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INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP FRAMEWORK

FOR

REPUBLIC OF SIERRA LEONE

FOR THE PERIOD FY21-FY26

APRIL 19, 2020

Africa Region
International Development Association
The International Finance Corporation
The Multilateral Investment Guarantee Agency

The date of the last Country Assistance Strategy Progress Report was FY13

REPUBLIC OF SIERRA LEONE - FISCAL YEAR

January 1 - December 31

CURRENCY EQUIVALENTS

Exchange Rate Effective as of March 31, 2020
Currency Unit: Sierra Leone Leone (SLL)
US$1.00 = SLL9,742
SDR 1.00 = US$1.3659

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AfDB	African Development Bank
AML	Anti-money Laundering
ASA	Advisory Services and Analytics
ASYCUDA	Automated System for Customs Data
BSL	Bank of Sierra Leone
CAS	Country Assistance Strategy
CASPR	Country Assistance Strategy Progress Report
CAT-DDO	Catastrophe Deferred Drawdown
CERC	Contingent Emergency Response Component
CFT	Combating the Financing of Terrorism
CLR	Completion and Learning Review
CLSG	Côte d'Ivoire-Liberia-Sierra Leone-Guinea
CMI	Community monitoring intervention
CMU	Country Management Unit
COVID-19	Corona Virus Disease 2019
CPF	Country Partnership Framework
CRW	Crisis Response Window
CSO	Civil Society Organizations
DE4A	Digital Economy for Africa
DFID	UK Department for International Development
DLI	Disbursement-linked Indicator
DPO	Development Policy Operation
DRM	Disaster Risk Management
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
ESF	Environmental and Social Safeguards Framework
EDSA	Electricity Distribution and Supply Agency
EU	European Union
FAO	Food and Agriculture Organization
FCV	Fragile, Conflict and Violence
FDI	Foreign Direct Investment
FY	Fiscal Year
GEF	Global Environment Facility
G2B	Government-to-Business
G2G	Government-to-Government
GBV	Gender-based Violence
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)
GNI	Gross National Income
GRM	Grievance Redress Mechanism
HCI	Human Capital Index
HFO	Heavy Fuel Oil
IBRD	International Bank for Reconstruction and development
ICR	Implementation and Completion Report
ICRR	Implementation and Completion Results Report
ICT	Information, Communications and Technology
IDA	International Development Association
IFC	International Finance Corporation
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
IPF	Investment Project Financing
IPP	Independent Power Producer
ITAS	Integrated Tax Administration System
IUU	Illegal, Unreported, and Unregulated
km	Kilometer
kWh	Kilowatt hour
LIC	Lower income country
LNG	Liquified Natural Gas
MDA	Ministries, Departments, and Agencies
M&E	Monitoring and Evaluation
MDTF	Multi-donor Trust Fund
MIGA	Multilateral Investment Guarantee Agency
MW	Megawatt
NDP	National Development Plan
NPL	Non-performing Loan
NRA	National Revenue Authority
PER	Public Expenditure Review
PFM	Public Financial Management
PforR	Program for Results
PIU	Project Implementation Unit
PLR	Performance and Learning Review
PPPs	Public Private Partnerships
PSW	Private Sector Window
PV	Photovoltaic
Q1	Quintile 1
RRA	Risk and Resilience Assessment
SCADEP	Smallholder Commercialization and Agribusiness Development Support Project
SCD	Systematic Country Diagnostic
SLIEPA	Sierra Leone Import Export Promotion Agency
SLL	Sierra Leone Leones
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SME	Small and Medium Enterprises
SOE	State-owned Enterprise
SP	Supplementary Progress
SSA	Sub-Saharan Africa
SSN	Social Safety Net
TA	Technical Assistance
TF	Trust Fund
TTL	Task Team Leader
UN	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	US Agency for International Development
WARF	West Africa Regional Fisheries Project
WASH	Water, Sanitation and Hygiene
WB	World Bank
WBG	World Bank Group
WHO	World Health Organization

