low cost water supply systems and ventilated improved pit (VIP) laterines - Chlorinate water sources - Improve community awareness of sanitation issues 	<ul style="list-style-type: none"> - Family Health (Popular Benchmark) - Child immunisation rate (%) - Infant mortality rate (per 1000) - Life expectancy at birth (years) - Crude death rate - Crude birth rate (%) - Population growth rate (%) - Morbidity rate - HIV/AIDS awareness rate (% of women) - Malaria incidence rate - No. of PHUs reconstructed and equipped - Health expenditure in rural areas (% of GDP) - Under five malnutrition rate (%) - Incidence of water-borne diseases - No. of insecticide impregnated bednets in use - % of population with access to safe water supply 	<ul style="list-style-type: none"> 2.0 (Max. 4 on Smiley Scale) 33 170 43 47 12.7 27 18482 54
Medium-Term (2003 - 2005)	<ul style="list-style-type: none"> - Increased access of the population to Primary Health Care services - Increased access to secondary and tertiary health care services - Reduced spread of STDs/HIVs/AIDs - Improved access to potable water supply 	<ul style="list-style-type: none"> - Strengthen and expand existing MCH, reproductive health/family planning activities - Strengthen service delivery mechanisms - Continue to equip and staff secondary and tertiary health institutions - Ensure the supply of affordable AIDS drugs - Intensify the promotion of the use of STD/HIV/AIDS preventive measures - Assist the construction and maintenance of low cost potable water supply systems - Intensify environmental sanitation 	<ul style="list-style-type: none"> - Population-doctor ratio - Population-hospital beds ratio - % of people with access to potable water supply 	
C. Housing and Resettlement				
Transitional Period (Ongoing-2002)	<ul style="list-style-type: none"> - Regenerated communities - Improved supply of community basic services - Increased access to affordable shelter 	<ul style="list-style-type: none"> - Facilitate the return and resettlement of refugees and IDPs - Support rehabilitation of community facilities - Rehabilitate and construct affordable shelter 	<ul style="list-style-type: none"> - No. of registered IDPs - No of refugees and IDPs resettled - No. of returned persons housed - No of community facilities reconstructed with assistance - No. of housing units constructed with assistance 	<ul style="list-style-type: none"> 250000 0
Medium Term 2003-2005	<ul style="list-style-type: none"> - Improved supply of low-cost housing units 	<ul style="list-style-type: none"> - Encourage private sector development of affordable shelter 	<ul style="list-style-type: none"> - Occupancy rate 	

Annex 3.1a: Sierra Leone: Interim Poverty Reduction Strategy Paper (I-PRSP) - Policy Matrix

Policy Area	Objectives	Strategies and Measures	Broad Indicators <small>(Indicators for Transitional Period would continue to be monitored in the medium term)</small>	2000 Base Level
D. Social Safety Net, Vulnerable groups' special needs and Gender equality				
Transitional Period (Ongoing - 2002)	- Improved cushion for the poor and vulnerable	<ul style="list-style-type: none"> - Provide support to the homes of deserted/orphaned children, disabled, elderly and drug addicts - Reintegrate street children into communities and families - Provide children counselling - Enforce parental duties and responsibilities - Rehabilitate and support remand and approved/reform schools - Provide microcredit facilities for the poor and vulnerable 	<ul style="list-style-type: none"> - No. of children assisted - No. of disabled assisted - Juvenile crime rate - % of disabled in schools and vocational centres - % of children in remand and reform schools - No. of elderly assisted 	
Medium-Term (2003 - 2005)	<ul style="list-style-type: none"> - Improved economic and social security - Increased gender awareness 	<ul style="list-style-type: none"> - Provide social action programmes - Encourage employment of people with special needs - Initiate social security/pension schemes - Undertake gender mainstreaming of public, government departments and NGOs 	<ul style="list-style-type: none"> - No. of drug addicts assisted - % of people employed with special needs - % of women holding senior public and political positions 	

Annex 3.1b: Sierra Leone: Key Monitoring Indicators and Targets in Transitional Period (2000-2002)

INDICATOR	DEFINITION	Dec. 2000 (Est)	TARGETS		REPORTING	SOURCE OF INFORMATION
			Dec.2001	Dec. 2002		
1.0 National Security and Good Governance						
1.1 Security						
Number of ex-combatants	Cumulative head count of combatants disarmed and demobilised.	26,699	45,000	---	quarterly	NCCDR
Number of ex-combatants reintegrated into civilian life	Cumulative head count of ex-combatants reintegrated into civilian life	12,909	45,000	----	quarterly	do
Number of persons resettled	Cumulative head count of internally displaced persons and refugees resettled (civilians)	0	47,948	250000	quarterly	Office for the Co-ordination of Humanitarian Affairs and NCRRR
Estimated number of registered IDPs in camps	Estimates of officially registered IDPs	250,000	100,000	20000	monthly	do
1.2 Governance						
Percentage of chiefdoms under government control	Percentage of chiefdoms declared safe and under government control	48	100	100	quarterly	Governance Reform Secretariat
Number of districts with elected councils	Cumulative number of districts with elected councils	0	0	12	annual	Electoral Commission
Service delivery scorecard	Key household and community indicators for monitoring progress in service delivery	Done	To be done	To be done	semi-annual and annual	Budget tracking and service delivery surveys and expenditure reviews
2. Relaunching the Economy						
a. Macroeconomic Management						
Gross domestic product (GDP) growth rate (%)	Annual percentage change of the GDP	3.8	5.0	6.0	annual	Central Statistics Office
Annual inflation rate (%)	Percentage change of the consumer price index on an annual basis	-0.9	8	5.0	monthly	do
Domestic revenue (% of GDP)	Total domestic revenue , excluding grants, as a percentage of GDP	11.7	12.3	NA	monthly and quarterly	Ministry of Finance
Social Sector spending (% of non-interest, non-salary recurrent expenditures)	Percentage of recurrent spending on the social sectors	29.8	34.7	NA	quarterly and annual	do
Gross international reserves (in months of imports)	Official reserves measured in months of imports	1.5	2.0	2	monthly and annual	Bank of Sierra Leone
b. Economic sectors						
2.1 Agriculture						
Paddy Rice production (' 000s of metric tons per hectare)	Annual domestic production of rice	198,139	449,005	528,676	annual	Ministry of Agriculture, Forestry and Marine Resources
Rice yield (metric tons per hectare)	Average rice production per hectare (Mt/metric tons)	1.08	1.15	1.17	annual	do
Number of IVS developed (hectares)	Number of inland valley swamps developed and rehabilitated	200	400	600	semi- annual	do
2.2 Mining						
Number of artisanal miners (Number)	Number of registered artisanal mining groups	700	1000	1500	Annual	Ministry of Mineral Resources

