

REPUBLIC OF SIERRA LEONE - EUROPEAN COMMUNITY

Cooperation EC - Sierra Leone

Joint Annual Report 2002

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Acronyms

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

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

1 Executive Summary

The decade-long civil war having been officially declared over on January 18th, the year 2002 was characterized by a number of events and developments paving the way for sustainable peace, stability and economic progress. In May, the incumbent President was re-elected and the ruling Sierra Leone People's Party won 83 out of 112 seats in Parliament. Disarmament and demobilization of ex-combatants has been completed, their reintegration, as well as the resettlement of returning IDPs, is ongoing, and government authority has been restored throughout the country. With generous external funding, rehabilitation of infrastructure has picked up in Freetown as well as in the provinces. Due to the improved security situation, UNAMSIL as well as the UK Government started scaling down their military presence. In August, donors discussed with the Government of Sierra Leone a broad range of good governance issues. The macro-economic performance remained satisfactory and on track with agreements with IMF and World Bank. During the Consultative Group meeting in Paris in November 2002, Government reiterated its commitments to implement reforms, and on that basis bilateral (DFID, USAID) as well as multilateral (EU, IMF, WB) donors promised continuous support on high levels. In March, Sierra Leone reached the HIPC decision point and started benefiting from debt relief.

However, there is a long way still to go. With the exception of a minor incident in June, the year 2002 saw a steady improvement of the security situation throughout the country. However, an armed attack on a military warehouse at the time of writing this report, and the subsequent arrest of people linked to the 1997/98 military government, indicate some degree of volatility of the internal security situation. In addition, regional stability did not improve and ongoing unrest in neighbouring Liberia as well as a looming crisis in Guinea could spill over into Sierra Leone. Poverty, illiteracy and lack of access to basic social services remains endemic in rural areas, and there is a degree of impatience about the slow improvement in living conditions. Sierra Leone remained at the bottom of the UN Human Development index. The process of developing the full PRSP slowed down significantly. Corruption, lack of transparency in public finance management, a weak judiciary and the lack of a clear and reliable framework for private investment continue to be high on the agenda. Efforts are being made to address the issues, but there is demand for faster implementation of crucial reforms.

In various ways, the EC development cooperation strategy addresses a number of these issues. In 2002, the Special Envoy for the Mano River Union visited the region four times. The Country Strategy Paper drafted in cooperation with the Government during the course of the year focuses on rehabilitation of infrastructure, good governance and institution building. EC involvement on policy level intensified. However, budget support remained on hold due to an unsatisfactory audit on previous budget support; an agreement to overcome the impasse was negotiated at the end of 2002. Disbursements of funds from 6th, 7th and 8th NIPs increased by 20% from € 9,7m in 2001 to € 11,6m in 2002. Total commitments stood at € 57,977m or 88,52% of total allocation from 6th EDF NIP, € 54,196m or 64,83% from 7th EDF NIP and €18,821m or 24,1% from 8th EDF NIP.

2. Policy agenda of Sierra Leone

The national development strategy is laid down in the Interim Poverty Reduction Strategy Paper (I-PRSP, adopted Sept. 2001) and the National Recovery Strategy (NRS), whereas the full Poverty Reduction Strategy Paper, meant to define the medium and long term development objectives, is expected to be adopted in late 2003. The immediate post-conflict or transitional strategy in the I-PRSP focuses on the consolidation of peace and security, the rebuilding of the war-ravaged country, the immediate needs of returnees and the displaced, and on incipient initiatives destined to establish principles of good governance and to re-launch the economy. The 2nd or medium-term phase, covering the period 2003-05, aims at enhancing good governance initiatives, promoting the revival of the economy and improving social service delivery throughout the country. The activities identified as critical for achieving the objectives of the transitional phase received special attention in the 2002 budget, including funds from HIPC debt relief based on a supplementary budget adopted by Parliament in July 2002. The security, rehabilitation, economic recovery, poverty reduction and good governance agendas of the government are supported by, and reflected in agreements with, a number of actors such as EC (CSP), DFID (Poverty Reduction Framework Arrangement), World Bank (Transitional Support Strategy), IMF (Poverty Reduction and Growth Facility), USAID and UNDP. Chaired by Government, World Bank and UNDP, the ongoing process, preliminary results, additional needs and good governance commitments were discussed during the Consultative Group (CG) meeting in Paris in November 2002.

In some areas, achievements have been remarkable. Supported by political continuity on national level – confirmation of the president as well as of the ruling party in the general elections in May - Government authority has been restored over almost all the country, and officials of various Ministries such as Health, Education, Mineral Resources are present in major towns and districts. Most returnees are resettled, and reintegration programs for ex-combatants, which are scheduled to be completed by end-2003 are ongoing. Funded by the international community, rehabilitation of destroyed infrastructure has spread beyond Freetown to all provinces. In line with agreements with the Bretton Woods Institutions, macro-economic policies oriented towards fiscal discipline and based on generous external funding, have managed to increase growth rates (6.6%), reduce inflation (-2,5%), maintain a more or less stable exchange rate (1US\$ = Le2.208 in Dec 02) and rebuild foreign exchange reserves (US\$ 48m). Credible commitments to maintain macro-economic stability and to seriously tackle the abject poverty resulted in the country's access to HIPC debt relief for which the decision point was reached in March. However, the budget continues to rely heavily on external support, the overall deficit excluding grants stood at 17,9% and low domestic revenue depend largely on duties on (mostly donor-funded) imports, which largely outweigh the low exports. The stability of the overall economy continues to depend heavily on external support and intervention.

Although some efforts have been made, the implementation of agreed structural reforms, including the areas of civil service, taxation, privatisation and others, needs to speed up in 2003 in order to consolidate the gains already made. A number of events did occur in the area of good governance. A joint Government/Donors/Civil Society high-level round-table in August allowed for serious discussions on pressing issues such as corruption, public finance management, the judiciary, public sector reform, as well as decentralisation. Government reiterated its commitments in this respect on various occasions, such as the Consultative Group Meeting in Paris in November. For the time being, results however are rather mixed. The Anti-Corruption-Commission still suffers from serious administrative-

political obstacles, only a handful cases have been brought before the courts in 2002 and the most high profile case, the former Transport Minister's illegal possession of diamonds, has been taken out of the ACC's hands. On public finance management, there is growing donor pressure to make substantive changes. In December, Government signed an agreement with the EC on measures to improve efficiency, transparency and accountability of public finance management as a precondition for future budget support. Similar initiatives have been put forward by the World Bank (implementation of CFAA recommendations) as well as by DFID. There are attempts to merge these initiatives in order to speed up the process. With regard to decentralisation, a process to identify the necessary steps and to draft a "local governance and decentralisation" act has started under the chair of the relevant ministry. The first district elections – for which a request for funding will be made to the EU – are scheduled either for late 2003 or early 2004. The judiciary remains a weak element in the institutional set-up of the country, with DFID and UNDP making efforts to re-establish an independent, competent and efficient judicial system. Even without direct project support, the EC Delegation is involved in a number of these governance initiatives as member of steering/advisory committees. A deeper involvement is envisaged under the 9th EDF given that "Good Governance" is one of the Focal Sectors in the Country Strategy Paper.

In addition to the PRSP, GoSL has worked on, and to some extent adopted, strategic policy guidelines for various sectors including health, education, agriculture, transport. In transport, the overall objective is to rehabilitate the transport infrastructure and to transform it into an efficient reliable system with major private sector involvement and government's role limited to that of a regulator. To achieve this, the planning and management capacity of the Sierra Leone Roads Authority needs to be strengthened. The overarching goal for agriculture is to achieve total food security for the population, to rehabilitate coffee and cocoa plantations, to modernize agriculture and reduce food imports. In the social sectors, focus is on the improved access to, and quality of, health and education services, which for now are among the worst in the world.

3. The political, economic and social situation at the end of 2002

3.1 Poverty-related indicators (MDG)

Type	Indicator	2000	2001	2002	2003	2004
Impact	1. Population below €1 per day (%)	n.a.	n.a.	85		
	2. Prevalence of underweight children (under – five)	27,2	27			
	3. Under-five mortality rate (per 000)	262	254	286		
Outcome	1. Net enrolment rate primary education	42	50	59		
	2. primary completion rate	80,7	n.a.			
	3. ratio of girls to boys in					
	- primary education	78	78			
	- secondary education	61,6	62			
	- tertiary education	n.a.	55,6			
	4. births attended by skilled health personnel	41,7	n.a.			
5. full immunization coverage (1yr old)			40			
6. HIV prevalence nationwide (%)	n.a.	n.a.	4,9			
7. population with sustainable access to an improved water source	48	n.a.				

Macro-economic indicators	1. Real annual growth %	3,8	5,4	6,6		
	2. inflation rate %	- 2,8	3,8	- 2,5		
	3. exchange rate US\$ (average year mid)	2,097	1,974	2,158		
	4. reserves foreign exchange (US\$m)	49,6	48,6	85		
	5. budget deficit (incl. grants) %	- 9,7	- 9,5	- 7,4		
	6. total external debt (in US\$m)	1,196	1,400	1,400		
Spending	(non-salary recur. expend. in % of GDP)					
	1. Health	0,6	1,1	2,0	1,8	1,9
	2. Education (as above)	1,6	2,0	2,8	2,4	2,4

Source: UNDP Millenium Goal Monitoring/ UNDAF, based on data from various Ministries, Sierra Leone Statistics, others (year 2002 includes HIPC spending)
2003, 2004: projections

Due to the war and weak institutions, the availability and quality of data are rather limited. More data is presently being collected within the Integrated Household Survey. Based on this, precise objectives as to the improvement of social indicators are going to be fixed as part of the full PRSP process.

The EC interventions target a number of these indicators, namely under the HSSP (Health Sector Support Program/ 8th EDF, ongoing). The RRP program aims at making basic social infrastructure available to rural, formally marginalized, and heavily war-affected communities. This area of intervention continues under the 9th EDF focal sector “Rehabilitation of Priority Infrastructure”.

3.2 The PRSP process

Although the I-PRSP has been adopted in 2001, the role of the document as an interim national development strategy has not sufficiently penetrated the Government and the general public. The process of drafting the full PRSP has so far been less participatory than expected, handled on a more technocratic level, and slowed down considerably in the course of 2002. After the recent recruitment of a new facilitator, the process is expected to speed up and be finalised in 2003. There is however a need to get the political/ministerial level as well as the general public involved more deeply in order to increase ownership and participation and give the process the high profile as a “national development agenda” it is meant to have.

3.3 Main political events in 2002/ security issues

Shortly after the finalisation of the last disarmament agreements between Government and the Revolutionary United Front, the decade-long civil war was officially declared over on January 18th. The first months of 2002 were characterized by resettlement and reintegration activities, deployment of government officials throughout the country, and the preparations of the May 14th Presidential and Parliamentary elections. Although some analysts identified a number of lapses, the elections were generally declared free and fair by a number of election observation teams of which the EU was by far the largest. The elections resulted in the victory of the incumbent President as well as of his ruling party, the Sierra Leone People’s Party, which won 83 of 112 seats in Parliament. Second came the All People’s Congress APC with 27 seats and third the People’s Liberation Party of the former military leader Johnny Paul Koroma with 2 seats – based on an overwhelming support from the

Armed Forces. The request of the party of the former RUF rebels, the RUF-P, to let their former leader Foday Sankoh, imprisoned under charges of murder and others, stand as candidate, was rejected. The party did not win any seats.

In July, the new all-SLPP cabinet was set up. Based on the deployment of 17.500 UN peace-keepers, the training of the “new” army and of the police (“A Force for Good”) by the UK Government, general security improved and remained stable until the end of the year. The British reduced their International Military Advisory and Training Team (IMATT) from 300 to 140, and based on a 3-year-plan, UNAMSIL started scaling down its numbers by 600 (end-2002). However, at the time of writing this report, an armed attack on an army warehouse in Freetown, the subsequent raid of the house of MP Johnny Paul Koroma during which he fled, and the arrest of around 78 people on charges of activities leading to the destabilisation of the country, were a strong signal for the population, government and the international community alike, that the situation remains volatile, and security cannot be taken for granted. The incident might also be linked to the threat perceived by JP Koroma of being indicted by the Special Court.

3.4 Truth and Reconciliation Commission (TRC) and Special Court

During the course of the year, both TRC and Special Court (SC) prepared the terrain and started their operations. The TRC however encountered funding shortages as well as a number of internal/ staffing problems, which considerably delayed the process. After an intervention of the steering body, the Office of the High Commissioner for Human Rights, in late 2002, the process seems to be on track again. About 1400 statements of people affected by the war have been in the meantime collected by trained statement takers. The TRC however has to speed up its work and avoid any further delay in order to stick to the agreed time-frame, which ends at the latest in April 2004. After some preparations on the ground, the Chief Prosecutor (CP) of the Special Court started his work in August 2002 and set up a fully-fledged office, which is moving forward quickly. Together with an outreach team, the CP toured all over the country to inform and sensitize people about the role and mandate of the Court. At the time of writing the report, seven suspects have been indicted and five of them arrested (March 10), among others the Minister of Interior Hinga Norman, Head of the pro-government Civil Defence Force during the war. The former AFRC Junta leader Johnny Paul Koroma and Sam Bockarie, a former RUF strongman, (presently fighting in the Liberian civil war), could not be arrested.

3.5 Regional issues

The sub-region remains a political powder keg with potential spill-overs for Sierra Leone. In Guinea, the various military and ethnic factions prepare for the succession of the sick President Conte who does not seem to be willing to publicly nominate his choice. If serious fighting for power begins, massive displacement of refugees into Sierra Leone cannot be ruled out. In Liberia, the Taylor government has repeatedly come under serious threat from the LURD rebel forces. In addition, his Government is seriously weakened by UN sanctions. Reports claim that Liberian soldiers are regularly carrying out cross-border raids into Sierra-Leonean villages. General elections are scheduled for late 2003, but no credible opposition remains in the country. Ivory Coast is witnessing a full-scale armed rebellion, with rebels controlling up to 50% of the country and the commercial capital Abidjan being the scene of raids, looting and killing of alleged northerners or non-Ivoriens. Regional instabilities have resulted in a set-back of the ongoing processes of regional cooperation

and integration. The establishment of the West African Monetary Zone witnessed another-but most likely not the last – postponement to 2005. ECOWAS are busy with the crisis in Ivory Coast and too weak to tackle more issues. The trade-related regional integration process laid down in the Cotonou Agreement (Economic Partnership Agreement, EPA), is mainly pushed by the European Commission, with the West Africa group beginning to consolidate their views on the issue.

3.6 Human Rights, rule of law, good governance and fight against corruption

A huge number of mainly non-state – including national - actors continue to deal with issues related to human rights. No major deliberate and targeted human rights violations are being reported, however gender based violence is reported to be on the increase in the “modern” as well as in the traditional sector. UNAMSIL has posted a number of human rights officers in all regional capitals to sensitize people and report back to their Headquarters. The press can report more or less freely, but the imprisonment of a well-known journalist for alleged wrongful accusations of corruption and insulting an Appeal Court Judge who also serves as President of the Sierra Leone Football Association, has resulted in internal as well as international protests. Radio stations, including a few private ones, now operate in the main centres of the country and reach almost the whole population. Some grave problems are linked to the administration of justice (e.g. long pre-trial detentions) and to the traditional law practised throughout the country. Traditional law severely disenfranchises women, e.g. in property issues and as witnesses before traditional courts. As for the “modern” judicial system, the long backdated deliberate weakening of the independence of the judiciary and poor working and remuneration conditions of judges creates an environment which requires urgent reform measures. DFID support has resulted in slight improvements in administering justice.