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FOR
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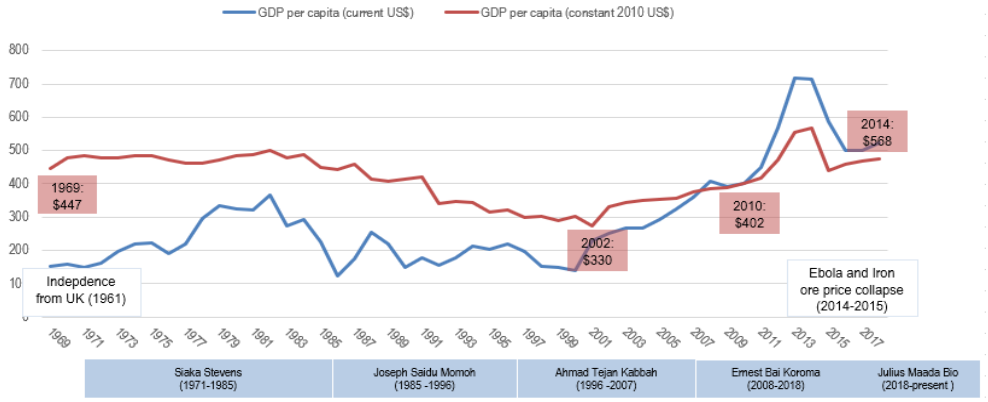
I. INTRODUCTION

1. **Sierra Leone has an advantageous geography and abundant mineral, agricultural and blue resources, yet the country's per capita gross domestic product (GDP) is almost the same as it was after independence (Figure 1).** The country is roughly equidistant from Europe and North America, has among the largest iron ore and rutile deposits globally, is within one of the world's most abundant marine ecosystems, hosts the deepest natural harbor in Africa, and has fertile agricultural land and the second highest rainfall in Africa. Yet, it performs poorly on most measures of development: 151/157 on the Human Capital Index (HCI), 150/160 on the Gender Inequality Index, 163/190 on the Doing Business Index, 156/160 on the Logistics Performance Index, 187/209 on the Government Effectiveness Index, 196/207 on internet access, and 179/195 on vulnerability to biological threats in the Global Health Security Index.

2. **Despite the absence of conflict, key fragility risks remain.** These risks include: vulnerability to multi-dimensional shocks (epidemic, economic and climatic),[1] a North-South ethno-regional divide, weak institutions and a frustrated youth demographic, all of which can weaken state-society relations (Box 1). Since the 2018 elections the government has taken some early steps and made commitments to address corruption, but these ambitions are threatened by the country's various forms of fragility (notably the fractious politics) as well as whether the early commitment to tackling corruption can be sustained.

3. **The risks facing Sierra Leone will be dramatically amplified when they intersect with the Corona Virus Disease 2019 (COVID-19) pandemic risks.** Due to COVID-19 the economy is likely to experience direct health system-related fiscal impacts, and indirect effects associated with the collapse of global and domestic supply chains causing the gains made since Ebola to be at risk of being reversed (Figure 1). The World Bank Group's (WBG) overall strategic approach to addressing the COVID-19 impacts is to maintain a balance between short-term and long-term needs.[2] The response will emphasize: (i) Protecting the poor and vulnerable (including food security); (ii) Supporting businesses; and (iii) Accelerating recovery and strengthening economic resilience. Given the uncertainties related to COVID-19, there will be a need for flexibility allowing resources to shift with the changing country context of the COVID-19 pandemic over the course of the Country Partnership Framework (CPF) period.

Figure 1. GDP per capita (constant and current)



[1] The three successive shocks are: Ebola (2014-16), iron ore mining collapse (2015-16) and the Freetown landslide (2017).

[2] Short-term: surveillance, isolation centers and mass mobilization; cash transfers and food assistance. Medium-term: support to agriculture for food production; grant mechanisms to businesses to maintain supply chains; maintaining energy security and contingent financing to government for immediate liquidity. Long-term efforts include accelerating recovery through building human capital, supporting diversified growth and strong macrofiscal management.

4. **These framing issues have shaped the CPF to be highly selective and opportunistic, focusing on putting the fundamentals in place, with a strong emphasis on critical development accelerators that touch the lives of every Sierra Leonean: human capital, energy and technology.** In view of the persistent governance and institutional weaknesses the World Bank's Systematic Country Diagnostic (SCD) concluded that reform strategies and investments will need to be incremental and opportunistic. In addition to the 2018 SCD, the CPF (FY21-FY26)[3] draws on the findings of the 2019 Completion and Learning Review (CLR), the 2018 Risk and Resilience Assessment (RRA),[4] the 2019 International Finance Corporation (IFC) Country Strategy,[5] as well as consultations and a Country Opinion Survey. The design of the CPF is informed by the four CPF selectivity criteria: (i) consistency with the government's National Development Plan (NDP); (ii) alignment with the SCD; (iii) reflecting the WBG's comparative advantage; and (iv) addressing the fragility drivers including the risks arising from the COVID-19 pandemic. The CPF envisages balancing investments that yield results in the medium and long term and finding early wins as the needs are great and momentum has to be maintained across the six-year CPF period, which coincides with two electoral cycles. Furthermore, the CPF seeks to harness the role of the private sector in financing development through close collaboration between the World Bank, IFC and the Multilateral Investment Guarantee Agency (MIGA), as envisaged in the "One World Bank Group" approach.