Annex 3.1b: Sierra Leone: Key Monitoring Indicators and Targets in Transitional Period (2000-2002)

INDICATOR	DEFINITION	TARGETS			REPORTING	SOURCE OF INFORMATION
		Dec. 2000 (Est)	Dec.2001	Dec. 2002		
2.3 Infrastructure Transport Sector Kilometre of functioning feeder roads	Cummulative length of km of feeder roads rehabilitated	510	910	4074	annual	Transport Sector Project, Ministry of Transport & Communications
3. Social Sectors 3.1 Education						
Female enrollment rate (%)	Number of girls enrolled in primary schools as a percentage of the number of children in the age cohort for that level of education	40*	47	58	annual	Ministry of Education
Gross enrollment rate (%)	Number of boys and girls enrolled in primary schools as a percentage of the number of children in the age cohort for that level of education	42*	49	59	annual	do
Trained and qualified teachers	Number of trained and qualified teachers in primary schools	11993	11993	12332	annual	do
Number of educational institutions rehabilitated & reconstructed	Number of educational institutions rehabilitated and reconstructed	312	363	435	annual	Ministry of Education & NCRRR
Student learning achievement (NPSE)	Percentage number of passes at NPSE	70	71	73	annual	West African Examinations Council
3.2. Health, Nutrition, Water and Sanitation						
Child immunisation rate	Rate of vaccination coverage of children under one year of age for dominant diseases	33	65	70	annual	Ministry of Health & Sanitation and UNICEF
Number of Primary Health Units (PHU) rehabilitated and functional	Number of rehabilitated and functional primary health units	43	48	61	annual	do
Prevalence of under five malnutrition (%)	Percentage of under weight children under age five	27	22	17	annual	do
Number of insecticide impregnated bed-nets in use	Official number of treated bed-nets in use by pregnant women and children	18,482	20,000	50000	annual	do
Awareness rate of HIV/AIDS (%)	Percentage of women of aged 15-49 who have sufficient knowledge of HIV/AIDS transmission	13	15	20	annual	do
Access to safe water	Households with access to safe water					Sierra Leone Water Company (SLWACO)
- Overall	Overall number of urban and rural households with access to safe water	54	60	63	annual	do
- Rural	Number of rural households with access to safe water	46	NA	NA	annual	do
Number of new water wells constructed in rural areas	Total number of new water wells constructed nationwide per year by SLWACO	75	75	130	annual	do
Number of VIP latrines constructed in rural areas	Total number of VIP latrines constructed nationwide per year by SLWACO	600	310	450	annual	do
Access to sanitary toilet facilities	Number per 100 of the population who have access to safe excreta disposal methods:					
- Overall	- Nationwide	63	68	70	annual	do
- Rural	- Rural	49	49	49	annual	do

* - The indicator 's level was obtained from the Multiple Indicator Cluster Survey-2

NA - Not Available

Annex 3.2 Sierra Leone: Selected Economic and Financial Indicators, 1996-2004

	1996	1997	1998	1999	2000	2001	2002	2003	2004
			Act.	Act.	Act.	Proj	Proj	Proj	Proj
Annual percentage change, unless otherwise indicated									
Income and expenditure									
Real GDP	5.0	-17.6	-0.8	-8.1	3.8	5.0	6.0	7.0	7.0
GDP deflator	26.3	16.8	27.0	25.0	6.1	8.0	5.0	5.0	5.4
Nominal GDP	32.6	-3.8	26.0	14.9	10.2	13.4	11.3	12.3	12.7
Consumer prices (end of period)	6.4	66.9	-5.7	36.7	-2.7	8.0	5.0	5.0	5.0
Consumer prices (annual average)	23.1	14.9	35.5	34.1	-0.9	8.0	5.0	5.0	5.0
Money and credit									
Broad money									
(including foreign currency deposits)	28.3	47.1	11.3	40.8	9.7	15.9	11.0	16.9	13.0
(excluding foreign currency deposits)	17.8	55.9	4.3	47.5	7.7	11.4	14.1	14.9	12.3
Velocity (level, excl. foreign currency deposits)		7.4	8.9	6.9	7.1	7.2	7.1	6.9	6.9
Velocity (level, incl. foreign currency deposits)	10.1	6.6	7.5	6.1	6.1	6.0	6.0	5.8	5.7
Domestic credit 1/	39.4	57.5	17.6	56.2	-11.6	10.7	5.4	1.8	-4.4
Government 1/	33.2	50.9	16.7	58.8	-13.3	9.5	3.7	0.0	-6.1
Private sector 1/	6.2	6.2	1.2	-2.6	1.5	1.4	1.7	1.8	1.7
(annual percentage change)	22.8	24.6	5.8	-12.6	12.1	10.7	13.5	13.9	14.3
Reserve money	17.7	109.0	-20.4	39.0	10.9	15.1	10.9	16.4	12.4
Interest rate 2/	20	8.8	34.4	34.7	20.0	15.0	15.0	14.0	13.0
External sector									
Exports (U.S.dollars)	3.2	-16.0	-26.2	-5.7	22.3	9.5	27.6	33.4	40.1
Imports (U.S.dollars)	53.7	-56.1	4.9	-19.9	100.4	49.3	37.4	-8.0	0.3
Terms of trade (-deterioration)	-3.2	-0.5	5.0	-4.9	-3.3	0.9	1.8	1.8	1.1
Real effective exchange rate (-depreciation)	1.0	24.3	-27.7	2.1	32.1
(In percent of GDP)									
Consumption	103.7	104.3	101.9	105.7	108.1	103.0	106.3	100.1	93.5
Government	10.9	9.0	8.9	11.5	16.7	16.2	15.8	15.4	15.2
Private	92.8	95.3	93.0	94.3	91.4	86.8	90.5	84.7	78.3
Gross investment	11.0	-2.4	5.3	0.3	8.0	21.0	24.5	21.0	20.0
Government	3.3	1.5	4.9	2.4	6.3	15.0	15.6	14.4	13.3
Private	7.7	-3.9	0.4	-2.1	1.7	6.0	8.9	6.6	6.7
Gross national saving	0.2	-3.4	-1.0	-2.5	-1.8	9.9	7.7	10.1	15.4
Gross domestic saving	-3.7	-4.3	-1.9	-5.7	-9.2	-3.0	-6.3	-0.1	6.5
Government	-0.8	-3.6	-1.6	-4.4	-2.9	-4.0	-3.1	-2.2	-1.0
Private	-2.9	-0.7	-0.3	-1.3	-6.3	1.0	-3.2	2.1	7.5
Current account balance, including official transfers	-10.8	-1.0	-6.3	-2.8	-9.8	-11.1	-16.8	-10.9	-4.6
Current account balance, excluding official transfers	-17.2	-3.2	-9.1	-8.0	-18.1	-25.8	-32.9	-23.9	-16.8
Goods and nonfactor services (net)	-14.7	-1.9	-7.2	-6.0	-16.1	-24.0	-30.8	-21.1	-13.5
Unrequited private transfers and factor services (net)	-2.5	-1.3	-1.9	-2.0	-2.0	-1.8	-2.1	-2.8	-3.3
Overall balance of payments	-2.9	-3.6	-7.1	-5.7	0.4	1.6	1.0	2.6	1.0
Government revenue 3/	10.1	5.4	7.3	7.1	11.4	12.3	12.7	13.2	14.2
Total expenditure and net lending 3/	16.9	13.0	20.1	22.0	28.7	40.5	38.7	34.3	32.5
Of which: current expenditure 3/	13.6	11.5	15.2	19.5	22.7	25.1	23.0	19.9	19.1
Overall fiscal deficit 3/									
(commitment basis, excluding grants)	-6.8	-7.5	-12.8	-14.9	-17.3	-28.2	-26.0	-21.1	-18.3
(commitment basis, including grants)	-5.1	-7.0	-10.4	-9.5	-9.3	-13.8	-9.8	-8.1	-6.1
Domestic primary fiscal balance 3/ 4/	-1.6	-4.1	-3.8	-5.5	-5.5	-6.1	-5.0	-4.1	-3.0
Domestic financing 3/	2.7	4.3	4.0	7.4	0.1	1.4	0.6	0.0	-0.5
External debt 5/	118.5	134.6	175.7	178.2	188.0	167.4	146.7	125.9	106.4
(In percent of exports of goods and nonfactor services)									
Debt service due 6/	38.3	30.7	47.8	58.3	47.8	77.0	53.0	51.9	40.8
External interest due 6/	12.7	8.7	15.7	18.0	12.8	18.7	12.0	11.3	8.3
(In millions of U.S. dollars, unless otherwise indicated)									
Memorandum items:									
External current account balance, excluding official transfers	-161.6	-27.5	-60.8	-53.0	-115.0	-192.9	-265.0	-210.3	-161.5
Gross international reserves	26.8	38.5	43.5	38.3	49.6	57.6	69.0	79.0	90.0
(in months of imports) 7/	2.2	2.8	3.1	2.0	1.8	1.6	2.0	2.2	2.3
GDP (in billions of Leones)	867.1	834.5	1,051.3	1,207.7	1,330.3	1,507.9	1,678.0	1,885.2	2,125.3
Exchange rate (Leones per U.S. dollars)	920.7	981.9	1,565.4	1,819.3	2,089.3	2,020.0