Corruption seems to be very deeply entrenched at all levels of society. In 2001, Government established the Anti-Corruption-Commission with funding from DFID. However, there is widespread perception that the ACC does not deliver the expected results, given that in two years of operations, only eight cases have been heard before the courts. The law provides that the Ministry of Justice takes final decision about whether or not to prosecute a suspect, and according to the ACC, more than 200 files are waiting in the Ministry of Justice to be looked at. In the case against former Transport Minister Pujeh for alleged illegal possession of diamonds, Government decided to withdraw the case from the ACC and hand it over to the police. The accused has won a seat in Parliament for the ruling party. Shortly after the elections, the (British) Deputy Commissioner of the ACC, resigned. Equally in 2002, a World Bank/DFID corruption survey has been initiated; the report, which will be made available to the public is expected for March 2003.

As for the wider issue of good governance, a number of events and developments have taken place during 2002. In August, a broad and high-level Government/ Civil Society/International Community meeting discussed a wide range of pressing issues such as corruption, public finance management, the judiciary, public sector reform and decentralisation. During the Consultative Group Meeting in Paris in November, Government re-iterated commitments made to take necessary steps. The decentralisation process will clarify powers to be devolved to the District Councils, and will define fiscal arrangements between central and local levels. A local governance task force has been set up and is currently preparing a draft bill for legislation including district and town council elections which are scheduled for end-2003 but might slip into early 2004. The EC expects

a funding request but has made it clear that the Delegation should be involved in the formulation of the decentralisation policy, which was promised by Government.

The objective of civil service reform is to provide legal and regulatory bases, appropriate institutional set-up and human and other resources to allow Government to deliver services to the public. The diagnostic study of key ministries and the governmental structure as a whole, the review of administrative procedures and the pay roll are critical to strengthening institutional capacity and improve social service de-livery. In this area, the speed of reforms needs to increase substantially in 2003, whereas in public finance management, implementation of essential reforms has been faster.

3.7 Public Finance Management

Budget support agreements between the EC, DFID, World Bank and IMF continued to be linked among others to improvement in public finance management. Considerable progress has been made in producing reliable figures on public finances under the EU-funded support to the Ministry of Finance/ Accountant General, and in 2001 the Medium Term Expenditure Framework was introduced. In 2002, the World Bank conducted a limited Country Financial Accountability Assessment (CFAA), which resulted in an action plan for the implementation of recommendations. Discussions with selected representatives of donors, civil society and traditional chiefs have been held for the first time ever in preparing the 2003 budget. In order to re-start EC budget support, Government agreed in late 2002 to implement a number of measures destined to improve efficiency, transparency and accountability of public spending, and in Dec. 2002/Jan. 2003, a Government backed UNDP procurement review took place and a Procurement Policy Group was established to reduce mismanagement of public spending in procurement. The Ministry of Finance is now envisaging to merge all these initiatives and commitments into one action plan; the year 2003 will therefore be the year of implementation of crucial reform steps, thus improving considerably public finance management and reducing mismanagement and corruption.

3.8 Macro-economic performance, structural reforms and debt relief

At macro-economic level, Sierra Leone has fared remarkably well during the last two years. In 2002, overall growth is estimated at 6,6 % (4,5% in 2001), the year to year inflation rate stood at -2,5% and the exchange rate to the US\$ remained more or less stable. Central Bank reserves increased over the reporting period and at US\$ 65,7m jumped over the 3 months import threshold. After a review in Sept. 2002, this performance gave Sierra Leone access to the 2nd tranche of an IMF Poverty Reduction and Growth Facility (PRGF), which had been agreed in Sept. 2001. In addition, Sierra Leone qualified for HIPC debt relief and reached decision point in March 2002, freeing in 2002 US\$ 32m for poverty-related activities for which a supplementary budget was introduced in July 2002. Only US\$ 22m however could be spent in the second half of 2002, thus carrying over into the 2003 budget a HIPC 2002 balance of US\$ 10m. HIPC gives the country a perspective of 70% debt relief over 20 years if policies remain on track.

Overall government spending remained under control thus maintaining a fragile balance. However, the 2002 ceiling for wages and salaries (projected Le 132bn, actual Le 142bn) was not respected, whereas actual development expenditures (Le 86,4bn) was considerably lower than projected (Le 209,3bn). At the end of the year, the overall deficit excluding grants stood at (-) Le 295bn or 17,9% of GDP and including grants at (-) Le122bn/7,4% of

GDP. The dependency on foreign sources will continue and even increase over the next years, given that spending for wages, extension of government structures throughout the country, rehabilitation and improved service delivery requires additional funds, whereas the low domestic revenues – mostly from duties on donor-funded imports - continue to increase very slowly. However, donors demand accountability and transparency of public spending, and the EC had to temporarily put on hold the Post Conflict Budget Support as consequence of a very unsatisfactory external audit on previous budget support in early 2001. Only after an agreement with Government on repayment of ineligible expenditure and the implementation of measures to improve transparency and accountability of public spending, will Budget Support restart in 2003. Actual debt service in 2002 decreased from US\$ 37m in 2001 to US\$ 28m, or 3.7% of GDP. The overall external debt burden remained at US\$ 1,4bn.

The trade balance also shows a high and unsustainable deficit. A growth in exports from US\$ 28,8m (of which 90% was diamonds) to around US\$ 54m is remarkable and higher than projected, but still well below the equally increasing imports (US\$ 182m in 2001 to approx. US\$ 300m in 2002), of which the largest items are rice and fuel. Future increase in exports is expected to come from the revival of coffee and cocoa, and mining (mainly rutile of which Sierra Leone has large and high quality reserves). Export of industrial production first requires an attractive business environment of investors (see 3.9). In the service industry, tourism might pick up again, but given the bad track record in the '90s, investors still keep clear from heavy investment in that sector.

The implementation of some structural reforms, however, was qualified by the IMF as mixed, and needs to speed up in order to move towards a more sustainable economy and to satisfy agreements (e.g. IMF-PRGF). The establishment of a National Revenue Authority and of the National Commission for Privatisation in late 2002 should provide for a more systematic collection of domestic revenue, and the reduction of mismanagement and waste of public resources, respectively. It remains to be seen whether both institutions will bear the expected fruit. Crucial reform steps are also needed in the civil service and public sector as a whole. Positive steps have been introduced to improve the overall budget process. For the first time in history, budget discussions on the basis of the Medium Term Expenditure Framework (MTEF – introduced in 2001) were held between Ministry of Finance and line Ministries, involving traditional leaders and members of parliament as well as donor and civil society representatives. It is envisaged to establish community budget oversight committees throughout the country, thus increasing accountability and transparency of expenditure. However, public spending needs further control, as the Pay Day exercise in Oct. 2002 and the UNDP preliminary procurement study in Dec. 2002 indicate. As for the external sector, Government commits itself to maintain the liberal exchange rate system.

3.9 Private sector development, trade and regional economic integration

Beyond repeated announcements about the importance of the private sector, very little has happened in the promotion of the private sector and the improvement of the overall business environment. Lack of capacity as well as deeply entrenched vested interests remain obstacles to the full use of the country's potential. A broad range of factors keep investors away, starting from unreliable infrastructure (electricity, communication services etc.), heavy and corruption-bound conditions for the establishment of a company, unclear property rights, lack of confidence in the judiciary, heavy labour laws as well as limited banking services, prohibitively high commercial bank interest rates for loans (approx. 25-30%) etc. An investment code is presently under discussion and could hopefully be enacted

in 2003. The importance of a reliable, transparent and enabling private sector environment for the reduction of poverty, provision of jobs and increase of domestic revenue does not yet seem to have trickled down to the lawmakers. The recommendations of an internal Professional Review Team in 2001 have not even started to being put into practice. It is however only then that manufacturing and industrial production will pick up and allow for increased exports and sustainable growth. Low production keeps Sierra Leone from benefiting from the EU Everything But Arms Initiative which opens EU markets to practically all products from countries qualified as LDC. Regional integration could be an additional push factor for increased trade and economic activities. However, implementation of the West African Monetary Zone has been postponed, and the sub-regional political instability does not foster regional economic integration.

3.10 Social Sectors, poverty and food security

Given the deplorable state of social services with among the worst social indicators world wide (e.g. under-five mortality 286/1000; maternal mortality 1,800 per 100,000 live births; life expectancy 37; high child malnutrition, outbreaks of cholera, Lassa fever; malaria; STDs; others), improved access to, and quality of, health and education services throughout the country remains a top priority on the Government's political agenda.

Knowledge on the health status of the population remains patchy as the main reference is the Multiple Indicator Cluster survey (MICS2) that was conducted when the country was still at war three years ago. The social indicators referred to above must therefore be interpreted with caution. As regard the overall performance of the health sector, Sierra Leone was ranked last of 191 countries by WHO in its 2000 report. At present GoSL is preparing a National Health Policy, to be adopted in 2003. The draft policy is largely inspired from the 1993 document as much of it remains relevant in 2003. The I-PRSP determines among the main objectives in the sector the reduction of maternal and infant mortality rates and the prevention of the spread of malaria and HIV/ AIDS. Government's capacity in health sector management is weak. The staffing and expenditure patterns for the health sector shows distortions due to the post-conflict context: the health sector accounts for 8% of the staffing distribution, which represents 0.1% of the population while the average in Sub Saharan Africa is 0.3%. Similarly, health absorbs about 4% of the national budget, a proportion that is much lower than is normally the case in other Sub Saharan Africa countries. The EU (with HSSP, ECHO- and RRP-interventions in health) is the largest donor in the sector, followed by the World Bank (Health Sector Reconstruction and Development Project), ADB and IDB. A large number of NGOs, mostly of humanitarian nature, and UN-organisations, are still actively involved in health care. The National Recovery Strategy Paper (2002-2003) highlights large disparities between the districts in terms of existing infrastructures and resources as regards health facilities. With decentralisation expected in 2004, major changes in the overall management of the sector will be necessary; however, the full scale of transfer of responsibilities from the central to the district level is yet to be determined. The full PRSP (2004) will specify concrete targets for the sector. Together with education, the health sector is supposed to receive the largest part of HIPC funds.

In the education sector, the war resulted in a large reduction in enrolment in most parts of the country, and illiteracy is estimated at 70%. In an attempt to reverse the trend, government in early 2002 declared free basic education. Among the main objectives laid down in the I-PRSP are the increase of school enrolment and improved quality of basic education; the full PRSP is expected to determine specific targets for the sector. A number of external actors including NGOs and UN-agencies are involved the sector, with the World Bank (Rehabilitation of basic Education Project) taking the lead, and others including the EC

mainly involved in the rehabilitation of social infrastructure. Expenditure for the sector in the national budget increased from Le 30bn in 2001 to Le 46,5bn and Le in 2002; the allocation for 2003 is Le 44bn (non-salary recurrent expenditure including HIPC). Development expenditure is almost completely externally funded.

The challenges ahead for both sectors are massive, both in terms of rehabilitation of infrastructure, capacity building, policy design and implementation, management (incl. financial management). The reconstruction of physical infrastructure is being supported by many donors either through own programs (EC: SLRRP; DFID: CRP and SLIRP; NGOs) or through allocation of funds for the National Commission for Social Action NaCSA, the institution succeeding the NCRRR. In terms of human resources, a first step has been taken by ensuring regular payment of teachers and health workers; however, the national Pay Day in Oct. 2002 revealed a number of irregularities (“ghost workers” etc.), which need to be addressed. Living conditions in rural areas are such that teachers/ health workers tend to refuse to take up a post in remote areas. The low levels of salaries force them to find additional income, e.g. requesting parents to pay “administrative fees” to compensate for the school fees which by law have been abolished. The lack of qualified health staff also need to be addressed through adequate support to health training structures.

With regard to HIV/AIDS, the National AIDS Control Programme (NACP) has been transformed to the AIDS Response Group – ARG in the MoHS under the Sierra Leone HIV/AIDS Response Project (SHARP), which is a US\$15 million, four year World Bank - funded project to reduce the prevalence and mitigate the impact of HIV/AIDS in the country. The SHARP initiative is a multi-sectoral approach with all stakeholders involved in the fight against AIDS. The prevalence rate is estimated at 4.9% for the whole country, with a 6.1% prevalence for the Freetown area.

3.11 Transport and other infrastructure

The general provision and state of infrastructure continues to be a major bottleneck for the development of the country. During the war, very little was accomplished, and negligence and deliberate destruction has been widespread. Due to the volatile security situation, most investment in the sector was concentrated in and around the capital, Freetown, and only in 2002 did it become possible to extend the area of intervention.

As of end-2002, power is basically restricted to Freetown, Bo and Kenema, and even there it is irregular and does not provide for minimum requirements. Hopes for improvement focus on the finalisation of the Bumbuna HydroPower Plant which was initiated in 1993 with Italian support but abandoned during the war. Best-case scenario is that the Bumbuna plant would produce an increasing level of power from 2005 onwards and provide for the needs of the whole country from 2008. However, as demand is expected to increase quickly, new sources for power generation will have to be identified and developed.

The EC is actively involved in the roads sector, including rehabilitation of primary, secondary and feeder roads and capacity building of the Sierra Leone Roads Authority. In light of continuous support of the EC to the sector under 9th EDF, Government and the EC will embark on a more extensive policy dialogue with a view of addressing the structural problems challenges identified in the Country Strategy Paper.

3.12 Gender, environment and other cross-cutting issues

Women and children have been particularly affected during the war, and had been discriminated against under traditional law before. More than 6.800 children were demobilised by various fighting forces at the end of the war. Many children lost their parents. Rape during the conflict was widespread, and abducted girls were used as sex-slaves. Girls continue to be subjected to traditional female genital mutilation practices. A number of NGOs, including with EC funding, are involved in addressing the above mentioned issues, and Government has established a National Commission for War-Affected Children and has repeated its commitment to reduce discrimination against women and gender-based violence in the “modern” and the traditional systems. Visiting Special Representative of the UN SG for Children in Armed Conflicts Olara Otunnu (Febr. 2003) has urged government and the international community to give special attention to children and youth in Sierra Leone.

With regard to environment, the main issues relate to land degradation in the form of erosion, deforestation and soil exhaustion. Pollution in mining areas is considered to be very serious. In 2000, Government enacted a National Environment Protection Bill. No major activities have however been carried out during the reporting period.

Capacity to implement all envisaged reforms is a major bottleneck and has to be systematically included into all support programs, to allow Government to more and more take over responsibilities which to a large part are still being carried out by external actors.