5. **While many of these analytical and strategic inputs into the CPF did not fully anticipate the COVID-19 risks, some of the pandemic risks were anticipated given the experience with Ebola.** Flexibility will be needed to respond to the evolving COVID-19 risks. To this end, more frequent Performance and Learning Reviews (PLRs) are being considered (i.e., two PLRs over the CPF period) to allow for adjustments that cannot fully be anticipated at this stage.

6. **The CPF theory of change centers around people and jobs.** The challenge facing the CPF is to position Sierra Leone for a job-rich, diversified and private sector-led economic expansion that will tap into the potential of all Sierra Leoneans, including women. This requires: investments in people and services; investments in the private sector; investments in the country's economic governance and the regulatory environment; and investments in infrastructure (e.g., energy and technology), together with safety nets to put the most vulnerable on a path out of poverty. On this basis, the CPF is structured around: Focus Area 1. Sustainable Growth and Accountable Governance; Focus Area 2. Human Capital Acceleration for Inclusive Growth; and Focus Area 3. Economic Diversification and Competitiveness with Resilience. Three cross-cutting themes are included—governance, gender and technology.

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

A. COUNTRY CONTEXT

7. **The reestablishment of democracy over four elections since 2002 is an important achievement but worrying signs of fragility remain.** The 2018 election required intervention by the Economic Community of West African States (ECOWAS) to defuse the disputed outcome, and almost every by-election since has been marred by some violence and disputed outcomes. The dominant social contract is within ethnically aligned political structures with multiple centers of power in cultural authorities, which undermines social cohesion. The impact of natural hazards and climate-related shocks, as well as

[3] The FY10-FY13 Country Assistance Strategy (CAS) (Report No. 52297) and updated by the CAS Progress Report (Report No. 69913) in July 2012. Due to the Ebola outbreak in 2014/2015, no new WBG country strategy was prepared at the time.
[4] The RRA (2018) and *The Underlying Causes of Fragility and Instability in Sierra Leone* (Oxford International Growth Center, 2018).
[5] The IFC Country Strategy includes an "If/Then" Matrix (Figure 8), demonstrating how IDA-supported reforms (through investments, development policy lending and ASAs) will improve the prospects of IFC-supported private investments.

macroeconomic shocks and epidemics, is worsened in the presence of pre-existing vulnerabilities and fragility—notably, a youth demographic with low education and constrained employment opportunities, power asymmetry and elite capture, and limited institutional capacity (Box 1 and Annex 10).

8. **There has indeed been progress, reflected in significant poverty reduction from 66.4 percent to 52.3 percent between the end of the war and just before the Ebola epidemic and iron ore shocks.** The ample availability of fertile land facilitated growth in agriculture, which contributes half of the country's GDP (2018). Urban areas have become local trading and commercial centers, especially in the capital of Freetown (which accounts for a third of GDP). There has been foreign direct investment (FDI) in mining and agriculture, though the contribution of mining to job creation and fiscal revenue has underperformed.

9. **The human capital situation in Sierra Leone is very challenging and is further complicated by the COVID-19 pandemic.** The population of 7.8 million has the fifth lowest life expectancy globally (51 years). High fertility (4.2 children), adolescent pregnancy and child marriage[6] perpetuate the vicious cycle of poverty and gender inequality.[7] Youth under 35 years of age account for 75 percent of the population but much of this cohort spent their formative years in the decade-long war. The youth bulge is therefore associated, in part, with low skills and some frustration around unmet expectations, an important source of fragility (Box 1). These issues are further complicated by the COVID-19 pandemic which—as the Ebola

Box 1. Key drivers of fragility in Sierra Leone

Fractious political settlement, political uncertainty and a North-South ethno-regional divide: The political polarization along ethnic lines, with a strong North-South dimesion, is a key underlying basis of the struggle over resources. Patrimonial practices for jobs, contracts, and political appointments have been evident under sucessive administrations.