Source: Sierra Leonean authorities and staff estimates and projections

1/ Changes as a percentage of beginning-of-period money stock (including foreign currency deposits)

2/ Treasury bill rate (end period); for the 2000 revised program, end-June.

3/ Calendar-year data.

4/ Domestic revenue minus total expenditure and net lending, excluding interest payments and externally financed capital expenditure and DDR program.

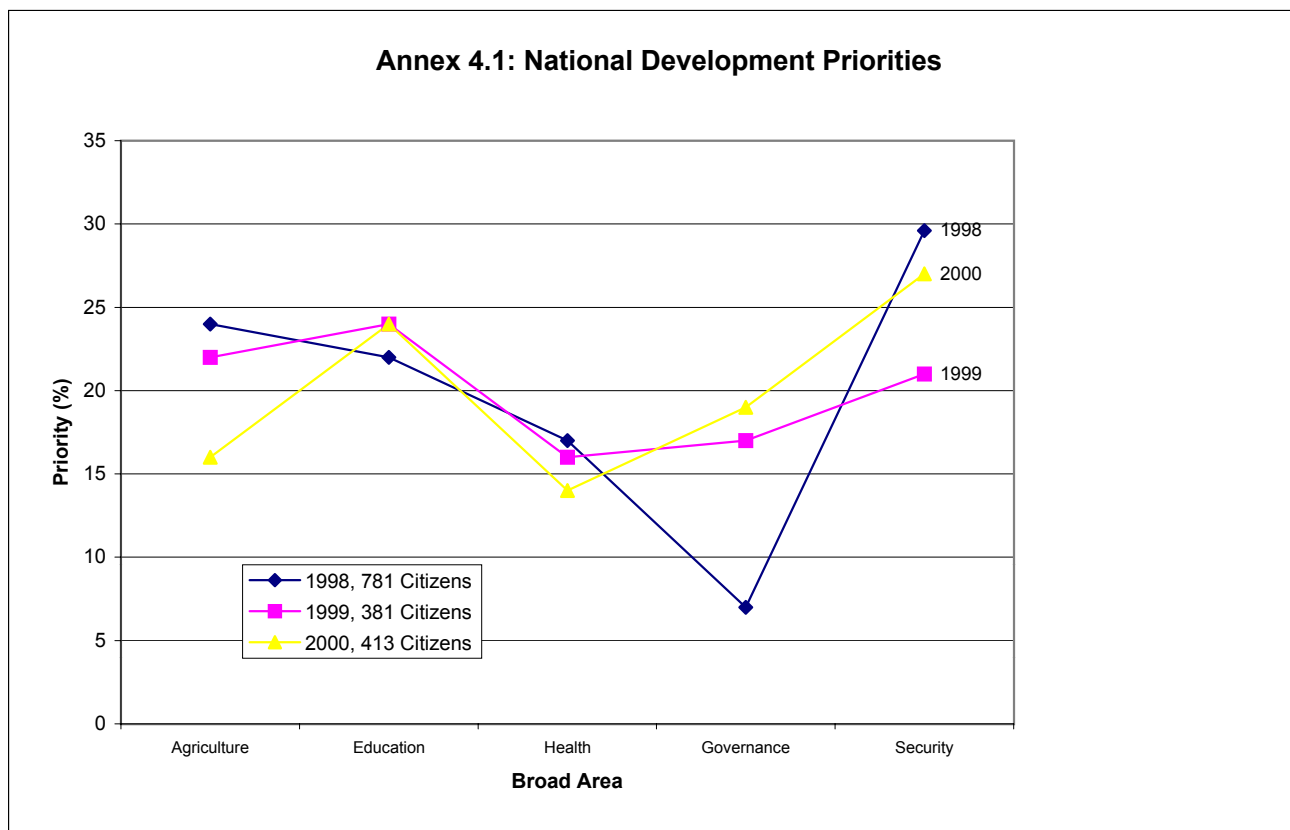
5/ Includes arrears

6/ Before debt relief

7/ In months of imports of goods and services of subsequent year.