4 Overview of Past-and ongoing cooperation

During the reporting period, the EC Delegation has committed funds and carried out projects from 6th, 7th and 8th EDF. Disbursement amounted to € 12m and new commitments to € 17m at the end of the year. The balances of 6th, 7th and 8th EDF will be transferred into the 9th EDF, and projects already committed under the 7th and 8th EDF will continue until completion. The Country Strategy Paper for the 9th EDF has just been approved (February 2003) but has not yet been signed. The allocation for Sierra Leone under the 9th EDF is € 144m in the programmable A-envelope and € 76m in the non-programmable B-envelope. Focal Sectors are the rehabilitation of priority infrastructure and good governance/institutional strengthening, both of which are a logical continuation of areas of intervention of previous NIPs. A complete list of ongoing and past projects is in the annex. Major projects in 2002 under previous NIPs are as follows:

New NIP Decisions, Commitments and Disbursements in 2002 (in million €)

NIP/EDF	Decisions	Commitments (Contracts)	Disbursements
6	0,08	0,14	0,15
7	6,92	8,27	2,82
8	0,23	1,43	8,68
TOTAL	7,23	9,84	11,65

NIP Decisions, Commitments and Disbursements, cumulative end 2002 (in million €)

NIP/ EDF	Allocation	Decisions	%	Contracts	%	Disburse- ments	%
6	65,500	58,779	89,7	57,972	88,5	57,850	88,3
7	83,600	83,477	99,8	54,197	64,8	40,533	48,5
8	78,050	68,025	87,2	18,821	24,1	14,090	18,0
TOTAL	227,150	221,281	97,4	130,990	57,6	112,273	49,4

Decisions and Disbursements, other EDF grant resources, cumulative as of end 2002 (in million €)

EDF	Allocation	Decisions	%	Contracts	%	Disbursements	%
6	14,458	14,458	100	14,458	100	14,458	100
7	43,515	43,145	99,1	42,912	98,6	42,912	98,6
8	35,529	35,529	99,2	29,599	83,3	29,599	83,3
TOTAL	93,502	93,132	99,6	86,969	93,0	86,969	93,0

4.1 Focal Sectors of 8th EDF/NIP

As the Sierra Leone CSP will only be approved early 2003 and implementation of the 9th EDF has not yet started, this section will focus on implementation of projects under the 8th EDF focal sectors. The areas of concentration agreed upon in the NIP 8th EDF signed in November 1998 were: 1. Support to Public Sector Reform, Good Governance, Democratisation and Human Rights. 2. Rehabilitation and Development of Social Sectors 3. Infrastructure. Implementation of programs and achievement of goals and objectives have however considerably been delayed due to the continuation of the civil war from the signing of the NIP in Nov. 1998 until the end of 2001. From the total amount of € 78m, €15,6m was allocated for activities under “democratisation, good governance, public sector reform and human rights”, €27,3m for the rehabilitation and development of social sectors, € 23,4m for infrastructure and € 11,7m for activities outside the areas of concentration.

4.1.1 Support to Public Sector Reform, Good Governance, Democratisation and Human Rights

This 1st area of concentration under the 8th EDF NIP covers essentially aspects related to 1) the sound and transparent management of public funds and 2) public sector reform, strengthening democratisation and decentralisation, strengthening the judiciary and promote human rights. During the year 2002, support measures carried out in this sector comprise the continuation of the strengthening of the Ministry of Finance and the Accountant General’s Dpt., support to the conduct of the Presidential and Parliamentary elections, technical assistance to the NAO and to the Ministry of Development and Planning Aid Coordination Unit.

1) Commitments by the Government of Sierra Leone

In order to achieve the agreed objectives in the 1st area of concentration, Government committed itself among others to (a) draft the new institutional and legal framework for local government and local elections, conduct district council elections, (b) to restructure the financial systems within the Ministry of Finance, to strengthen the accounting and

auditing capacities in Line Ministries in order to improve financial management, to implement a strategy aimed at streamlining and improving public sector performance. The basic point of reference for GoSL actions rests with the **Strategy for Good Governance and Public Sector Reform** adopted in 1997, shortly before a military coup interrupted normal administration for almost one year. This GoSL policy document addresses issues such as the constitution, the executive, the judiciary, parliament, political parties, media, anti-corruption, civil service reform and others. The I-PRSP, adopted in 2001, confirms the general orientation of this policy.

Whereas the war, which ended only in January 2002, brought a number of positive initiatives to a complete standstill or delayed them significantly, the year 2002 saw the resuscitation of reform efforts in a number of areas mentioned above. In a move to speed up the **decentralisation** process, a Local Government Task Force was established in late 2002 with the objectives to consult on all pertinent issues and prepare a draft local government and decentralisation law (expected mid-2003). District council elections are scheduled for late 2003. In the area of **public finance management**, the Country Financial Accountability Assessment as well as initiatives supported by DfID and the EU resulted in the establishment of a Public Finance Management Task Force with a clear set of actions to be taken by Government to increase transparency and accountability and reduce mismanagement, fraud and corruption. Within the framework of the I-PRSP, GoSL has confirmed the importance of a stable macro-economic situation and a sound and transparent management of public funds. Within the framework of the Consultative Group Meeting in Paris in November 2002, a number of additional benchmarks for improved governance have been agreed between Government and donors and are followed up in regular high-level government-donor meetings, which started in February 2003.

However, the fact that Good Governance has been selected as one focal sector for the 9th EDF NIP indicates that a lot more needs to be done to increase the efficient, transparent and accountable running of the government in order to reduce poverty and improve the livelihood of the people.

2) Activities and results of EU support to Public Finance Management

The EC interim support to the Ministry of Finance, a follow-up to several years of structural support to the Ministry, which was designed to bridge the gap until a more comprehensive support program is in place, came to an end during the course of the year 2002. This support consisted in the provision of one international and 8 local TAs to the Accountant General and 4 local TAs to key sections of the Ministry of Finance. Unfortunately, due to delays in the process, the successor program did not step in immediately.

However, significant improvements were achieved in the pursuit of sound and transparent management of public funds. On the basis of these achievements, which were confirmed in the World Bank's Country Financial Accountability Assessment in 2002, IMF (Poverty Reduction and Growth Facility, PRGF) and World Bank (Economic Rehabilitation and Recovery Credit) granted Sierra Leone concessionary loans. A significant part of the positive results can be attributed to EC support to the Ministry of Finance/ Accountant General from 1998 until 2002. Among others, for the first time since 1973, Government accounts were published for 1998, 1999 and 2000. In addition, a financial management and computerised accounting system, including for payroll and pensions, was put in place, eliminating thus a huge number of ghost workers. A comprehensive successor program to the previous interventions was agreed in 2000, but due to delays, and based on changes and issues identified during the CFAA exercise in early 2002, GoSL and EC agreed to rewrite the Financing Agreement. The revisions have been sent to EC HQ for approval in early

2003. This new project will consolidate the achievements made, and further strengthen sound and transparent management of public funds. Other donors are actively involved in related areas. DFID is preparing a program to support the Auditor General's Department and UNDP is at the forefront to reform the public procurement system.

3) Activities and results and in the promotion of democracy, human rights, decentralisation and public sector reform

The main EC intervention in this sector in 2002 was the support to the Parliamentary and Presidential elections held on May 14, 2002, for which € 2m had been earmarked. The funds, which were managed by an EU-funded international TA, were used among others to print ballot papers, finance election education programs, and purchase ballot boxes. Compared to previous elections in the country, and in the light of the just concluded civil war, these elections, monitored by a large number of national and international election observers including the EU, were widely considered as free and fair.

In related areas, developments during the course of 2002 were equally positive. The war was officially declared over in January 2002, general elections were held in May 2002, and a local government task force has been set up to lay the foundations for devolution and decentralisation. The draft local government act is expected to be submitted to Parliament by mid-2003, and district council elections are scheduled for end-2003. The respect for human rights has increased and violations were reduced. However, the need to enhance the independence of the judiciary and to strengthen accountability mechanisms, including the Anti-Corruption Commission, continues. More needs to be done to speed up public sector reform. The EC reacted to these developments by selecting "support to the decentralisation process" as one sub-sector under the 9th EDF NIP 2nd Focal Sector "Good Governance and Institutional Strengthening".

4.1.2 Rehabilitation and development of social sectors

Interventions under this 2nd area of concentration under the 8th EDF NIP aim principally at 1) improving quality of, and access to, health service delivery, and 2) improving access to basic education through the rehabilitation of schools. During the year 2002, main activities undertaken in this area were (a) the start-up of the EC Health Sector Support Program and (b) the continuation of rehabilitation of health and education facilities through the Rehabilitation and Resettlement Program.

1) Policies and commitments by the Government of Sierra Leone

Government's specific objectives in these areas are a) to improve access for the rural population to basic health services, safe water and sanitation, among others through a policy of decentralisation, and b) to improve access to basic education, especially for girls; reduce illiteracy rates; improve quality of education by improving teacher's training. Government committed itself among others to create district, provincial and area health boards, ensure proper coordination of health planning activities; train and adequately distribute health personnel throughout the country; implement a National Drug Policy. Obviously, achievement of these goals has been severely hampered by the continuation of the civil war until early 2002.

2) Activities and results in the promotion of health service delivery

The EC Health Sector Support Program with a budget of € 28m and a lifespan of 5 years was agreed in 2001. The consultancy managing the program started their work in late 2002. In addition, a TA was placed at the Ministry of Health. Main objectives of the EC support

to the sector are among others a) to assist GoSL in the implementation of the National Health Policy, mainly through supporting the decentralisation policy; b) to build capacity within the Ministry of Health, including financial management within the Ministry; c) to strengthen health training, mainly by upgrading and capacity building of the paramedical training school in Bo; d) to establish a well-functioning system of drug supply and d) to improve the governance of the system. This program having just started, no measurable results are available as of now.

A second element of EC support to improved access to health facilities are the interventions of the Rehabilitation and Resettlement Program in the health sector. The RRP phase one, which ended in mid-2002, spent in total € 1,8m for projects related to the health sector, including the rehabilitation of 22 Peripheral Healthcare Units (PHUs), 8 hospitals, staff houses, and the financing of health personnel refresher training – in consultation with the communities and the Ministry of Health and Sanitation. This positive impact on the health situation in the country is going to be further enhanced by the planned interventions in the health sector under RRP phase II, with additional funding from the 9th EDF A-envelope (€10m from Focal Sector 1 for health and education infrastructure).

3) Activities and results in the support to access to education facilities

In view of massive and countrywide destruction of schools during the war, one of the most urgent measures was to rehabilitate education infrastructure. The EC supported this sector under the Rehabilitation and Resettlement Program. Under the 1st Phase (RRP I), only areas within government-controlled areas could be considered. From 1999 until 2002, 111 schools were rehabilitated under this program. RRP II started in late 2002 and has in its Annual Work Plan 2002/03 committed € 5,7m for the rehabilitation of social infrastructure, of which € 1,72 for schools. These interventions take place in consultation with the beneficiary communities and the Ministry of Education, Science and Technology. This program will continue over the next 3 years, with additional funding from the 9th EDF A-envelope Focal Sector 1.

4.1.3 Infrastructure

The objectives under the infrastructure sector of the NIP (3rd area of concentration) were in the area of roads: to establish a well-maintained, cost-effective and sustainable road network, to reform and to strengthen SLRA management capacities and to increase the use of private sector and labour intensive methods in road maintenance, and in the power sector: to improve the efficiency and independence of the energy sector. The funds allocated to this sector under the NIP were € 23,4m.

1) Government policies and commitments in the area of infrastructure

Since 1992, the overall responsibility for the management of all public roads in Sierra Leone has been with the Sierra Leone Roads Authority (SLRA). Ideally, maintenance of the road network should be funded through the Roads Funds. In August 2002, Government approved the National Transport Strategy and Investment Plan 2003-2007, which confirms the general orientations laid down in the I-PRSP.

2) Activities and results in the area of road network and SLRA capacity building

The EC has over the last years been deeply involved in activities to improve road infrastructure. In 2002, approx. € 3m were committed for 5 road improvement projects (most of which came from 7th EDF). International competitive bidding has been initiated for the Masiaka-Makeni highway and tender documents are awaiting Brussels' approval for the Rogbere Junction – Farmoreah section of the Freetown-Conakry highway which as a

whole was approved in 2002 with funds from Sierra Leone NIP (8th EDF), Guinee NIP (6th EDF) and the 7th EDF Regional Program. Spot improvements were completed at the Masiaka-Taiama and the Port Loko-Kambia roads thus improving access and cutting travel time by half. The rehabilitation of SLRA regional headquarters in Freetown, Port Loko, Bo and Kenema started. The capacity building element for SLRA has not been as successful as expected, and fresh efforts are continuing in 2003.

3) Activities and results in the area of energy supply

Power supply continues to be a major bottleneck for the development of the country. The extension of electricity transmission and of the distribution network faced major difficulties. In 2002, the EC disbursed € 260.000 in support of these objectives. A € 2m Financing Agreement for Emergency Rehabilitation of Transmission and Distribution System was approved in 2002 and international competitive bidding for materials was initiated.

4.1.4 Macro-economic Support

1) Policies and commitments of the Government

Main objectives under this area of intervention were to ensure the allocation of an increased share of GoSL income to sectors addressing and alleviating poverty, while at the same time improving overall efficiency, transparency and accountability of public finance management. Macro-economic support did not constitute a focal sector under the 8th EDF NIP, but in light of the conflict, it was agreed to use € 34,75m from 8th EDF SAF, 8th EDF SAF HIPC Bonus and 8th EDF NIP for “Post Conflict Budget Support” signed in 2000. Overall GoSL commitment as evidenced in the relevant I-PRSP section as well as the budget speech 2002, continue to be along the lines of pursuing a stable macro-economic framework and sound management of public finances, while targeting increasing amounts to activities aiming at reducing poverty and improving social service delivery.

2) Activities and results under the Post Conflict Budget Support (PCBS)

During 2002, no EC budget support funds were released into GoSL accounts. The release of the 1st tranche PCBS (€16,57m transferred in January 2001) as well as the transfer and release of 2nd and 3rd tranches (€16,58m and €1,6m, respectively) were put on hold in 2001, following an audit on previous EC budget support which identified ineligible expenditure amounting to € 6,13 m. In the course of a mission from EC HQ in October 2002, agreements on the modalities of reimbursement of ineligible expenditure and the implementation of corrective measures to improve public finance management were negotiated, signed by GoSL in Dec. 2002 and sent to EC HQ for approval in January 2003, thus triggering the restart of EC budget support. Furthermore, still as yet unspent funds from Stabex allocations 1996-1999 of € 2,7 have been earmarked for budget support targeted for rural development and food security activities. Based on these agreements, EC budget support to Sierra Leone in 2003 could amount to more than € 20m, if commitments on both sides are respected. GoSL has budgeted this amount as expected grant revenue for its 2003 budget. In addition, the 9th EDF foresees €50m in budget support, to be released between 2004 and 2006. This will require a continuing implementation of sound macro-economic policies, a budget that reflects the poverty-alleviation priorities of the PRSP, sound public finance management and an improvement in selected social indicators.

4.2 Projects and Programmes outside the focal Sectors

Approximately 15% or € 11,7m was allocated for actions outside the areas of concentration within the 8th EDF NIP. Eligible for possible support were activities in the areas of environmental protection, fisheries/agriculture, contribution to regional projects, support to SMEs and the support for the preparation, management, implementation and auditing of the 8th EDF NIP. During the reporting period, no activities were carried out with 8th EDF non-focal sector funding.

4.3 Utilisation of NIP resources for non-state actors

Under previous NIPs, no funds were earmarked for non-state actors. Activities of non-state actors were supported under Budget Lines (4.4.5). In addition, non-state actors were used as implementing partners under the Rehabilitation and Reintegration Program (RRP). Based on the Cotonou Agreement, funds will be made available for non-state actors under the 9th EDF. It is envisaged to promote the watchdog function of civil society to strengthen political and financial accountability mechanisms in Sierra Leone.