Potential instability from fiscal reform: The challenging prevailing macro-fiscal conditions have heightened the need for fiscal consolidation, phasing out of subsidies and tariff waivers at the same time when economic opportunities for the population are constrained. The impacts of the macro-fiscal pressures will be felt especially by the poorest, as evidenced by the increasingly common saying: "The gron dry" (the ground is dry)—which is an expression of general economic hardship.

Conflict-inducing effects of concessions: Concessions and FDI have potentially conflict-inducing and destabilizing effects. The current system of land tenure and administration is ill-equipped to manage the transitions from traditional usage of land to the commercialization and monetization of land (Annex 9). The adverse consequence is to trigger struggles between FDI firms and local communities.

Frustrated youth: The civil war has left youth under-educated and with large skills gaps, resulting in 70 percent of youth being underemployed. Tensions between youth and elders was a key structural driver of the civil war, wherein elders dominate control over land and mineral resources. In recent years youth have increasingly moved to urban centers especially Freetown where male youths are largely employed as motocycle taxi drivers. The youth's access to social media, further exacerbates volatility risks.

Cilimate change risks: Vulnerability to climate disasters is also a key dimension of the country's fragility, and the impact of natural hazards and climate-related shocks is exacerbated in the presence of pre-existing vulnerabilities and fragility.

Pandemic Risks: Due to COVID-19 the economy is likely to experience direct health system-related fiscal impacts, and indirect effects associated with the collapse of global and domestic supply chains, the impacts on businesses and food supply. These effects will likely affect the poor the hardest.

[6] Nearly forty percent (39 percent) of girls are married before 18 years of age, and 15 percent are married before 15 years.

[7] A girl in the poorest wealth quintile has a 40 percent probability of being pregnant by 18 years, she has a 21.8 percent chance of finishing secondary school, which detracts from the development outcomes of each of the 5.6 children[7] that she will have in her lifetime (Box 2).

experience showed will be accompanied by school closures and disruption in health service delivery further slowing of gains in human capital in the medium term.

10. **The pace of poverty reduction has slowed in recent years.** Poverty fell by 1.5 percentage points annually over 2003-2011 and by 0.8 percentage points over 2012-2018, reaching 56.8 percent in 2018 (Figure 2).[8] The Gini coefficient increased from 0.33 (2011) to 0.37 (2018). Poverty remains disproportionately rural (78.5 percent) and the largest reduction occurred in urban areas outside of Freetown (by 0.9 percentage points annually over 2012-2018). The major determinants of poverty are: large household size, low education of the household head, and employment in agriculture and non-wage employment. Furthermore, poverty rates for households with access to electricity are between 13.5 and 20.2 percentage points lower than those without electricity access. Extreme poverty in rural areas increased by 4.3 percentage points (2012-2018); and three (out of 15) districts have poverty rates above 80 percent (Figure 3). While the share of food-insecure Sierra Leoneans decreased from 49.8 percent to 43.7 percent (2012-2018), 3.2 million people remain food-insecure. COVID-19 will likely put additional stress on poor households due to slowing food production, shortages in food imports and higher food prices.

11. **Higher economic growth rates and higher poverty elasticity of growth are needed to meet future poverty reduction targets, and this will further be complicated by COVID-19.** Growth between 2012-2018 was less pro-poor than between 2003-2011. Starting in 2019, poverty will have to fall at an annual rate of 4.9 percentage points to achieve the Twin Goals target of 3 percent in 2030, and a growth rate of 16 percent per year will be needed.

Figure 2. Poverty headcount (2019)