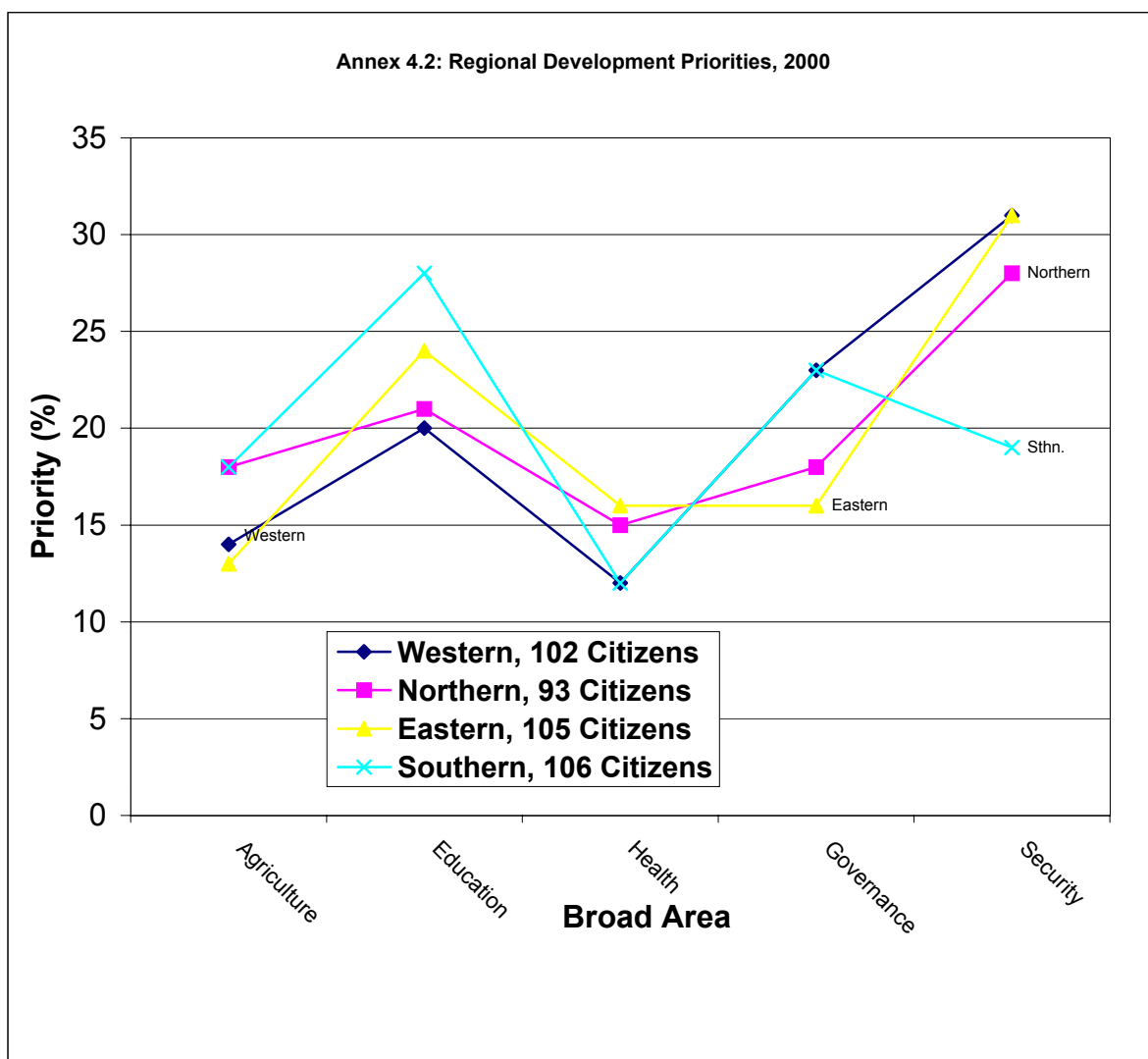
Annex 4.1: SIERRA LEONE NATIONAL DEVELOPMENT PRIORITIES, 1998-2000

Broad Area	Priority (%)		
	1998	1999	2000
Agriculture	24	22	16
Education	22	24	24
Health	17	16	14
Governance	7	17	19
Security	29.6	21	27



Annex 4.2: SIERRA LEONE REGIONAL DEVELOPMENT PRIORITIES, 2000

Broad Area	Priority (%)			
	Western	Northern	Eastern	Southern
Agriculture	14	18	13	18
Education	20	21	24	28
Health	12	15	16	12
Governance	23	18	16	23
Security	31	28	31	19