4.4 Other Instruments

4.4.1 European Investment Bank

The only intervention EIB was able to realise in Sierra Leone in the past was in the power sector with the National Power Authority. During the reporting period, no fresh loans were given by the EIB. Cooperation was first put on halt during the war, and since then the accrual of arrears did not allow the EIB to offer new loans to GoSL. In early 2002 it was agreed that in order to allow Sierra Leone to reach HIPC decision point, part of the arrears were to be paid from EC-funds for HIPC interim relief. However, no concrete actions were taken during the course of 2002. It is expected to implement the agreement in the first semester 2003. In the meantime, GoSL restarted debt servicing in June 2002 and total payments in 2002 amounted to € 1,84m. As of end-2002, total amount outstanding on arrears is of the order of € 7,636m. Lending to private sector is in principle possible, but no viable projects have been identified so far.

4.4.2 Regional Cooperation

Due to the civil strife and insecurity, Sierra Leone did not benefit significantly from the 8th EDF Regional Indicative Program. The regional indicative program for West Africa under the 9th EDF has been approved by the EDF Committee in November 2002. The total regional envelope is € 235m and focuses on strengthening economic/trade integration (€ 118m) and regional transport (€ 82m). € 35m has been earmarked for activities outside focal sectors, e.g. conflict prevention, food security, health, capacity building and culture. Uncommitted funds from the 8th EDF will be added to the 9th EDF allocations. Sierra Leone could benefit from the RIP in various ways. Under the present fragile security situation in the region, one option might be to put funds into the Regional Peace and Development Fund in preparation at the ADB. This fund focuses on interventions in immediate post-conflict situations where traditional funding mechanisms fail and quick disbursement is necessary to allow for quick impact measures to consolidate the peace.

4.4.3 Stabex

Although the Stabex instrument has been abolished under the Cotonou Agreement, there are residual funds (1997-1999) amounting to € 2.708m still in the pipeline for Sierra Leone to be used. In that respect, a Framework of Mutual Obligations (FMO) has been drafted and signed by GoSL in Dec. 2002 and sent to the competent units in Brussels for approval and further action. The FMO suggests that the funds be used to support activities budgeted for rural development in the Ministry of Agriculture and Food Security, the Ministry of Energy and Power (for rural water supply) and Sierra Leone Roads Authority (for feeder roads). The funds are going to be used for these activities during the course of the year 2003. The Ministry for Agriculture and Food Security is presently preparing a project proposal for the use of these funds. € 250.000 from the total allocation is earmarked for Technical Assistance as well as monitoring and audit activities.

4.4.4 Sysmin

Sierra Leone benefits from a Sysmin balance allocation of € 25m. These funds have been earmarked as support to the Government of Sierra Leone for the re-start of rutile (TiO₂) mining. Given its high quality compared to other areas of exploitation, rutile from the Gbangbatok area in the southern part of Sierra Leone is considered to be among the most important mineral resources of the country. Before the war-induced end of operations in 1994, the mine was the largest private employer in the country and provided half of the foreign exchange and a significant amount for the national budget. Under the 8 SL ACP 19 agreement between the EC and GoSL, the € 25m grant to GoSL will be given as a concessionary loan to Sierra Rutile Ltd (SRL), the company that owns the rutile mines, in order to allow it to restart its activities. Rutile exploitation is expected to restart in 2003. However, immediately following the approval of the Financing Proposal by the EDF Committee in October, SRL tabled a new funding plan, which showed a delay to the start of the second dredge originally proposed. This was because one of the co-funding agencies, the IMC, imposed more swingeing terms on SRL than had earlier been discussed. This revised plan causes concern to the EC as not only did there appear to be a possibility of the second dredge not being brought on-stream at all, but the question of debt subordination was unsatisfactory. It was then agreed that in early 2003, an economic and financial study should be carried out on SRL's revised funding plan.

4.4.5 ECHO, Budget Lines, LRRD

Budget Line funding within the post-conflict rehabilitation context of Sierra Leone has focused in 2002 on ECHO-funded humanitarian aid/ linking relief, rehabilitation and development, Food Security as well as funding from the European Initiative for Democracy and Human Rights. Care-UK (in Moyamba, Bonthé and Tonkolili districts) and Action Contre la Faim (Bo and Bombali districts) are managing funds from the Food Security budget line, whereas the Lutheran World Foundation (Kailahun district) carries out a food security program with support from EuronAid.

Under the European Initiative for Democracy and Human Rights (EIDHR), funds were provided for support to the use of media as a means to promote human rights (Talking Drum), for sensitization, conflict mapping and support of the local legal community with regard to the Special Court (No Peace Without Justice), the promotion of reconciliation via the Truth and Reconciliation Commission (TRC) and the support for the reintegration of war-affected children into their communities (UNICEF), as well as support to the victims

of torture (Mary Stopes International). As Sierra Leone was chosen as one focal country for EIDHR funding 2002-2004, more funds will be made available for appropriate activities of international NGOs in the near future. In addition, four projects were funded under the Co-Financing Budget Line.

ECHO continued to build on activities carried out in 2001. 15 implementing partners (3 UN-organisations, 8 international NGOs and ICRC) received a total of € 9,7m for interventions in the areas of nutrition, water and sanitation, health, distribution of non-food-items, child protection and resettlement.

Tables: Budget Line Financing in Sierra Leone

1. Food Security Budget Line

Partner	Amount	Objectives/Comments
CARE	3,136,455	increase food security of 10,200 farmers in 3 districts (3 yrs)
ACF	2,350,403	food security surveillance; agricultural relief; agricultural post-emergency activities (2 yrs)
LWF via EuronAid	551,375	Distribution of rice seeds

2. EIDHR

Partner	Amount	Title/Objectives/Comments
Talking Drum	1,445,158	Using media to promote human rights within the Sierra Leone peace process
NPWJ	684,800	Increase the capacity of Sierra Leone society to address violations of human rights and international humanitarian law
TRC	960,000	(pledge in 2002; disbursement in 2003 only)
Unicef	5,275,684	Reintegration of child ex-combatants
Mary Stopes	a) 499,687 b) 265,278	a) rehabilitation of victims of torture b) facilitate reintegration of rebel victims into their communities

3. ECHO

Sector	Implementing Partner	Amount (€)	Objectives
Health	MSF-B	1.330.000	10 PHUs and 2 hospitals supported and functioning
	UNICEF	580.000	Countrywide immunization program undertaken
	IRC	275.000	24 PHUs and CHCs rehabilitated and functioning
	MSF-H	475.000	10 PHUs and 1 hospital rehabilitated and functioning
	MERLIN	900.000	13 PHUs and 1 hospital supported and functioning
	Concern	50.000	Malaria survey undertaken
	UNHCR	205.000	Shelter and disease control, refugees
	Goal	840.000	9 PHUs supported and functioning
WatSan	Goal		1130 latrines, 12 wells, 3 handwashing facilities in place
	ACF	950.000	100 latrines and 27 wells in place
	TearFund	365.000	514 latrines and 16 wells/spring boxes in place
	OXFAM	400.000	900 latrines and 24 wells/spring boxes in place
	IRC	320.000	362 latrines, 9 wells, 20 showers, 20 garbage pits in place
	COOPI	180.000	5 latrines, 15 wells in place

IDP Resettle-ment	ICRC	1.000.000	Distribution of NFI to 40.000 beneficiaries
	COOPI	370.000	multi-sectoral care to 900 children
	CARE	775.000	Distribution of NFI to 12383 beneficiaries
Refugees	UNHCR	1.700.000	multi-sectoral care to 154.000 refugees
Informat	OCHA	300.000	Production of humanitarian database and maps
Protect.	IRC	83.000	Interim care, family reunification

4. NGO Co-Financing

Partner	Amount	Title/Objectives/Comments
Plan Int'l UK	669,489	Education Renewal Bombali District
COOPI	65,749	Support in sheltering and training vulnerable women in Koidu
Mary Stopes	499,687	Extension of MS Family Planning Reproductive Health and Safe Motherhood Program in Kissy and Makeni
Sight Savers	354,509	Human Ressource Development for Prevention of Blindness

Linking relief, rehabilitation and development (LRRD)

Given the particular situation of Sierra Leone, where in the first year after the end of the war all types of activities covering relief, rehabilitation and development are being undertaken with EDF and budget line funding and also supported by other actors, it is of critical importance to ensure as far as possible an appropriate linking of these operations in order to maximize impact and synergy effects. The Delegation is regularly reporting on these efforts (quarterly LRRD reports).

Information sharing and coordination is particularly important between the Delegation, the EDF-funded Support to the Ministry of Health, the Health Sector Support and the Rehabilitation and Resettlement Programs, and ECHO-funded operations. To ensure this, meetings between the respective actors are taking place. In addition, attempts are being made to ensure LRRD principles in the food security as well as the human rights/democratization support programs.

The importance of LRRD in the given, still somewhat unstable situation with internal as well as external risks (spill-over from Liberia, and potentially from Guinea), cannot be overstated. There is therefore a need for a comprehensive strategy that ensures adequate flexible response capacity to adapt to rapidly changing situations, supported by adequate funding mechanisms. The indicative 36-months-strategy that will be proposed in the 5th quarterly LRRD report (January-March 2003), comprises the following elements:

- Consolidation of ECHO assistance and provision of similar support to areas with at present little or no assistance;
- Promotion of stability and security in areas/host communities where Liberian refugee camps are located;
- Support to interventions of GoSL/NaCSA for the camp (Mapeh) that presently hosts Liberian ex-fighters who are moving into Sierra Leone in the context of the ongoing civil war in Liberia.

5 Programming perspective for the following years

The CSP under the 9th EDF has gone through the different stages of the planning process during 2001 and 2002. Its final approval is expected in early 2003. The allocation of funds is foreseen as follows:

Indicative allocation of the 9th EDF A-envelope

Sectors	Allocations	Percentage
Focal Sector I: Rehabilitation of priority infrastructure	€ 70m	49 %
Focal Sector II: Good Governance and Institutional Support	€ 19m	13 %
Macro-economic Support	€ 50m	35 %
Non-focal	€ 5m	3 %
Total	€ 144m	100 %

From the € 76m B-envelope, € 25m has been earmarked as support to the restart of rutile-mining (see 4.4.4 Sysmin), and the balance is to be used on unforeseen events such as emergency assistance, additional contributions to internationally agreed development initiatives (e.g. debt relief) and others. With reference to the Dakar Discussions pt. 4.3c), (“regional crisis initiatives”), an option worth to consider is to put funds into the Regional Peace and Development Fund in preparation at the ADB. This fund focuses on interventions in immediate post-conflict situations where traditional funding mechanisms fail and quick disbursement is necessary to allow for quick impact measures to consolidate the peace.

Within the EC-GoSL dialogue according to the principles established in the Cotonou Agreement, Financing Proposals will be drafted within the agreed focal areas of intervention. In addition to the next annual review, a mid-term review in 2004 will indicate whether the choices made still correspond to the main needs and development priorities of the country and whether part of the B-envelope will be used. The planned chronogram for programming and disbursement in 2003 is in annex 3.

While implementing projects under previous EDFs and programming adequate response strategies for identified needs in the 9th EDF focal sectors, attention is given to ensure coherence and consistency of EC policies. For the Sierra Leone case, special attention is given to the linkage between relief, rehabilitation and development. Close cooperation has been initiated between actors in EC humanitarian aid (ECHO), food security, rehabilitation (RRP program) and the EC intervention in the health sector (HSSP). With regard to trade, it is envisaged to give support to the Ministry for Trade and Industry in order to strengthen Sierra Leone’s capacity for the EPA negotiation.

6 2003 Annual Operational Review – specific themes

6.1 Speeding up of the use of old EDF resources

Uncommitted funds from 6th EDF (€ 6,7m) will be transferred to the 9th EDF allocation, whereas funds from 7th and 8th EDF, including an 8th EDF € 10m decision for the Freetown-Conakry Highway, are almost completely allocated (>99%). There are, however, large amounts to be engaged with a secondary commitment and to be disbursed. These are

linked to a number of large projects the implementation has been delayed for a variety of reasons. The open projects fall into one of five categories:

- Small studies that are on-going initiated recently in preparation for the 9th EDF. These will soon be completed and the activity closed.
- Projects that have been completed but for one reason or another and not closed. Some of these are problematic and are being dealt with on a case-by-case basis. The resources blocked are not substantial.
- Projects that are managed by EC Headquarters and these concern mainly TA expert contracts previously managed by GTZ. In this case there are 4 experts with 5 separate accounting numbers but all except one have or will have left during the year 2003. This will be addressed by EC-HQ.
- Projects that are the subject of contractor's claims. Although some progress with the settlement of claims during the year, there remain 2 claims pending. EC-HQ will take a leading role in the settlement of these claims and the closure of projects that could result in between € 7.2m and € 7.5m returning to the country reserve. As the Sierra Leone IP includes macro economic support, the CSP foresees the use of these resources and de-commitments from the three categories of projects above for projects and programmes already identified in the Indicative Programme of preceding EDF's for which no financial decision was taken before the entry into force of the 9th EDF.
- Large projects where the implementation has been delayed for a variety of reasons and a realistic time frame in some cases will extend the project period beyond the validity period date included in the FA agreement. The projects in this category are listed below. The total primary commitment of these projects is € 134.9m.

Health Support Sector Project 8 ACP SL 012

The FA was signed in April 2001 with a start up date of 1/12/2001 and a validity period until 31/12/2006. The start up date was met but implementation only started with the arrival of the TA team in December 2002. It is a complex project with a five years life span. Although in early stages of implementation, difficulties are showing themselves and ways must be found during the annual review of overcoming them.

Population Census 7 ACP SL 100

The project was approved in November 2002 but the FA is not yet signed. The project has a 2-year life span 2003/2004. UNFPA and the GoSL also contribute to the exercise which has a fixed timeframe of 2 years.

Sierra Leone Roads Authority 7 ACP SL 044

The FA has just been extended to January 2007. The award of a large contract which will reduce significantly the funding is expected shortly with a contractual period of 27 months remaining well within the end date of 31.1.2007. The remaining funds are for spot repairs to be completed during the dry seasons 2003/4 and 2004/5.

Emergency Power Distribution 7 ACP SL 099

The financing agreement was signed 3/12/2002 with a project validity period until 31/12/2004. Tendering is on going with a target completion date of beginning 2004.

Rehabilitation and Resettlement 7 ACP SL 87 and 8 ACP SL 07

The FA covering the second phase of this project was signed 18/12/2000 but implementation was delayed due to a considerable time lapse in the decision making process at HQ, and bridging arrangements were to be made between the two phases to guarantee continuity in this important sector. A 3-year TA contract was signed in June 2002, coinciding with the end of the project validity period June 2005. A small extension may be required for administrative reasons. Due to the exceptional transfer of € 10.0m from this project to the DDR process in August 2001, the funding for project activities is insufficient to cover the project validity period. Consequently the TA contract will be shortened or alternative sources of funds to replenish the transfer are identified. The latter course of action is the most likely and the end date of June 2005 respected.

Freetown Conakry Highway 8 ACP SL 18

At the time of writing the report, the FA has just been signed. Only €10.0m of the €17.8m total cost is from comes from the SL NIP and it is expected that the tender is floated and contract awarded by 4th quarter 2003 with a 3 year construction and maintenance period.

Post Conflict Budget Support 8 ACP SL 08/09/10/11

The FA was signed 19.12.2000 with a validity period 30.6.2003. After an unsatisfactory audit on EC budget support to Sierra Leone, payments under this agreement had to be halted. The signing in late 2002 of a Protocol of Regularisation and a Matrix of Corrective Measures in public finance management to be implemented during the course of 2003 cleared the path for the restart of the program, whose validity period is about to being extended to 31.3.2004.