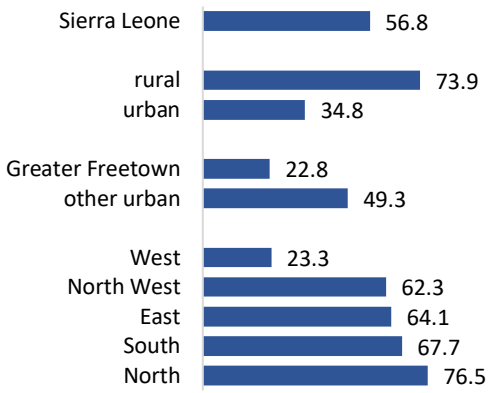
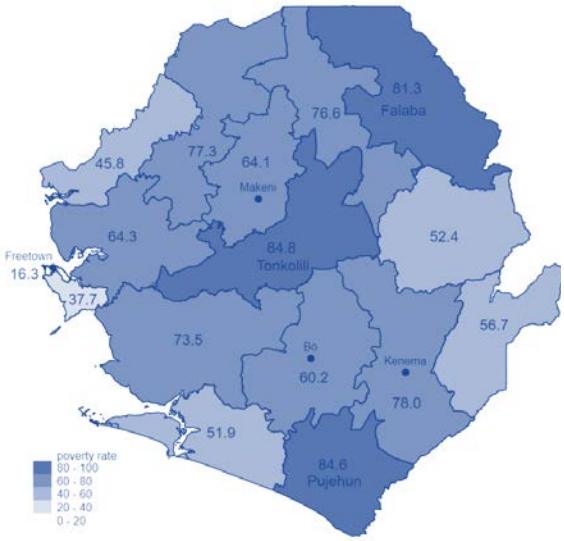


Figure 3. Poverty rates by district (2019)



Source: Sierra Leone Poverty Assessment (2019).

12. **In addition to its heavy health and human toll, COVID-19 further complicates an already fragile economic outlook.** The diversion of expenditures to fight COVID-19 are likely to stress government revenues and government's ability to invest in infrastructure, education and health. The poor are particularly at risk as labor force participation decreases due to slowdown in economic activities.

[8] The 2018 and 2011 poverty rate are not directly comparable due to methodological improvements.

Box 2. Gender in Sierra Leone

Development Challenge	WBG response: Operations, ASA and Dialogue
Socio-cultural determinants: Three-quarters of male heads of household are in polygamous marriages and 30.3 percent of women are married to a man who has one or more wives. More than a third (39 percent) of girls are married before age 18. A large share of women have a positive view of female genital mutilation; 9 in 10 girls and women have undergone it.	Interventions through the education system targeting girls, boys, teachers and parents is a powerful means to reach a large swath of the population and influence norms (see below). A national campaign on gender in coordination with cultural leaders and key opinion leaders will be financed.
Education and health: There is gender parity in primary school enrollment, but high drop-out rates among girls cause only 4 out of 10 girls to finish schooling, strongly influenced by teenage pregnancy. Teenage pregnancy is a major contributing factor to Sierra Leone's high maternal mortality rate as teenage mothers have a 40-60 percent risk of dying during childbirth. The government has launched a National Strategy for the Reduction of Teenage Pregnancy and Child Marriage (2018-2022).	Performance-based school grants to incentivize student retention. Infrastructure support to schools (safe, gender and disability-friendly). Construction and maintenance of girls' boarding schools. Gender sensitization training for: teachers, district-level school administrative staff and School Management Committees. Supported to implementation strategy for teacher deployment that considers gender. The Annual School Census will track gender-disaggregated access and quality indicators. Mentoring system for girls and female teachers. Organizational and management analysis to improve gender balance in staffing.
Economic participation: The level of economic participation is similar across genders, but men have better opportunities to become wage employees than do women (by 29 percentage points) and men earn nearly three times as much as women in wage employment, holding other characteristics constant. In agriculture the average size of a male-controlled plot is 48 percent larger, women are less likely to use improved technology and have smaller yields. The share of firms with female participation in ownership is 18.8 percent (compared to 31.8 percent in SSA), although the share of firms with women in top management is at par with SSA (15.9 percent). In parliament the representation among women is low at 10 percent (SSA: 23.8 percent).	Over a third of the Agro-processing Project beneficiaries are women-owned businesses to build their business skills and inform other gender-relevant activities (e.g., coaching). In the Smallholder Commercialization and Agribusiness Development Support Project (SCADEP) 40 percent of the 50,000 smallholder beneficiaries are women and youth farmers. At least 50 percent of matching funds are allocated to women and youth producer organizations, District Women's Farmers Cooperatives or business owners. In the Skills Development Fund, a key criterion for grantees (training institutions and businesses) will be improvement in girls' access and completion rates, and women's participation of (as students and instructors). In the DPO, one of the prior actions include gender-informed land legislation. In future DPOs opportunities for gender-informed prior actions will be optimized.
Gender-based violence (GBV): GBV laws and practice often diverge: while wife-beating is illegal, 63 percent of women believe wife beating is often justified. A GBV assessment identified the following risks: at markets, water pumps and fisheries (where sex for goods/services has been normalized, and verbal abuse and sexual harassment of female traders); at mining areas (where there is high labor influx and development partners highlighted high GBV risks); and in schools (sex-for-grades and other forms of transactional sex is common). Women and girls with disabilities experience elevated levels of discrimination and places them at higher risk of.	Gender training and GBV prevention and awareness targeting school administrative staff and staff at the district level and School Management Committees will be implemented. Innovative approaches include: Safe spaces and life skills programs for girls who are at risk of being married or pregnant before 18 years; and "Husband to be" clubs with skills programs and gender-informed information exchange for boys. A platform for a strong GBV referral mechanism will be developed. Women's mobility barriers at bus stations and transport services will be addressed, and female traders will be provided with access to training in business and financial inclusion skills (i.e., negotiation skills, accounting, business strategies).