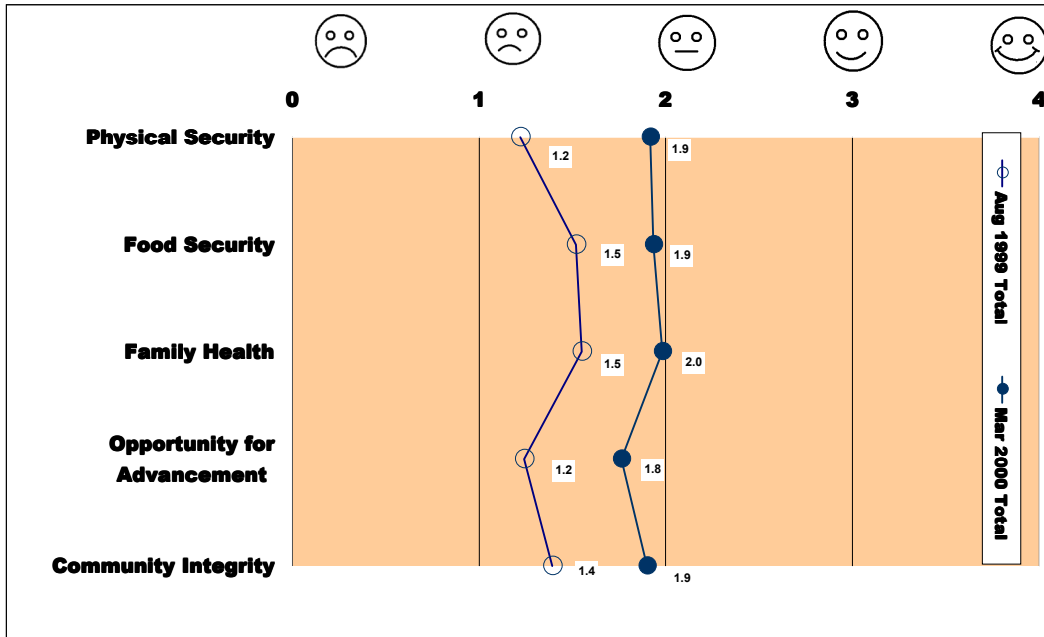


ANNEX 4.3

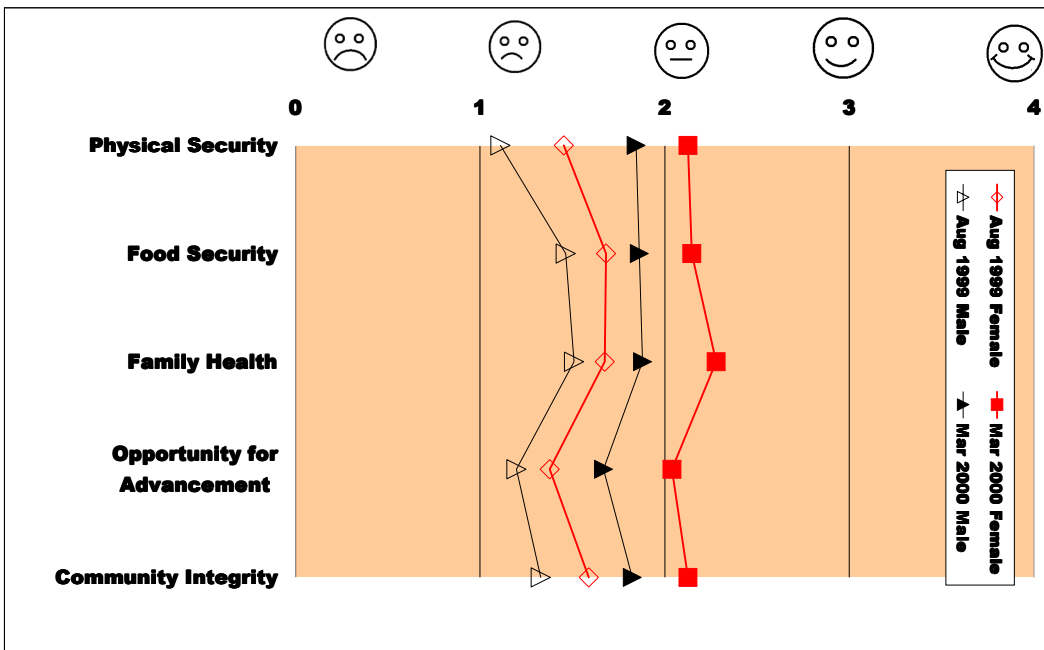
NATIONAL LEVEL SMILEY GAME RESULTS

		1999	2000	Level Shift (units/columns)	% Level Shift (100% = 4)	
No. of Citizens:	412	Physical Security	1.2	1.9	.7	17%
		Food Security	1.5	1.9	.4	10%
Of which, males:	###	Family Health	1.5	2.0	.4	11%
		Opportunity for Advancement	1.2	1.8	.5	13%
Of which, females:	###	Community Integrity	1.2	1.9	.7	17%

AGGREGATE SCORES (All Participants)



GENDER DISAGGREGATED SCORES

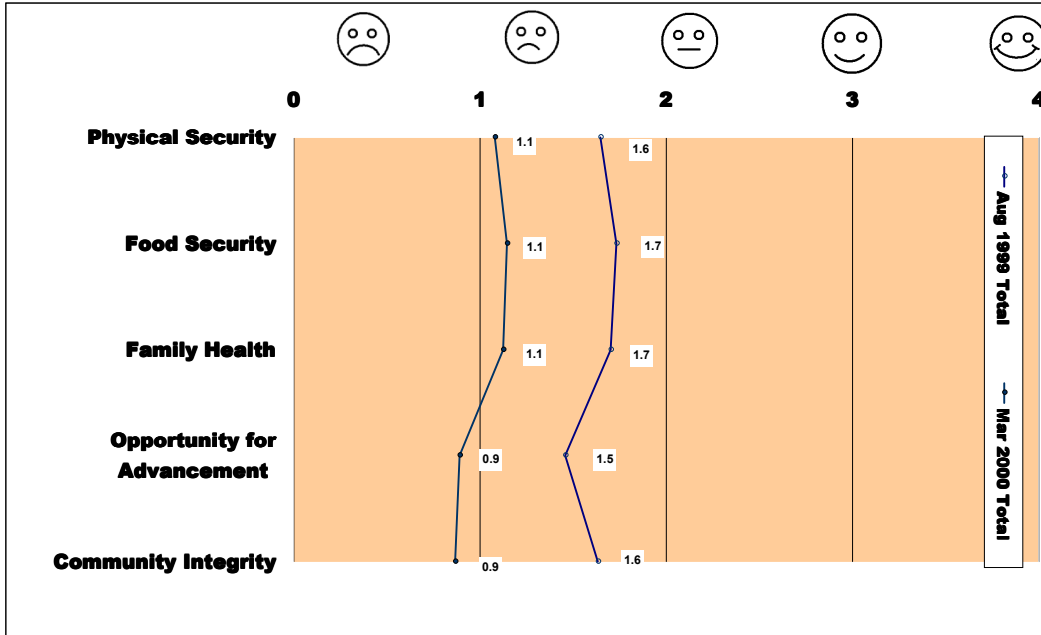


ANNEX 4.4

NORTHERN REGION SMILEY GAME RESULTS

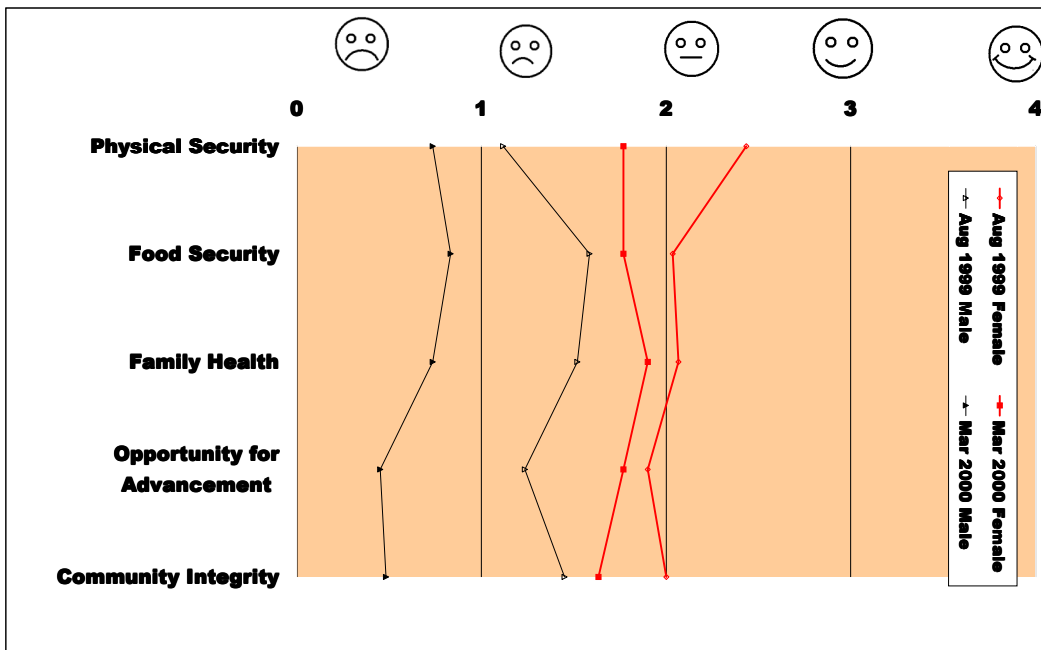
		1999	2000	Level Shift (units/columns)	% Level Shift (100% = 4)	
No. of Citizens:	90	Physical Security	1.6	1.1	-0.6	-14%
		Food Security	1.7	1.1	-0.6	-15%
Of which, males:	60	Family Health	1.7	1.1	-0.6	-14%
		Opportunity for Advanceme	1.5	.9	-0.6	-14%
Of which, females:	30	Community Integrity	1.6	.9	-0.8	-19%