Ministry of Finance 8 ACP SL 006

The FA was signed 19.11.2000 with a validity period until 30.6.2005. The project hit major implementation problems during 2002 and a 3 years TA contract has yet to be tendered. A request to modify the FA is in hand but is probable that the completion will now not be before mid 2007.

6.2 Setting indicators and targets for measuring results in focal sectors

(I) The principal mechanism to establish indicators to measure achievements in poverty reduction is the PRSP process. The full PRSP is expected to be completed by end-2003, therefore the targets for measuring impact have not yet been established.

(II) As for EC intervention, assessing impact could be done on two levels. For ongoing programs such as HSSP (Health), RRP (Rehabilitation), and Roads, the objectives are identified in the relevant project documents. Selected indicators against which impact of ongoing EC support can be measured are as follows:

	Result indicator (selected)
HSSP	<ul style="list-style-type: none"> • Increased attendance rates and improved adequacy of diagnosis and treatment in the supported districts • Reliable national drug distribution system established, consistent supply of quality drugs at health care facilities

RRP	<ul style="list-style-type: none"> • Rehabilitation of schools, clinics, wat/san facilities in progress • Ex-combatants trained and employed
Roads	<ul style="list-style-type: none"> • Freetown-Conakry Highway phase I FA signed, contract for works and supervision awarded, contractor mobilised, construction in progress

(III) Interventions under the 9th EDF are focused on rehabilitation of priority infrastructure (mainly roads) and good governance. Based on the log-frame of the Country Strategy Paper, which has just been agreed at the time of writing this report, specific indicators will be identified in the project design process. For the Mid-Term Review expected in 2005, the following indicators for the three focal sectors are being suggested:

Focal sector 1: Rehabilitation of Priority Infrastructure

The CSP 9th EDF specifies as program purpose: “improved access to markets and social services, particularly in the north and east of the country”. Expected results are “selected road network rehabilitated and maintained nationally”, “access to rural areas and markets improved” and “rural health and education infrastructure rehabilitated in selected areas”. Indicators to measure performance in a more specific way by the time of the Mid-Term Review in 2005 could be as follows:

a) improved road network, especially feeder roads

- survey for road conditions carried out and baseline data for road conditions in project areas established
- km of roads rehabilitated (target to be specified at a later stage)
- ADT in project areas increased
- Km of road rehabilitation contracts
- Value of road rehabilitation contracts

b) improved maintenance and financial control

- satisfactory audit on SLRA annual accounts
- enhanced management capacity of SLRA

c) enhanced stakeholder’s dialogue on transport sector policy

- regular stakeholder’s meetings on transport sector policy held
- agenda for policy sector review established and implementation of action plan ongoing

d) social infrastructure in selected rural areas rehabilitated

This objective is supposed to be achieved through the € 10m replenishment of the RRP program with funds from 9th EDF Focal Sector 1. The expected results are increased access to education and health facilities; increased access to safe water; empowerment of those local communities where facilities are being built. Proposed indicators are:

- Number of classrooms, clinics, water/sanitation facilities rehabilitated
- Number of teachers and Medical staff quarters rehabilitated
- Training and employment schemes provided for the local communities

Focal sector 2: Good Governance and Institution Building

The CSP determines that “the second priority sector is designed to support the efforts of the Government to consolidate a decentralised democratic system characterized by an effective social service delivery throughout the country, and participatory, transparent and accountable governance with a strong civil society watchdog function”. The CSP log-frame

which remain fully valid for the sake of the Mid-Term Review identifies as program purpose the “Restoration of civil authority, consolidation of democracy and the establishment of a participatory, transparent and accountable system of governance”. Among the indicators to measure performance in a more specific way by the time of the Mid-Term Review in 2005 could be the following:

a) effective decentralised government in place

- decentralisation policies including functional and fiscal decentralisation adopted
- comprehensive local government law enacted
- free, fair and transparent district council elections held
- district councils established and functioning
- members of district councils trained
- appropriate policy and financial accountability mechanisms for local government in place

b) public finance management improved

- PFM action plan as agreed with EU, WB, IMF and DfID implemented
- Full CFAA undertaken and implementation plan in place
- Effective action taken against violators of PFM regulations/laws

c) watchdog function of civil society strengthened

- competent civil society actors in the governance sector identified
- cooperation strategy designed with non-state actors to promote good governance
- number and variety of actions undertaken by civil society governance watchdog institutions

d) improved social service delivery

Indicators in the area of improved service delivery will be measured according to targets established in the full PRSP.

Indicators for Macroeconomic Support

The CSP specifies that macro-economic support will be mobilised under the 9th EDF “to contribute to poverty reduction by enabling the government, via corresponding budget allocations, to deliver basic social services such as education and health to the poor segments of the population.” It further refers to a set of indicators including those defined in the PRSP for the performance monitoring process. In order to achieve the objectives, government committed itself among others to increase expenditure in social sectors and to increase transparency and accountability of its public finance management system.

The CSP log-frame which remain fully valid for the sake of the Mid-Term Review identifies as program purpose the “Financial support to the implementation of national development priorities as laid down in the PRSP (especially the improved access to, and quality of, social service delivery for the poor)”. This requires a more efficient and targeted use of increased amounts of funds allocated to the social sectors (and effectively spent) in the annual budget.

Indicators to measure performance in for macro-economic support will include the continuation of sound macro-economic policies according to agreements with the BWIs, improved management of public funds according to the implementation plans agreed with EU, WB and DfID, and achievements in poverty reduction according to targets set in the PRSP. Awaiting the completion of the full PRSP, it is suggested to look in the meantime – apart from macro-economic policies and public finance management – more closely at the following performance indicators for the Mid-Term Review, which are mentioned in the CSP intervention framework. Specific targets for these indicators will be identified in the course of the completion of the PRSP.

- increased funds allocated and disbursed for pro-poor social services in rural areas
- increased rate of school enrolment in rural areas
- increased attendance of primary health facilities
- increased access to safe water

An updated overview of indicators and targets, as agreed in the course of the final meetings on the annual review of Sierra Leone – EC cooperation in 2002, is shown in annexe 1bis.

6.3 Dialogue in country with NAO and non-state actors

Dialogue with the NAO on identification and implementation of programs was smooth throughout the year. Dialogue between the Delegation and non-state actors took place on various levels. ECHO as well as the RRP program closely relate to NGOs as implementing partners of humanitarian or rehabilitation projects. There is an ongoing rather informal dialogue with non-state actors, e.g. in the field of good governance. In accordance with the Cotonou Agreement, cooperation with non-state actors will deepen under the 9th EDF, and it is envisaged to amend the CSP to reflect Government's commitment to enhance their involvement into the EC-Sierra Leone development cooperation.

7 Summary/Conclusions

7.1 Recent developments and remaining challenges

Sierra Leone is just about to get out of the worst decade of its history as a nation. The decade-long war, accompanied by gross human rights violations, which caused widespread loss of lives, massive destruction of infrastructure, displacement of up to half the population and a collapse of state institutions, was officially declared over at the very beginning of the year 2002. The international community, notably through the deployment of the largest ever peace-keeping force, UNAMSIL, and decisive military intervention by the UK Government, supported by generous international funding, showed a deep commitment to ending the war and restoring peace and stability.

The year 2002 witnessed the completion of the disarmament and demobilisation of ex-combatants and ongoing efforts to reintegrate them into normal life, the resettlement of hundreds of thousands of internally displaced as well as returnees mainly from neighbouring Guinea, and the restoration of state authority throughout almost all the country. One of the major achievements in 2002 was the repatriation of IDPs and returnees into their home areas in the previously rebel-held north and east of the country.

Parliamentary and Presidential elections in May 2002, the most peaceful in the country's history, confirmed the incumbent President Ahmed Tejan Kabbah for a second 5-year-term in office and resulted in a sweeping majority of the ruling Sierra Leone People's Party (83 out of 112 seats in Parliament). The Special Court for Sierra Leone, established to bring to justice those who bear the greatest responsibility for the atrocities of the war, as well as the Truth and Reconciliation Commission (TRC), aiming at fostering healing and reconciliation, began their operations. However, the sustainability of the achievements must not be taken for granted. Unrest in the region with a looming crisis in Guinea, a volatile situation in Ivory Coast and a civil war in Liberia risks to undermine the hard-won peace. There are internal security threats, too, evidenced by an armed attack on a military installation in Freetown early January 2003, and the subsequent arrest of 78 people on charges of plotting a coup.

Given the legacy of the war, and beyond the achievements made in the course of 2002, the challenges lying ahead of Government, development partners and the population remain enormous, covering the whole range from internal security issues and humanitarian and refugee aid, recovery and rehabilitation, improvement of social service delivery to institution strengthening, capacity building and structural reforms, in order to build the eroded foundations for long-term sustainable development. In this respect, it is paramount to bridge the gap between these types of interventions and to ensure maximum synergy effects by linking relief, rehabilitation and development (LRRD) activities. Unhindered access into all districts and ongoing commitment by the international community, should pave the way for substantial improvement in all areas within a reasonable period of time.

The reintegration of ex-combatants remains a pressing issue. Although the DDR-program promotes reintegration through 6 months of training, it is questionable whether those whose lives for many years consisted of fighting and looting, will be able to reintegrate easily into normal life. In the long run, if peace and development is to be maintained in the country, then the principles of good governance, including efficiency, accountability and transparency in political decision-making and financial management, have to be established and enforced. This requires a number of crucial reform steps in the public service, the proved readiness to fight corruption and mismanagement, the strengthening of accountability mechanisms, reform of the judiciary. Only then the state and its institutions will regain the credibility it has lost through poor governance over decades.

7.2 Economic developments

At macro-economic level, Sierra Leone has fared remarkably well during the last two years. In 2002, overall growth is estimated at 6,6 % (4,5% in 2001), the year to year inflation rate stood at -2,5% and the exchange rate to the US\$ remained more or less stable. Central Bank reserves increased over the reporting period and at US\$ 65,7m jumped over the 3 months import threshold. After a review in September 2002, this performance gave Sierra Leone access to the 2nd tranche of an IMF Poverty Reduction and Growth Facility (PRGF), which had been agreed in Sept. 2001. In addition, Sierra Leone qualified for HIPC debt relief and reached decision point in March 2002, freeing in 2002 US\$ 32m for poverty-related activities for which a supplementary budget was introduced in July 2002. Only US\$ 22m however could be spent in the second half of 2002, thus carrying over into the 2003 budget a HIPC 2002 balance of US\$ 10m. HIPC gives the country a perspective of 70% debt relief over 20 years if policies remain on track.

Overall government spending remained under control thus maintaining a fragile balance. However, the 2002 ceiling for wages and salaries (projected Le 132bn, actual Le 142bn) was not respected, whereas actual development expenditures (Le 86,4bn) was considerably lower than projected (Le 209,3bn). At the end of the year, the overall deficit excluding grants stood at (-) Le 295bn or 17,9% of GDP and including grants at (-) Le122bn/7,4% of GDP.

The dependency on foreign sources will continue and even increase over the next years, given that spending for wages, extension of government structures throughout the country, rehabilitation and improved service delivery requires additional funds, whereas the low domestic revenues – mostly from duties on donor-funded imports - continue to increase very slowly. However, donors demand accountability and transparency of public spending, and the EC had to temporarily put on hold the Post Conflict Budget Support as consequence of a very unsatisfactory external audit on previous budget support in early 2001.

7.3 EU-Sierra Leone cooperation in 2002

Overview

During the long conflict, the implementation of programs, and therefore the disbursement of available funds, encountered severe obstacles. For a good part of the 90s, many areas of the country, especially in the north and east, were not accessible. The backlog of funds created by this situation has been significantly reduced during the last year. However, other obstacles for quicker implementation were capacity constraints at the NAO, staffing shortages at the EC Delegation and delays at HQ in processing incoming files.

Disbursements of funds from 6th, 7th and 8th NIPs increased by 20% from € 9,7m in 2001 to € 11,6m in 2002. Total commitments stood at € 57,977m or 88,52% of total allocation from 6th EDF NIP, € 54,196m or 64,83% from 7th EDF NIP and €18,821m or 24,1% from 8th EDF NIP.

At the time of writing the report, the unallocated balance of 6th EFD (€ 6,7m) will be transferred, yet from 7th and 8th EDF almost all funds are allocated. However, the level of secondary commitments as well as disbursements is significantly lower. Besides smaller studies, projects with claims by contractors, and projects which are completed but not yet closed, most of these unspent funds are tied up in medium or large ongoing projects under 7th and 8th EDF.

Focal sector: Support to Public Sector Reform, Good Governance, Democratisation and Human Rights

This 1st area of concentration under the 8th EDF NIP covers essentially aspects related to 1) the sound and transparent management of public funds and 2) public sector reform, strengthening democratisation and decentralisation, strengthening the judiciary and promote human rights. During the year 2002, support measures financed in this sector comprise the continuation of the strengthening of the Ministry of Finance and the Accountant General's Department, support to the conduct of the Presidential and Parliamentary elections, technical assistance to the NAO and support to Aid Coordination Unit of the Ministry of Development and Planning.

The EC interim support to the Ministry of Finance, a follow-up to several years of structural support to the Ministry, which was designed to bridge the gap until a more comprehensive support program is in place, came to an end during the course of the year 2002. This support consisted in the provision of one international and 8 local TAs to the Accountant General and 4 local Technical assistants to key sections of the Ministry of Finance.

Unfortunately, due to delays in the process, the successor program did not step in immediately. Significant improvements were achieved however in the pursuit of sound and transparent management of public funds. On the basis of these achievements, which were confirmed in the World Bank's Country Financial Accountability Assessment in 2002, IMF (Poverty Reduction and Growth Facility, PRGF) and World Bank (Economic Rehabilitation and Recovery Credit) granted Sierra Leone concessionary loans. A significant part of the positive results can be attributed to EC support to the Ministry of Finance/ Accountant General from 1998 until 2002. Among others, for the first time since 1973, Government accounts were published for 1998, 1999 and 2000. In addition, a financial management and computerised accounting system, including for payroll and pensions, was put in place, eliminating thus a huge number of ghost workers.

The main EC intervention with regard to democratisation in 2002 was the support to the Parliamentary and Presidential elections held on May 14, 2002, for which € 2m had been earmarked. The funds, which were managed by an EU-funded international TA, were used among others to print ballot papers, finance election education programs, and purchase ballot boxes. Compared to previous elections in the country, and in the light of the just concluded civil war, these elections, monitored by a large number of national and international election observers including the EU, were widely considered as free and fair.

Focal sector: Rehabilitation and development of social sectors

Interventions under this 2nd area of concentration under the 8th EDF NIP aim principally at 1) improving quality of, and access to, health service delivery, and 2) improving access to basic education through the rehabilitation of schools. During the year 2002, main activities undertaken in this area were (a) the start-up of the EC Health Sector Support Program and (b) the continuation of rehabilitation of health and education facilities through the Rehabilitation and Resettlement Program.

Being approved in 2001, the Health Sector Support Program (HSSP) with a budget of € 28m and a life-span of 5 years started up in late 2002, with the arrival of the technical assistance team. In addition, a technical advisor was placed at the Ministry of Health. Both projects having just started, no measurable results are available as of now. A major impact of EC support in the health sector can however be expected for the coming years.

A second element of EC support to improved access to health facilities are the interventions of the Rehabilitation and Resettlement Program (RRP) in the health sector. The RRP phase one, which ended in mid-2002, spent in total € 1,8m for projects related to the health sector, including the rehabilitation of 22 Peripheral Healthcare Units (PHUs), 8 hospitals, staff houses, and the financing of health personnel refresher training. This positive impact on the health situation in the country is going to be further enhanced by the planned interventions in the health sector under RRP phase II.

In view of massive and countrywide destruction of schools during the war, one of the most urgent measures was to rehabilitate education infrastructure. The EC supported this sector under the Rehabilitation and Resettlement Program. Under the 1st Phase (RRP I), only areas within government-controlled areas could be considered. From 1999 until 2002, 111 schools were rehabilitated under this program. RRP II started in late 2002 and has in its Annual Work Plan 2002/03 committed € 5,7m for the rehabilitation of social infrastructure, of which € 1,72 for schools. This program will continue over the next 3 years.

Focal sector: Infrastructure

The objectives under the infrastructure sector of the NIP (3rd area of concentration) in the area of roads are to establish a well-maintained, cost-effective and sustainable road network, to reform and to strengthen SLRA management capacities and to increase the use of private sector and labour intensive methods in road maintenance, and in the power sector: to improve the efficiency and independence of the energy sector. The funds allocated to this sector under the NIP were € 23,4m.

The Commission has over the last years been deeply involved in activities to improve road infrastructure. In 2002, approx. € 3m were committed for 5 road improvement projects (most of which came from 7th EDF). International competitive bidding has been initiated for the Masiaka-Makeni highway and tender documents are awaiting approval for the Rogbere Junction – Farmoreah section of the Freetown-Conakry highway which as a whole was approved in 2002 with funds from Sierra Leone NIP (8th EDF), Guinea NIP (6th EDF) and the 7th EDF Regional Program. Spot improvements were completed at the Masiaka-

Taiama and the Port Loko-Kambia roads thus improving access and cutting travel time by half. The rehabilitation of SLRA regional headquarters in Freetown, Port Loko, Bo and Kenema started. The capacity building element for SLRA has not been as successful as expected, and fresh efforts are continuing in 2003.

Macro-economic support

Main objectives under this area of intervention were to ensure the allocation of an increased share of GoSL income to sectors addressing and alleviating poverty, while at the same time improving overall efficiency, transparency and accountability of public finance management. Macro-economic support did not constitute a focal sector under the 8th EDF NIP, but in light of the conflict, it was agreed to use € 34,75m from 8th EDF SAF, 8th EDF SAF HIPC Bonus and 8th EDF NIP for “Post Conflict Budget Support”, signed in 2000.

In 2002, no EC budget support funds were released into GoSL accounts. The release of the 1st tranche PCBS (€16,57m transferred in January 2001) as well as the transfer and release of 2nd and 3rd tranches (€16,58m and €1,6m, respectively) were put on hold in 2001, following an audit on previous EC budget support which identified ineligible expenditure amounting to € 6,13 m. In the course of a mission from EC HQ in October 2002, agreements on the modalities of reimbursement of ineligible expenditure and the implementation of corrective measures to improve public finance management were negotiated and signed by GoSL in December 2002, paving the way for restart of EC budget support in 2003.

Furthermore, still as yet unspent funds from Stabex allocations 1996-1999 of € 2,7 have been earmarked for budget support targeted for rural development and food security activities. Based on these agreements, EC budget support to Sierra Leone in 2003 could amount to more than € 20m, if commitments on both sides are respected. GoSL has budgeted this amount as expected grant revenue for its 2003 budget.

Linking relief, rehabilitation and development (LRRD)

Given the particular situation of Sierra Leone, where in the first year after the end of the war all types of activities covering relief, rehabilitation and development have been undertaken with EDF and budget line funding, including an important humanitarian programme funded by ECHO, it was of critical importance to ensure as far as possible an appropriate linking of these operations in order to maximise impact and synergy effects. The Delegation was regularly reporting on these efforts in quarterly LRRD reports. As Sierra Leone has been selected as “Focal Country” for LRRD-interventions, the Delegation, together with ECHO, and based on the Instruction Note on LRRD published 10.4.2003, are currently preparing a proposal to implement the Commission’s LRRD strategy in the country.

Information sharing and coordination was particularly important between the Delegation, the EDF-funded Support to the Ministry of Health, the Health Sector Support and the Rehabilitation and Resettlement Programs, and ECHO-funded operations. To ensure this, meetings between the respective actors were taking place. In addition, attempts were made to ensure LRRD principles in the food security as well as the human rights/democratization support programs.

7.4 Programming perspectives for 2003

Projects and programmes funded from 7th and 8th EDF resources

Major projects financed under the 7th and 8th EDF will continue in 2003 and the coming 3-4 years. As most important interventions financed from preceding EDFs, the Health Sector Support Programme (primary commitment of 28.0 M€), support to the Sierra Leone Road Authority (20.5 M€), the Resettlement and Rehabilitation project (20.0 M€) as well as the Post Conflict Budgetary Support (25.1 M€) are to be mentioned.

Projected secondary commitments in 2003 are estimated at 60.8 M€, whereas payments are projected to rise to 43.89 M€. The start of the EC support for Housing and Population Census is scheduled for 2003, as well as the resumption of the institutional support to the Ministry of Finance and support to the NAO's office. The most important disbursements are forecast for the Post Conflict Budget Support (17.6 M€), the Resettlement and Rehabilitation Programme (7.0 M€) and the HSSP (5.0 M€).

Pipeline for resources from the 9th EDF

Based on consultations with a variety of other stakeholders, Government and the EC agreed on focussing their combined efforts for the next years under the 9th EDF on (1) the rehabilitation of priority infrastructure, i.e. destroyed social infrastructure as well as roads including feeder roads, (2) supporting good governance and institution building, strengthening of state and non-state accountability mechanisms and (3) budget support. Considering the expected approval of the Country Strategy Paper 2003-2007, preparations for 9th EDF projects are about to be started.

For the programmed projects under the 9th EDF, no secondary commitments or payments are expected for 2003 except for the support to the reopening of the rutile mine, for which € 25m are earmarked from the 9th EDF B-envelope. Secondary commitments and payments for the A-envelope projects will begin in 2004.

Given the development of the humanitarian situation over the last months in 2002 and UN plans to repatriate some 70.000 Sierra Leonean refugees from Guinea, B-envelope funds could be allocated to cope with unforeseen additional needs to support of returning refugees from Guinea and other countries and refugees coming into Sierra Leone from Liberia.

7.5 Setting indicators and targets for measuring results in focal sectors

The principal mechanism to establish indicators to measure achievements in poverty reduction is the PRSP process. The full PRSP is expected to be completed by end-2003, therefore the targets for measuring impact have not yet been established. For ongoing programs such as HSSP (Health), RRP (Rehabilitation), and roads, the objectives are spelt out in the relevant project documents.

Interventions under the 9th EDF are focused on rehabilitation of priority infrastructure (mainly roads) and good governance/institutional support. Based on the log-frame of the Country Strategy Paper, which has just been agreed at the time of writing this report, further specific indicators will be identified in the project design process. However, given the necessary procedure between submission of a proposal and the actual start of a project on the ground, measuring the impact of 9th EDF interventions in 2004 will be difficult, as they will have just started. Focused discussions will be held with the NAO on defining concrete and measurable indicators for 9th EDF interventions as the identification of support actions move on.

7.6 Operational conclusions

On the basis of the assessment of the ongoing programme, the planning perspectives and the conclusions of the Dakar seminar in February 2003, the following operational conclusion are drawn as part of the 2003 annual review:

- De-commitment of unused funds from preceding EDFs should be done as soon as possible, in order to free the balances for the funding of additional needs.
- Priority should be given to ensure the accomplishment of the deconcentration process of the EC Delegation in Sierra Leone and the continuity of adequate technical assistance to the NAO's office.
- Priority should be given to the timely launch of new 8th EDF project, including the support to the Ministry of Finance and the Housing and Population Census.
- No changes are recommended with regard to the 9th EDF project pipeline as discussed in Dakar.
- The mobilisation of funds from the B-envelope for unforeseen needs for humanitarian and resettlement purposes should be further examined.

7.7 General Perspectives

After the decade-long suffering, the people of Sierra Leone, especially those previously and until now excluded and marginalized, deserve a better future. Having regained peace and stability, and given the international community's commitment for supporting Government's efforts to reduce poverty, improve governance/ public finance management and social service delivery, and create an enabling private sector environment conducive to investment and job creation, there is a real chance for a fresh start. If internal security remains stable, if donors as well as Government keep to their commitments, if interventions are being well targeted and coordinated between the various actors, and if the initiative and own resources of the population can be mobilized, a rapid improvement of the lives of the people is not an illusion.

Annexes:

Nr.	Item	Comment
1	Intervention framework	The CSP was adopted in February 2003 and is therefore fully valid for the operations of the Delegation.
2	Chronogram of activities	Updated March 2003
3	Indicative timetable commitments/disbursements	The timetables enclosed are as sent by AIDCO to the ECD per email on March 14 th . They are the result of the Dakar meeting and subsequent discussions between AIDCO, DGDev and the Delegation
4	Financial Situation 6 th EDF	As of 31/12/2002
5	Financial Situation 7 th EDF	As of 31/12/2002
6	Financial Situation 8 th EDF	As of 31/12/2002
7	Regional Projects	There are currently no projects ongoing under these instruments. Detailed explanations on the status of these instruments and perspectives for the near future can be found in the relevant chapters 4.1.4, 4.4.1 and 4.4.2 in the main text.
8	EIB Projects	

Annex 1: Intervention Framework, policy measures and indicators**Focal Sector 1 - Rehabilitation of Priority Infrastructure**

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

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

Focal Sector 2 – Good Governance & Institutional Support

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Creation of an institutional framework enabling sustainable economic and social development	<ul style="list-style-type: none"> • Functioning institutions in executive, legislative and judiciary throughout the country • Functioning administration including social service delivery in the provinces • Functioning watchdog institutions 	<ul style="list-style-type: none"> • Reports of institutions mandated with governance-related issues (ACC, Auditor General, Ombudsman, Governance Reform Secretariat; relevant non-state accords like CGG, NAG) 	<ul style="list-style-type: none"> • Peace and stability remain
Programme Purpose	Restoration of civil authority, consolidation of democracy and establishment of a participatory, transparent and accountable system of governance	<ul style="list-style-type: none"> • Civil administration restored throughout the country • Social services efficiently delivered • Improved proportion of population with access to quality social services in provinces • Democratic and legitimate local institution established 	<ul style="list-style-type: none"> • Report of PFM working group; assessment reports by EU, IMF, DfID • Public Expenditure Tracking Survey • Reports of non-state actors on governance issues 	<ul style="list-style-type: none"> • GoSL remains committed to principles of good governance. • GoSL remains committed to deconcentration and decentralization • GoSL promotes public and non-public watch-dog institutions
Results	<ul style="list-style-type: none"> • Ministries crucial for poverty reduction strengthened ; • Deconcentration of services to provinces effective; • Improved efficiency and transparency of public finance management; • Role of civil society in governance strengthened 	<ul style="list-style-type: none"> • Improved performance of key ministries • Improved percentage of budget resources effectively used in social sectors (as compared to initial planning) • Misappropriation of public funds/assets reduced • Improved participation of civil society in local decision making 	<ul style="list-style-type: none"> • PETS • Assessment Reports by IMF, DfID, EU • Reports of ACC and other watchdog institutions 	<ul style="list-style-type: none"> • Public finance management system accepted by main actors • Recommendations of CFAA and other diagnostic tools (e.g. PEFA) implemented • Domestic financial resources mobilised

For the CSP 2nd Focal sector intervention, it is suggested to indicatively specify the OVIs as follows

Objectively Verifiable Indicators	Specification	By date	sources of verification
1. Democratic and legitimate local institutions established and civil administration restored throughout the country 2. Improved proportion of population with access to quality social services in provinces	1.1 comprehensive local government law enacted 1.2 transparent and fair district elections held throughout the country 1.3 all affected Ministries have functioning offices in provincial capitals 2.1 improved access to health and education services by population in the rural areas have 2.2 establishment of functioning district budget oversight committees 2.3 funds allocated for social services reach beneficiaries	Q3 2003 Q4 2003 Q2 2004 Ongoing Ongoing ongoing	Local Government Task Force, SL Gazette; election reports; PETS; reports from Line Ministries PETS; project reports (EU; WB; unicef..) Minutes of district budget oversight cttees PETS, Public Expenditure Review,
1. Improved performance of key ministries 2. Improved percentage of budget resources effectively used in social sectors 3. Misappropriation of public funds/assets reduced 4. Improved participation of civil society in local decision making	1.1 Review of Health and Education Ministries completed 1.2 Action plan established and implementation of recommend. started 2.1 Increase in budget allocation for social sectors 2.2 Reduction in fraud, waste and mismanagement of public funds 2.3 Functioning district oversight committees in place 3.1 Anti-Corruption Commission and other appropriate accountability structures/mechanisms strengthened/ established, significant reduction of backlog of cases at Ministry of Justice 3.2 Transparency of flow of public funds increased, public finance management regulations effectively enforced 4.1 Functioning mechanisms to allow for participation of civil society in local decision making	Q1 2004 Q2 2004 Q4 2003 and ong.	Sectoral Reviews within PRSP Project reports (EU; WB) Budget GoSL

Remarks: A number of initiatives in the area of good governance are presently being pursued by various external actors. The indicators above therefore move beyond the impact of EC support and cover a broader scope of activities by several actors.

Macroeconomic Support

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

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

Annex 1^{bis}: Updated Intervention Framework 9th EDF

Sector 1: Rehabilitation of priority infrastructure

Level of Target	Performance Indicators	Target 2002 (where indicated/ defined)	Status 2002 (or latest year available)	Sources of information/ verification	Comments / assumptions	Target 2003	Target 2004	Target 2005
National level ¹⁾	<ul style="list-style-type: none"> Road Network Condition Average transport fares for goods and passengers*) 	good: 44,5 % fair/ 54,5 % poor n.a.	good:44,5% fair/ 54,5 % poor Status 2003: To be determ.	Transport Statistics Yearbook Idem, sample surveys	Trunk roads only	good: 51,3% fair/ 48,7 % poor (decreasing)	good: 54,3% fair/ 45,7 % poor **) (decreasing)	(target 2007) good: 60,3% fair/ 39,7 % poor **) (decreasing)
Intervention / Programme level ²⁾	<ul style="list-style-type: none"> Number of districts with all weather access to main network Percentage of “Core Network” in good or fair condition Number of Chiefdoms with minimum health infrastructure (proxy: Nr of functioning PHUs) Number of Chiefdoms with minimum education infrastructure (proxy: Nr of primary schools functioning) 	12 n.a. n.a. n.a.	12 n.a. Status 9/02: 542 Status 9/02: 3279	SLRA SLRA UNAMSIL future: DACO UNSAMSIL future: DACO	Trunk roads only Trunk roads only	12 Status 2003: to be determ Status 3/03: 684 Status 3/03: 3497	12 increasing **) increasing **) increasing **)	12 increasing **) increasing **) increasing **)

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Result level ³⁾	<ul style="list-style-type: none"> Km of road rehabilitated per year: <ul style="list-style-type: none"> - Total - EDF-funded 	900 160	177 169	Transport Statistics; data from ECD/NAO		900 160	900 160	900 160
	<ul style="list-style-type: none"> Level of funding of road fund (as % of needs for maintenance of “core network”) *) 	7,7 bn Le (100%)	5,55 bn Le (72%)	Transport statistics		increasing	increasing	increasing
	<ul style="list-style-type: none"> Value of funding for rehabilitation: *) 	n.a.	5,25 bn Le	SLRA Transport statistics		increasing	increasing	increasing
	<ul style="list-style-type: none"> Annual audits of SLRA carried out *) 	2/yr	2/yr	Auditor General Dptment Report SLRA reports		2/yr	2/yr	2/yr
	<ul style="list-style-type: none"> Corrective measures taken further to audits*) 	n.a.	yes			yes	yes	yes
	<ul style="list-style-type: none"> Number of classrooms rehabilitated (EDF-funded) 	n.a.	(SLRRP I) 61 schools, 343 class-rooms	SLRRP I,II,III project reports		(SLRRP II) classrooms, schools: 84	(SLRRP II) classrooms, schools: 100	(SLRRP II) classrooms, schools: 200
	<ul style="list-style-type: none"> Number of PHU's, clinics rehabilitated (EDF-funded) 	n.a.	8 hospitals, 22 PHUs			PHUs, clinics: 16	PHUs, clinics: 35	PHUs, clinics: 21

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

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

**) Targets to be set by the final PRSP, expected for mid-2004.

Updated Intervention Framework 9th EDF (contd.)