AGGREGATE SCORES (All Participants)



69

GENDER DISAGGREGATED SCORES

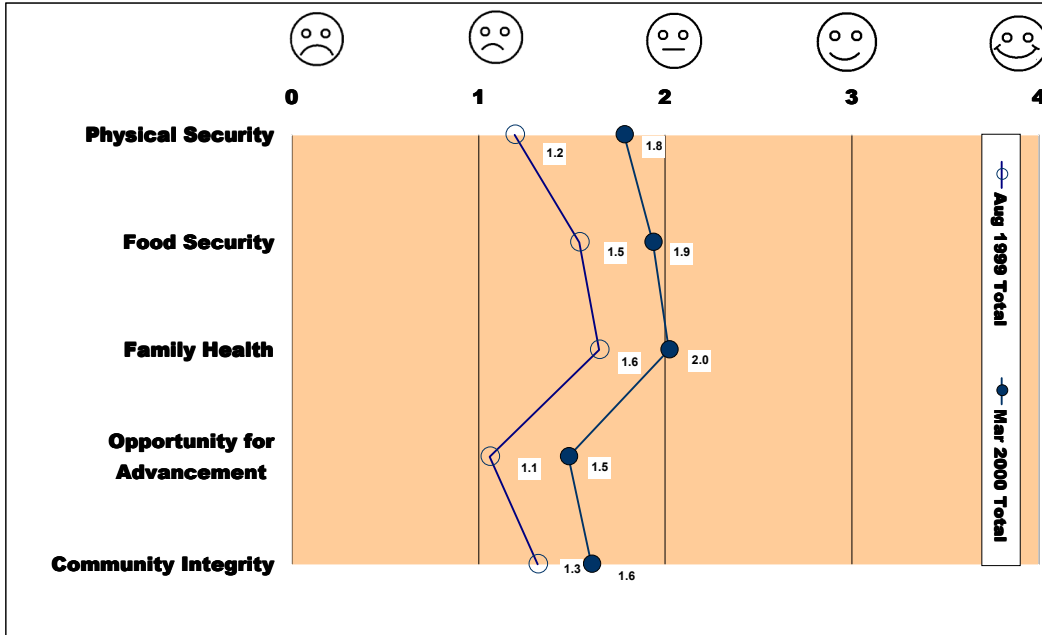


ANNEX 4.5

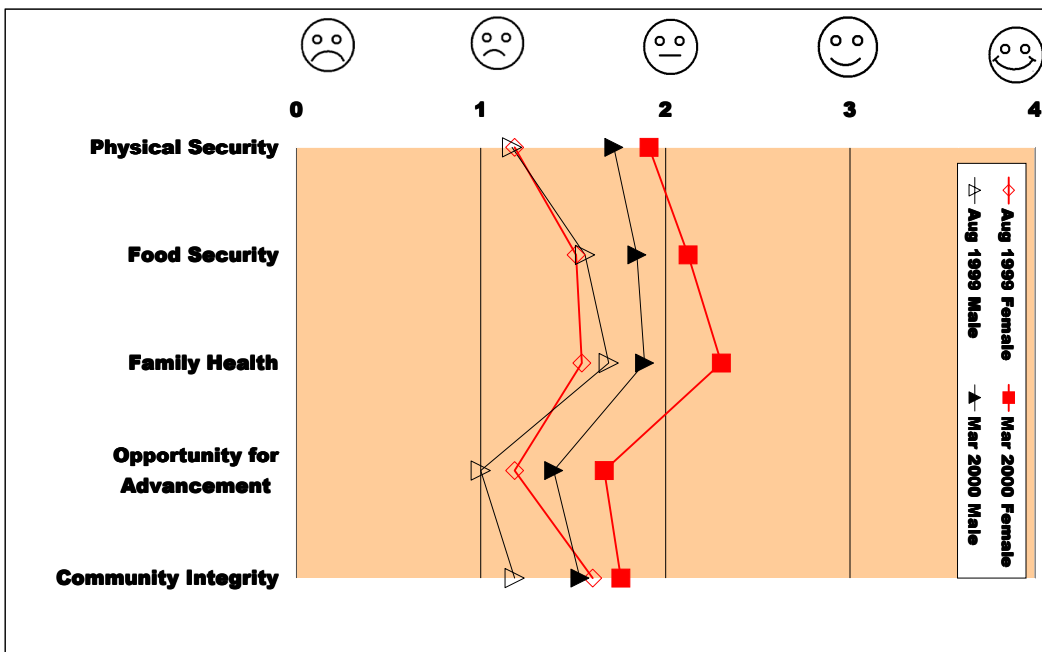
WESTERN AREA SMILEY GAME RESULTS

No. of Citizens:	###		1999	2000	Level Shift (units/columns)	% Level Shift (100% = 4)
		Physical Security	1.2	1.8	.6	15%
		Food Security	1.5	1.9	.4	10%
Of which, males:	71	Family Health	1.6	2.0	.4	9%
		Opportunity for Advancement	1.1	1.5	.4	11%
Of which, females:	33	Community Integrity	1.3	1.6	.3	7%

AGGREGATE SCORES (All Participants)