Sector 2: Good Governance & Institution building

Level of Target	Performance Indicators	Target 2002 (where indicated/ defined)	Status 2002 (or latest year available)	Sources of information/ verification	Comments / assumptions	Target 2003	Target 2004	Target 2005
National level ¹⁾	<ul style="list-style-type: none"> • Perceived level of corruption *) • Number of District Councils: *) <ul style="list-style-type: none"> - established - funded according to legal prescriptions - functioning 	n.a. n.a.	n.a. no DCs in existence	NGO ratings, Opinion polls Ministry of LocGov, MoF reports; Gazette	D.C. elections in spring 2004 Requires further discussions with GoSL	Decreasing n.a. n.a. n.a.	Decreasing 12 > 50% > 50% (suggested)	Ranking in 3 rd quarter in intl. Index 12 > 75% > 75% (suggested)
Intervention / Programme level ²⁾	<ul style="list-style-type: none"> • maximum time (months) for action taken by A.G. on cases transmitted by the ACC: *) - • Matrix of correcting measures successfully implemented *) • % change in quality of service delivery: *) <ul style="list-style-type: none"> - in the health sector - in the educat. sector 	n.a. n.a.	> 24 months n.a.	ACC reports MocM and PFM progress reports PETS reports service delivery score cards	Requires further discussions with GoSL Requires further discussions with GoSL	Status: no improvement evaluation '03 Satisfactory increasing	> 6 months on new cases (suggested) improving increasing	> 4 months on new cases (suggested) improving increasing

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Result level ³⁾	<ul style="list-style-type: none"> • Legislation on functional and fiscal decentralisation adopted (including appropriate provision for accountability) [*]) 	n.a.	n.a.	Government Gazette		Adoption of bill foreseen for Nov. 2003	implementat. according to legal provisions ongoing	implementat. according to legal provisions ongoing
	<ul style="list-style-type: none"> • Free and fair local elections held 	n.a.	n.a.	Gazette, NGO reports	Local elections scheduled for spring 2004	n.a.	April/May	n.a.
	<ul style="list-style-type: none"> • Percentage of state and parastatal bodies annually audited as provided by law. [*]) 	n.a.	n.a.	Reports by Auditor G ^{ral}	Requires further discussions with GoSL		70 % (suggested)	100 % (suggested)
	<ul style="list-style-type: none"> • Revision of ACC act based on best international / AU standards [*]) 	n.a.	n.a.	ACC report	GoSL actively pursues revision of ACC act to strengthen the institution, requires further discussions with GoSL	status: recommendations for revised act submitted to AttG	revised bill adopted by Parliament	
<ul style="list-style-type: none"> • National Anti-Corruption Strategy adopted and implemented[*]) 	n.a.	n.a.	GoSL announcement press release	GoSL maintains firm commitment to fight corruption	adoption of strategy and work plan for implementat. (Q 4 2003)	implementat. ongoing	implementat. ongoing	

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

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

^{**}) Targets to be set by the final PRSP, expected for mid-2004.

Updated Intervention Framework 9th EDF (contd.)

Macro-economic support

Level of Target	Performance Indicators	Target 2002 (where indicated/defined)	Status 2002 (or latest year available)	Sources of information/verification	Comments / assumptions	Target 2003	Target 2004	Target 2005
National level ¹⁾	• % of population below 1\$ poverty line	n.a.	85 %	MDG Task Team	Updates will be available only from 2004 onwards	n.a.	**)	**)
	• Level of human development ^{*)}	n.a.	Status 2001: 0,275	UN HDI		n.a.	improving	improving
Intervention / Programme level ²⁾	• Real growth rate	n.a.	6,6 %	MoFinance	Available data unreliable. Reliable date expected after 2004 population census.	6,5 %	6,8 %	7,1 %
	• gross primary school enrolment *	Status 2001: 659,509	Status 3/03: 932,237	PASCO		n.a.	**) (increasing)	**) (increasing)
	• Under 5 mortality rate ^{*)}	n.a.	316/1000	MDG Team, MoHealth		300/1000	280/1000	200/1000
	• Prevalence of severe malnutrition ^{*)}	n.a.	27 %	Idem		20 %	(increasing) **)	(increasing) **)
	• Macro-economic programme with IMF "on track"	yes	yes	IMF reviews		yes	yes	yes

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Result level ³⁾	• Final PRSP adopted ^{*)}	n.a.	n.a.	PRSP report	Completion of PRSP delayed		May 2004	
	• PRSP progress annually reviewed ^{*)}	n.a.	n.a.	PRSP reviews	Reviews start in 2005	n.a.	n.a.	Annually
	• Child immunisation rate ^{*)}	n.a.	40%	MoHealth		n.a.	**) (increasing)	**) (increasing)
	• No. of PHU functioning	n.a.	Status 9/02: 542	MoHealth		Status 3/03: 684	**) (increasing)	**) (increasing)
	• budget allocated to education sector ^(@)	n.a.	36,416 bn	MoFinance		44,160 bn	49,769 bn	57,143 bn
	• budget allocated to health sector ^(@)	n.a.	18,646 bn	MoFinance		34,031 bn	38,434 bn	43,278 bn
^(@) non-salary, non-interest recurrent budgetary allocations, figure for 2002 excluding HIPC								

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

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

^{**)} Targets to be set by the final PRSP, expected for mid-2004.

Annex 2: Chronogramme of activities 2003 - 2007 (date of presentation of financing proposals to the EDF Committee)																						
EDF or LB	Intitulé du projet	2003 Total	2003 Jan	2003 Feb	2003 Mar	2003 Apr	2003 Mai	2003 Jun	2003 Jul	2003 Aug	2003 Sep	2003 Oct	2003 Nov	2003 Dec	Risk low (1) med(2) high(3)	Cat <2mio €	2004	2005	2006	2007	Total 2003 - 2007	Commentaires
9	Refurbishment of the Masiaka - Taiama, Taiama-Bo and Songo-Moyamba - Moyamba Junction Roads	32,0									32,0				2						32,0	
9	Rehabilitation and Maintenance Works	10,0									10,0				2						10,0	
9	Refurbishment of 600km of Rural Roads																6,0				6,0	
9	Freetown Conakry High way. Over laying																12,0				12,0	
9	Refurbishment of Education and Health Facilities.	10,0									10,0										10,0	Topping-up of RRP
9	Support to the NAO's Office																5,0				5,0	
9	Decentralisation																7,0				7,0	
9	Institutional Support																7,0				7,0	
9	Macro economic support. Budget Support																50,0				50,0	
9	Non Focal sectors. Audits, Evaluations, Local elections.																2,0	2,0	1,0		5,0	
	Total A-Envelope (144 M€)	52									52						89,0	2,0	1,0		144	
9	Reopening of Rutile Mine	25,0	25																		25,0	EDF Nov. 2002
9	Non Programmable																					Resettlement Progr.?
	Total B-Envelope (76 M€)	25	25																		25,0	
	Total 9th EDF (220 M€)	77	25								52						89,0	2,0	1,0		169,0	

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PAYS: SIERRA LEONE

		montants en mio €																	
N° Compt.	Intitulé	Total eng. prim.	situation 31/12/2002		1 ^{er} semestre 2003		2 ^e semestre 2003		Total 2003		1 ^{er} semestre 2004		2 ^e semestre 2004		Total 2004		Situation 31/12/2004		
			eng. sec. (A)	payé (B)	eng. sec. (C)	paiements (D)	eng. sec. (E)	paiements (F)	eng. sec. (G)	paiements (H)	eng. sec. (I)	paiements (J)	eng. sec. (K)	paiements (L)	eng. sec. (M)	paiements (N)	eng. sec. (A+G+M)	paiements (B+H+N)	
(6, 7 and 8 EDF)																			
8,007	Rehab. & Resettlement Programme	20,0	16,0	12,3		0,4	4,0	1,4	4,0	1,8		3,5		0,5		4,0	20,0	18,1	
8,012	Health Sector Support Programme.	28,0	8,0	0,1	3,0	2,0		3,0	3,0	5,0	6,0	3,0		3,0	6,0	6,0	17,0	11,1	
8,018	Freetown-Conakry Highway	10,0					10,0	3,0	10,0	3,0		1,5		1,5		3,0	10,0	6,0	
6 RPR 594	Freetown-Conakry Highway	4,8					4,8	1,4	4,8	1,4		0,7		0,7		1,4	4,8	2,8	
7,044	Roads Author. Support Programme	20,5	7,6	3,9	12,4	4,0		1,0	12,4	5,0		2,0		2,0		4,0	20,0	12,9	
7,087	Rehab. & Resettlement Programme	10,0	7,0	3,0	2,0	4,0	1,0	3,0	3,0	7,0							10,0	10,0	
7,099	Emergency rehab. transmission	2,0			2,0	0,5		1,0	2,0	1,5		0,5				0,5	2,0	2,0	
8,006	Instit. Strengthening of Min. of Fin.	4,5	0,5	0,4			2,0		2,0		1,0	1,5		0,5	1,0	2,0	3,5	2,4	
7,096	Support to AID Cooperation Unit	0,8	0,6	0,3		0,2				0,2							0,6	0,5	
7,100	Housing and Population Census	5,5					2,0	1,0	2,0	1,0	2,0	1,5		1,5	2,0	3,0	4,0	4,0	
8,015	TA to Ministry of Health	0,8	0,6			0,1		0,2		0,3		0,1		0,1		0,2	0,6	0,5	
8,009	Post conflict budget support	10,9	6,9	6,9			4,0	4,0	4,0	4,0							10,9	10,9	
8,010	Post conflict budget support	1,6					1,6	1,6	1,6	1,6							1,6	1,6	
8,011	Post conflict budget support	12,6					12,0	12,0	12,0	12,0							12,0	12,0	
Total 6,7and 8 EDF		131,9	47,2	26,9	19,4	11,2	41,4	32,6	60,8	43,8	9,0	14,3		9,8	9,0	24,1	117,0	94,8	
(9th EDF)																			
	Focal Sector 1																		
	Rehabilitation of Priority Infrastructure.																		
9	Refurbishment of the Masiaka - Taiama, Taiama-Bo and Songo- Moyamba - Moyamba Junction Roads	32,0									12,0	2,0	6,0	5,0	18,0	7,0	18,0	7,0	
9	Rehabilitation and Maintenance Works	10,0									6,0	1,0		2,0	6,0	3,0	6,0	3,0	
9	Refurbishment of 600km of Rural Roads	6,0																	
9	Freetown Conakry High way. Over laying	12,0																	
9	Refurb. of Education and Health Facilities	10,0									10,0	4,0		4,0	10,0	8,0	10,0	8,0	
	Focal Sector 2																		
	Good Governance and Institutional Support.																		
9	Support to the NAO's Office	5,0									2,0	0,3		0,3	2,0	0,6	2,0	0,6	
9	Decentralisation	7,0											3,0	0,5	3,0	0,5	3,0	0,5	
9	Institution Support	7,0											3,0	0,5	3,0	0,5	3,0	0,5	
	Macro economic support																		
9	Budget Support	50,0											50,0	20,0	50,0	20,0	50,0	20,0	
	Non Focal sectors																		
9	Audits, Evaluations, Local elections.	5,0									0,5	0,5	0,5	0,5	1,0	1,0	1,0	1,0	
	Total A Envelope	144,0									30,5	7,8	62,5	32,8	93,0	40,6	93,0	40,6	
	Non Programmable	51,0																	
9	Reopening of Rutile Mine.	25,0					25,0	25,0	25,0	25,0							25,0	25,0	
	Total B Envelope	76,0					25,0	25,0	25,0	25,0							25,0	25,0	
Total 9 EDF		220,0					25,0	25,0	25,0	25,0	30,5	7,8	62,5	32,8	93,0	40,6	118,0	65,6	
Total 6,7,8and 9 EDF		351,9	47,2	26,9	19,4	11,2	66,4	57,6	85,8	68,8	39,5	22,1	62,5	42,6	102,0	64,7	235,0	160,4	

9th EDF: including projects that have already been committed on the general reserve (€ 1,2 billion) of the 8th EDF

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Annex 4 Sierra Leone - 6 EDF Financial Reporting

Breakdown of EDF decision by Economic Sector
Period ending 31-12-2002

	Decision		Commitment		Disbursement	
	at 31-12-2002	in 2002	at 31-12-2002	in 2002	at 31-12-2002	in 2002
Infrastructure (Roads)						
6,004	Construction Fadugu Kabala Rd	11.963.736		11.963.736		11.963.736
6,011	ST. Waterloo Masiaka Rd. Rehab.	59.909		59.909		59.909
6,016	Study: Waterloo - Masiaka Rd	56.732		56.732		56.732
6,024	Waterloo - Masiaka Rd	15.675.589		15.675.589		15.675.589
6,048	Evaluation of Assets - RTC	53.100		53.100		53.100
6,051	Study - Songo - Moyamba Junction	0	-26.275	0		0
6,052	Study-Taiana - Bo Highway	0	-35.900	0		0
6,053	Study - Masiaka - Taiana Highway	0	-78.700	0		0
6,055	Study - Songo - Moyamba Junction	26.275	26.275	25.300	25.300	6.067
6,056	Study-Taiana - Bo Highway	35.900	35.900	29.600	29.600	5.588
6,057	Study - Masiaka - Taiana Highway	78.700	78.700	75.300	75.300	0
		27.949.940	0	27.939.265	130.200	27.820.720
						11.655
Agriculture						
6,034	Interim management - SLPMB	45.982		45.982		45.982
Fisheries						
6,007	NW Artisanal Fisheries prog.	6.424.207		6.424.207		6.424.207
Budget Support						
6,005	Study - Sectoral Import Programme	83.930		83.930		83.930
6,013	Sectoral Import Programme	4.707.212		4.707.212		4.707.212
6,045	Regularisation of seized fund A/c	1.223.012		1.223.012		1.223.012
		6.014.154		6.014.154		6.014.154
Institutional Strengthening						
6,014	TA to the NAO	645.788		645.788		645.788
6,015	Study to AT Prog. Accountant Dept.	25.000		25.000		25.000
6,017	TA to the Ministry of Tourism	126.730		126.730		126.730
6,022	AT Ministry of Finance	600.790		600.790		600.790
6,026	Auditing Services to the NAO	337.712		337.712		337.712
6,030	TA to the NPA	721.482		721.482		721.482
6,035	TA to the Ministry of Agriculture	489.036		489.036		489.036
6,036	Study on TA to Auditor Gen. Dept.	35.267		35.267		35.267
		2.981.805		2.981.805		2.981.805
Health						
Water & Sanitation						
STABEX						
Non Focal Sector						
6,018	Evaluation Micro Project	18.748		18.748		18.748
6,031	Review of proposal for micro projects	2.016		2.016		2.016
6,032	Assistance to the SL work Oxen	58.113		58.113		58.113
6,033	Closure EDF 5	50.970		50.970		50.970
6,044	Assistance to tendering procedure	28.970		28.970		28.970
		158.816		158.816		158.816
Good Governance						
6,049	Support to return to Democracy	252.977		252.977		252.977
Electricity						
6,006	Study - Rehab. Electricity sector	96.650		96.650		96.650
6,029	Consultancy Service -Rehab. NPA	28.807		28.807		28.807
6,037	Study Western Area Dist. Systems	49.585		49.585		49.585
6,039	Audit- supply of lub oil to NPA	31.143		31.143		31.143
6,042	Rehabilitation of Electricity sector	8.900.000		8.109.595	-70.718	8.109.595
6,050	Prep. Of Financing Proposal - Dist. System	69.220		69.220		69.220
6,054	Rehabilitation of Electricity sector	79.446	79.446	79.446	79.446	71.408
		9.254.850	79.446	8.464.445	8.728	8.456.407
						140.628
Sysmin						
Private Sector Development						
6,008	Rehab. Telecom Network	5.247.083		5.247.083		5.247.083
6,038	Evaluation of Assets - SLET & SLNTC	140.000		140.000		140.000
6,040	Study - Impact of cellular phones	56.500		56.500		56.500
6,043	Billing Computer expert	10.317		10.317		10.317
		5.453.900		5.453.900		5.453.900
Rural Development						
6,010	TA Rural Water Supply	107.964		107.964		107.964
6,025	Evaluation of Rural Water Supply	134.034		134.034		134.034
		241.998		241.998		241.998
	TOTAL NIP	58.778.629	79.446	57.977.549	138.928	57.850.966
						152.283
Total Allocation		65.500.000				
Decision/Allocation		89,74%				
Commitment/Allocation		88,52%				
Disbursement/Allocation		88,32%				

OTHER EDF 6 PROGRAMMES

Breakdown of EDF decision by Economic Sector

Emergency Support						
6,002	Cholera Epidemic Victims	78.412		78.412		78.412
6,023	Liberian Refugees	339.011		339.011		339.011
		417.423	0	417.423	0	417.423
OTHERS						
6,003	Rehabilitation Telecom Network	2.500.000		2.500.000		2.500.000
6,009	Rehabilitation Telecom Network Phase 11	2.372.873		2.372.873		2.372.873
6,019	Rural Development Kambia	317.205		317.205		317.205
6,020	TA - Ministry of Energy & Power	5.481		5.481		5.481
6,021	Rural Development	842.804		842.804		842.804
6,046	Technical Assistance to the NAO	502.274		502.274		502.274
6,047	NPA Project	7.500.000		7.500.000		7.500.000
		14.040.637	0	14.040.637	0	14.040.637

Total for other Programmes - EDF 6	14.458.060	0	14.458.060	0	14.458.060	0
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Annex 5: Sierra Leone - 7 EDF Financial Reporting

Breakdown of EDF decision by Economic Sector

Period ending 31-12-2002

		Decision		Commitment		Disbursement	
		at 31-12-2002	in 2002	at 31-12-2002	in 2002	at 31-12-2002	in 2002
Infrastructure (Roads)							
7,003	Improvement of F/town -Conakry Highway	454.627	-5.373	454.627		454.627	
7,044	SLRA - Support Programme	20.500.000		7.602.754	2.880.225	3.877.592	1.725.202
7,047	Road Maintenance Policy Study	56.523		56.523		56.523	
7,088	Improvement of F/town -Conakry Highway	70.698	-1.169	70.698	-1.169	70.698	
7,092	Foundation inspection - Mabang Bridge	18.264	-2.486	18.264	-2.486	18.264	
		21.100.112	-9.028	8.202.866	2.876.570	4.477.704	1.725.202
Agriculture							
7,007	Programme to support the Agricultural Sector	4.368.511		4.368.511		4.113.357	223.812
Fisheries							
7,040	Study on Fisheries Management	56.543		56.543		56.543	
Budget Support							
7,009	SASP	7.788.750		7.788.750		7.788.750	
7,093	SASP & STABEX Funds Audit	79.810		79.810		0	0
		7.868.560	0	7.868.560	0	7.788.750	0
Institutional Strengthening							
7,011	TA for Micro Projects	629.730		629.730		629.730	
7,013	TA for SLRA	722.047		722.047		722.047	
7,014	Support to Accountant - General Dept.	2.280.000		2.148.655		1.846.081	
7,015	TA to NPA	511.914		511.914		511.914	
7,016	Training & Institutional Support to NAO	48.526		48.526		48.526	
7,046	Study - TA to Accountant - General Dept.	37.989		37.989		37.989	
7,055	Management services to the NAO	60.080		60.080		60.080	
7,077	TA to the NAO	36.417		36.417		36.417	
7,078	Management services for INEC etc.	62.340		62.340		62.340	
7,079	Support to the Ministry of Finance	500.000	0	182.731	-242.269	182.731	
7,080	Support to the Ministry of Finance	750.000	0	736.083	-13.917	736.083	
7,081	TA to the NAO	460.000	0	460.000		369.741	116.005
7,083	TA to the NAO - SASP	475.000	0	465.150		287.691	47.367
7,084	Support to the Ministry of Finance	0	-500.000	0	0	0	0
7,085	Formulation of a programme - MOF	0	-10.000	0	0	0	0
7,096	Support to AID Cooperation Unit	750.000		608.350	608.350	256.243	256.243
7,097	Services - Joe Keeley	221.000		217.900		200.030	146.444
		7.545.043	-510.000	6.927.911	352.163	5.987.642	566.059
Health							
7,069	Health Sector Identification & Intervention	107.339		107.339		107.339	
7,082	Review of Health Sector Support Programme	47.822		47.822		47.822	
		155.160	0	155.160	0	155.160	0
Non Focal Sector							
7,017	Micro - Project Programme	1.945.934	-54.066	1.945.934	-49.306	1.945.934	
7,018	Study - Wildlife at OKNP	35.614		35.614		35.614	
7,019	Workshop on Child Soldiers	10.600		10.600		10.600	
7,033	Study - Child Soldiers & War affected Children	34.124		34.124		34.124	
7,034	Return of qualified African Nationals	122.153		122.153		122.153	
7,050	Children Affected by the War	992.299		992.299		992.299	
7,065	Evaluation Claims - KPMG	43.000		43.000		43.000	
7,070	Review of Information Technology - PKF	24.653		24.653		24.653	
7,086	Preparation LDC Conference	74.450		41.255	-31.245	41.255	
7,090	Formulation of a NIP for 9th EDF	35.759	1.808	35.759	1.808	35.759	5.226
		3.318.586	-52.258	3.285.391	-78.743	3.285.391	5.226
RRP							
7,066	Identification of RRP	47.547		47.547		47.547	
7,071	Finalisation of RRP	14.687		14.687		14.687	
7,072	Resettlement & Rehabilitation Programme	9.200.000		9.177.862	1.544	8.919.852	161.959
7,087	Rehabilitation & Resettlement Programme	10.000.000		6.906.000	5.041.000	1.556.386	
		19.262.234	0	16.146.097	5.042.544	10.538.472	161.959
Good Governance							
7,039	Study - Electoral Reform	58.690		58.690		58.690	
7,051	TA to the Electoral Process	153.584		153.584		153.584	
7,054	Dissemination of Electoral Information	24.400		24.400		24.400	
7,058	Democracy Programme	44.658		44.658		44.658	
7,067	TA Advisory Council - Elections	21.996		21.996		21.996	
7,095	Services - IFES	50.000		45.800		0	0
7,100	Population & Housing Census	5.500.000	5.500.000				
		5.853.328	5.500.000	349.128	0	303.328	0
Electricity							
7,032	Rehabilitation of the Electricity Sector	4.500.000		3.879.449		2.568.277	57.216
7,094	Emergency support to the Power Sector	68.595		63.900		62.551	62.551
7,099	Emergency Rehabilitation Transmission Sys.	1.990.000	1.990.000				
		6.558.595	1.990.000	3.943.349	0	2.630.827	119.766
Sysmin							
7,089	Cost Estimate - Restart Sierra Rutile	75.540		75.540	75.540	71.761	16.561
7,098	Marketing & cost competitiveness Study	59.462		59.462		55.632	5.563
		135.002	0	135.002	75.540	127.393	22.124
Private Sector Development							
7,076	Audit of Central and Commercial Banks	255.525		255.525		255.525	0
Rural Development							
7,022	Rural Water supply Programme	7.000.000		2.502.554		812.958	0
TOTAL NIP		83.477.200	6.918.714	54.196.598	8.268.075	40.533.052	2.824.149

Total Allocation	83.600.000
Decision/Allocation	99,85 %
Commitment/Allocation	64,83 %
Disbursement/Allocation	48,48 %

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OTHER EDF 7 PROGRAMMES

Breakdown of EDF decision by Economic Sector

Period ending 31-12-2002

	Decision		Commitment		Disbursement	
	at 31-12-2002	in 2002	at 31-12-2002	in 2002	at 31-12-2002	in 2002
STABEX						
7,001	STABEX-90- Coffee	2.041.855		2.041.855		2.041.855
7,004	STABEX-91 Cacao	750.543		750.543		750.543
7,005	STABEX - 91-Coffee	652.727		652.727		652.727
7,035	STABEX - 92 Café	1.694.465		1.694.465		1.694.465
7,036	STABEX - 92 Cacao	636.598		636.598		636.598
7,042	STABEX - 93 - Coffee	1.661.101		1.661.101		1.661.101
7,043	STABEX - 93 - Cacao	1.053.166		1.053.166		1.053.166
7,060	STABEX - 94 -Coffee	194.261		194.261		194.261
7,061	STABEX -94 - Cacao	1.180.755		1.180.755		1.180.755
7,064	STABEX Transfer	140.055		140.055		140.055
		10.005.526	0	10.005.526	0	10.005.526
Structural Adjustment Support Programmes(SASP)						
7,008	SASP	11.901.086		11.901.086		11.901.086
Emergency Support						
7,002	Refugee Aid	146.300		146.300		146.300
7,010	Emergency Aid	280.095	-11.267	280.095		280.095
7,012	Assistance to Displaced persons	665.166		665.166		665.166
7,020	Emergency Aid	415.177		415.177		415.177
7,021	Emergency Aid	275.000	-125.000	275.000		275.000
7,031	Emergency Aid	496.885		496.885		496.885
7,037	Emergency Aid	837.042		837.042		837.042
7,038	Emergency Aid	330.824		330.824		330.824
7,041	Emergency Aid	359.376		359.376		359.376
7,048	Emergency Aid	825.370		825.370		825.370
7,049	Emergency Aid	515.214		515.214		515.214
7,052	Emergency Aid	531.059		531.059		531.059
7,056	Emergency Aid	682.780		682.780		682.780
7,057	Emergency Aid	700.000		700.000		700.000
7,059	Emergency Aid	780.139		780.139		780.139
7,062	Emergency Aid	719.312		719.312		719.312
7,063	Emergency Aid	215.085		215.085		215.085
7,075	Emergency Aid	1.562.042	-237.958	1.562.042	-14.176	1.562.042
		10.336.866	-374.225	10.336.865	-14.176	10.336.865
						0
OTHERS						
7,006	Risk Capital - NPA	8.000.000		8.000.000		8.000.000
7,023	Formulation - 1981-1985	961		961		961
7,024	Rural Development - Kambia	162.578		162.578		162.578
7,025	Koinadugu Agric. Programme	165.264		165.264		165.264
7,026	Port Loko Agric. Programme	155.220		155.220		155.220
7,028	Rehab. Telecom Network	103.258		103.258		103.258
7,029	Benimix Baby Food	146.662		146.662		146.662
7,030	TA to the Ministry of Tourism	-426		-426		-426
7,073	WNW AFCOD Phase II	1.751.002	-228.998	1.751.002	-219.230	1.751.002
7,074	Analysis for Sysmin	184.189		184.189		184.189
		10.668.708	-228.998	10.668.708	-219.230	10.668.709
						0
Total for other Programmes - EDF 7		42.912.187	-603.223	42.912.186	-233.406	42.912.186
						0

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Annex 6 Sierra Leone - 8 EDF Financial Reporting

Breakdown of EDF decision by Economic Sector Period ending 31-12-2002

	Programme	Decision		Commitment		Disbursement	
		at 31-12-2002	in 2002	at 31-12-2002	in 2002	at 31-12-2002	in 2002
Budget Support							
8,011	Post Conflict Budget Support	12.550.000	0	0	0	0	0
Infrastructure							
8,020	Study- Rogbere Junction- Pamelap Rd	27.815	27.815	27.815	27.815	4.442	4.442
Institutional Strengthening							
8,006	Inst. Stren. MOF	4.500.000	0	457.000		439.038	33.802
8,017	TA to the NAO	200.800	200.800	200.800	200.800	79.031	79.031
		4.700.800	200.800	657.800	200.800	518.069	112.833
Health							
8,012	Health Sector Support Programme	28.000.000		77.996		73.807	73.807
8,015	TA to the Ministry of Health	747.512		614.270	614.270	0	0
		28.747.512	0	692.266	614.270	73.807	73.807
RRP							
8,007	Resettlement & Rehab. Programme	20.000.000		15.956.200	5.956.200	12.337.177	7.337.177
Good Governance							
8,016	Election Support Programme	1.999.068		1.487.491	1.413.191	1.157.095	1.157.095
TOTAL NIP		68.025.195	228.615	18.821.572	8.212.276	14.090.590	8.685.354
Total Allocation		78.050.000					
Decision/Allocation		87,16					
Commitment/Allocation		24,11					
Disbursement/Allocation		18,05					

OTHER EDF 8 PROGRAMMES

Breakdown of EDF decision by Economic Sector Period ending 31-12-2002

		Decision		Commitment		Disbursement	
		at 31-12-2002	in 2002	at 31-12-2002	in 2002	at 31-12-2002	in 2002
STABEX							
8,001	STABEX-95- Cocoa	1.204.511		1.204.511		1.204.511	
8,002	STABEX-96- Café	916.761		916.761		916.761	
8,004	STABEX - 99 Cocoa	535.820		535.820		535.820	
8,005	STABEX - 99 Coffee	2.034.747		2.034.747		2.034.747	
8,013	STABEX - Cacao	53.056		53.056		53.056	
8,014	STABEX - Café	84.332		84.332		84.332	
		4.829.227	0	4.829.227	0	4.829.227	0
Structural Adjustment Support Programmes(SASP)							
8,003	SASP	8.200.000	-300.000	8.200.000	0	8.200.000	0
Budget Support							
8,008	Post Conflict Budget Support	9.700.000		9.700.000		9.700.000	
8,009	Post Conflict Budget Support	10.900.000		6.870.000		6.870.000	
8,010	Post Conflict Budget Support	1.600.000		0	0	0	0
		22.200.000	0	16.570.000	0	16.570.000	0
Total for other Programmes - EDF 8		35.229.227	-300.000	29.599.227	0	29.599.227	0