GENDER DISAGGREGATED SCORES

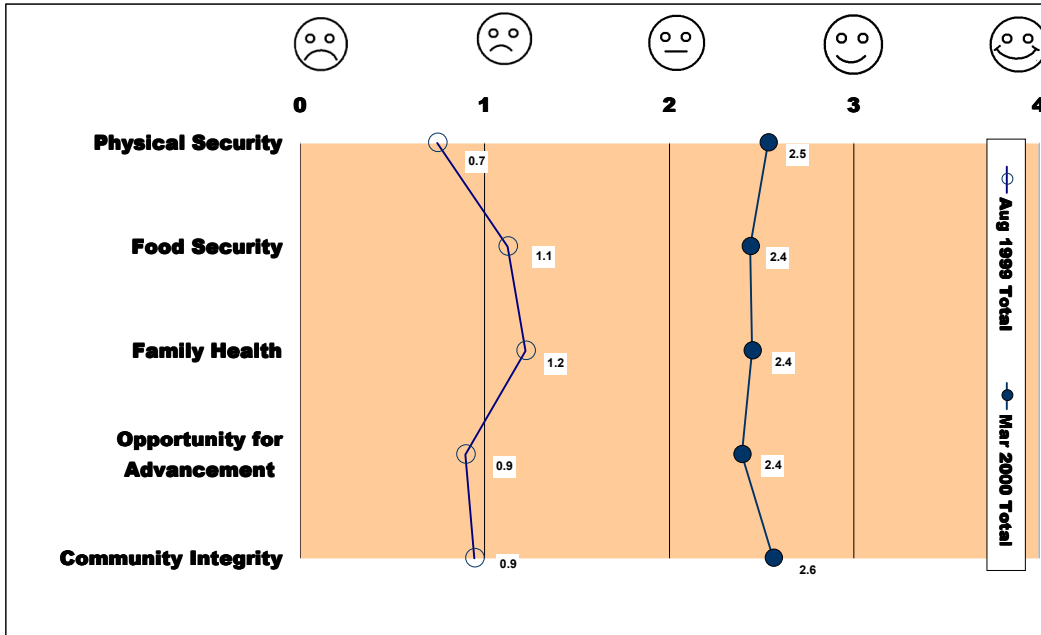


ANNEX 4.6

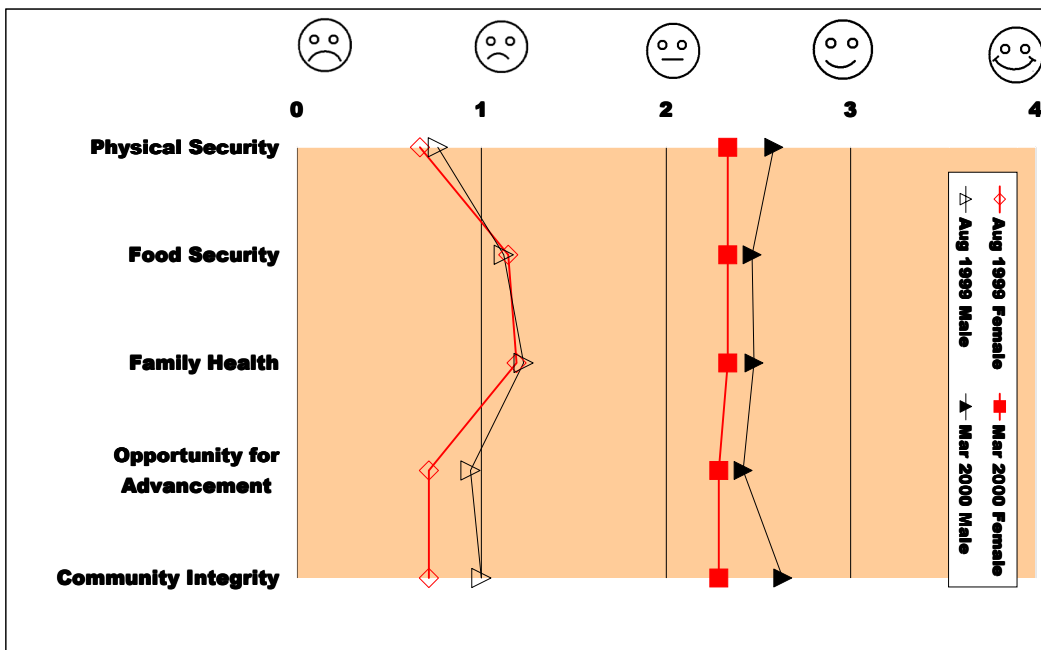
EASTERN REGION SMILEY GAME RESULTS

No. of Citizens:	###		1999	2000	Level Shift (units/columns)	% Level Shift (100% = 4)
		Physical Security	.7	2.5	1.8	45%
		Food Security	1.1	2.4	1.3	33%
Of which, males:	84	Family Health	1.2	2.4	1.2	31%
		Opportunity for Advancement	.9	2.4	1.5	37%
Of which, females:	21	Community Integrity	.9	2.6	1.6	40%

AGGREGATE SCORES (All Participants)



GENDER DISAGGREGATED SCORES

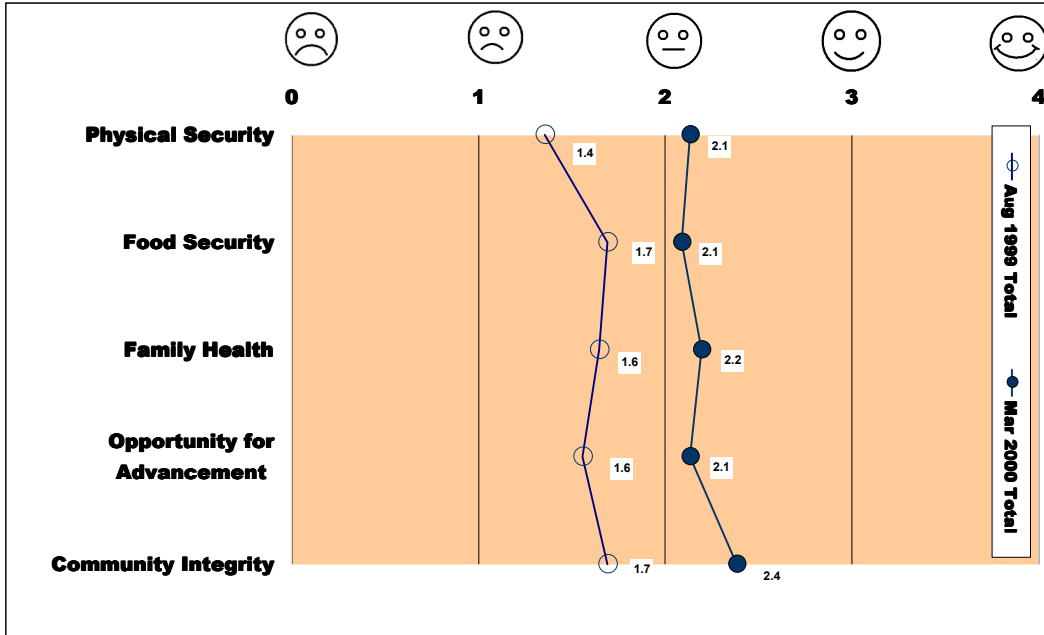


ANNEX 4.7

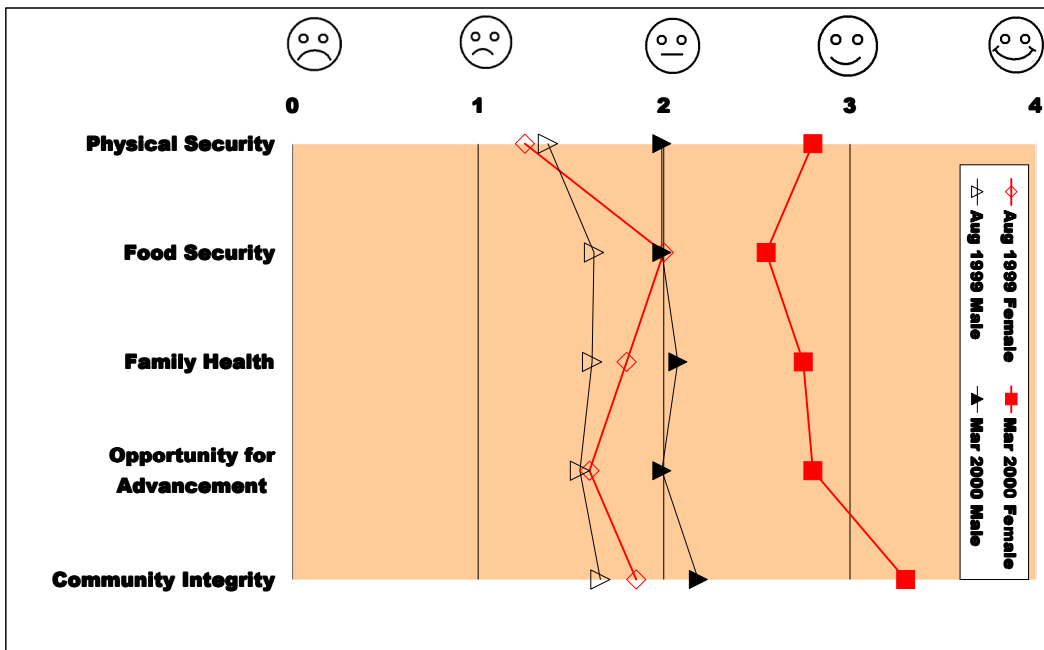
SOUTHERN REGION SMILEY GAME RESULTS

No. of Citizens:	###		1999	2000	Level Shift (units/columns)	% Level Shift (100% = 4)
		Physical Security	1.4	2.1	.8	19%
		Food Security	1.7	2.1	.4	10%
Of which, males:	93	Family Health	1.6	2.2	.5	14%
		Opportunity for Advancement	1.6	2.1	.6	14%
Of which, females:	20	Community Integrity	1.7	2.4	.7	17%

AGGREGATE SCORES (All Participants)



GENDER DISAGGREGATED SCORES



Annex 5.1: Sierra Leone PRSP Preparation Governance Framework

The governance framework for the preparation of the PRSP comprises three key committees (that is, Inter-Ministerial Committee (IMC), Poverty Reduction Steering Committee (PRSC), and Poverty Reduction Working Committees (PRWG)) and a national poverty coordinating office (the Poverty Alleviation Strategy Coordinating Office (PASCO)).

The **Inter-Ministerial Committee (IMC)** approved by cabinet to oversee the process of preparing and monitoring the implementation of the Interim PRSP, defined the overall policy guidelines for the process. It will continue this role for the full PRSP.

Members are:

- Minister of Development and Economic Planning (Chair),
- Minister of Finance,
- Minister of Justice and Attorney-General
- Minister of Health and Sanitation,
- Minister of Agriculture, Forestry and Marine Resources (MAFE),
- Minister of Social Welfare, Gender and Children's Affairs,
- Minister of Education, Youths and Sports
- Minister of Internal Affairs,
- Minister of Energy and Power,
- Minister of Local Government and Rural Development,
- Minister of Presidential Affairs,
- Minister of Labour and Industrial Relations and Social security
- Minister of Transport and Communication
- Minister of Lands, Housing, Country Planning and the Environment
- Commissioner, NCRRR.

The **Poverty Reduction Steering Committee (PRSC)** was established to manage the preparation of the I-PRSP and the full PRSP with the following specific responsibilities:

- Structuring all consultative processes,
- Soliciting funding for the preparatory activities,
- Providing technical backstopping to local consultants and staff from the World Bank/IMF and other donors,
- Preparing regular progress reports on the process for both Cabinet and the Inter-Ministerial Committee, and
- Overseeing the work of all consultants.

The Committee also provides direction, guidance and technical inputs to the process, and sensitises Cabinet and Parliament on the process. It comprises technical/professional heads of key Ministries, Departments and Agencies. These are:

- The Development Secretary (Chair),
- The Financial Secretary,
- The Cabinet Secretary, Cabinet Secretariat
- The Chairman, Parliamentary Oversight Committee on Development,

- The Director-General, Medical Services,
- The Director-General, Education, Youth and Sports
- The Director-General, MAFE,
- The Chief Engineer, Energy and Power,
- The Director, Rural Development and Local Government and,
- The Director-General, Gender and Children's Affairs,
- The Director, Trade and Industry,
- The Permanent Secretary/ Professional Representative, Lands Housing, Country Planning and the Environment,
- The Chief Social Development Officer,
- University of Sierra Leone Representative,
- SLANGO Representative,
- Sierra Leone Labour Congress Representative,
- Head of Governance Secretariat, Ministry of Presidential Affairs
- Executive Secretary, NCRRR, and
- Commissioner of Labour, Ministry of Labour and Industrial Relations

The **Poverty Reduction Working Committees (PRWCs)**, serving as sectoral/thematic focal points will provide support to the PASCO to draft the various sectoral/thematic sections of the PRSP. The PRWCs comprise the following:

- Governance and National Security,
- Macro-economic Policy and Private Sector Development,
- Resettlement, Reconstruction and Reintegration (including transport infrastructure and services, housing, water and energy),
- Agriculture, Natural Resources and Environment, and
- Social Sector Development (including Education, Employment and Youths, and Health).

The **Poverty Alleviation Strategy Coordinating Office (PASCO)** headed by a national Coordinator is located in the Ministry of Development and Economic Planning. It will coordinate the preparation of the PRSP, as well as monitoring the implementation of the PRSP. Serving as a Technical Secretariat to the PRSC, it has the responsibility of:

- Preparing minutes and briefs of all consultations,
- Preparing detailed budgets for all activities and advising the PRSC on possible funding sources,
- Ensuring constant communication with members on the process,
- Preparing background papers (when necessary) for all consultations,
- Facilitating all consultations,
- Monitoring the progress of implementation of all activities, and
- Ensuring synergy with other on-going processes.

The PASCO staff team will include local and international consultants, and support staff.