Notes: Consistent with OP/BP4.20 and in lieu of a Gender Assessment, a range of analyses have been used to ensure that the CPF is gender-informed: Systematic Country Diagnostic (2018); Poverty Assessment (2019); Jobs Diagnostic (2017); Sierra Leone Land Policy Note (2019); Sierra Leone Teacher Quality and Management Study (2019) Safeguards Team GBV Assessment.

13. **Women's contribution to the economy is well below its potential, and fertility is constraining the possibility frontier for women (Box 2).** More than a third (39 percent) of girls are married before age 18, which detracts from women's educational attainment, labor force participation, earnings and productivity as well as decision-making. Working-age women who have been teenage mothers earn on average 25 percent less than women who were not teenage mothers, suggesting that early marriage and childbearing widens the gender and socioeconomic gap in Sierra Leone. The country has a Women, Business and Law score of 63.1 points, performing below the global average of 75.2 points, and below the regional average for Sub-Saharan Africa (SSA) of 69.9 points. Most economies outperform Sierra Leone, including all economies in West Africa, except Mali (60.6) and Niger (59.4)

14. **The economy struggles to create jobs because it is undiversified and trapped in subsistence agriculture and subsistence household enterprises.** The undiversified economy remains dependent on natural resources for revenue and on subsistence farming and petty trading for most employment. Informality with low productivity dominates both the agriculture and non-agriculture labor markets.[9] The country not only has among the lowest productivity levels, but with few manufacturing and value-addition activities there is room for improvement in export performance.

15. **The infrastructure deficit—especially in energy and technology—impedes competitiveness, job creation and poverty reduction.** Electricity access is 16 percent (the fourth lowest globally) and is only 1 percent outside Freetown. Rapid advances in the digital world amplify the infrastructure gaps. While the digital revolution is not yet a reality for Sierra Leone, the country cannot afford to be left behind. Infrastructure deficits are further complicated by weaknesses in infrastructure governance.

16. **Weak governance and corruption have had cross-cutting implications: increased cost of doing business, low investor confidence and poor accountability for service delivery to citizens.** Governance constraints and coordination failures across ministries, departments and agencies (MDAs), and vertically with local administrative authorities, negatively affect private sector competitiveness and effectiveness of spending on social services. Furthermore, weak infrastructure governance in the power, mobility and digital sectors—in the form of lack of transparency, low accountability and cumbersome regulatory frameworks—deters investors by increasing transaction costs and project risks. These critical institutional constraints furthermore result in a reduced impact of spending on the country's significant infrastructure gaps.[10] Lack of transparency in management of the natural resource sectors (such as mining) further contributes to low business confidence.

17. **While Sierra Leone's geography, geology and climate endow the country with a wealth of natural resources, these leave the country susceptible to natural disasters and climate change, and adds to prevailing fragility risks.[11]** With the second most intensive rainfalls in Africa, extreme precipitation and sea-level rise are significant threats for landslides, coastal flooding and erosion, especially given the concentration of population and economic activity in Freetown, as well as deforestation of hills and informal settlement on floodplains. The intensity of rainfall also risks damage to critical service and transport infrastructure, and variability in rainfall patterns brings vulnerabilities as a large share (39.7 percent) of the country's installed energy capacity comes from hydropower.

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[9] Informality accounts for 90 percent of the labor force; it increases as the working population grows faster than job creation.

[10] Some of the most significant infrastructure gaps include: only 16 percent of the population have energy access, 68.5 percent of the rural population do not have access to good roads and 12 percent of the population have access to fixed internet.

[11] The country ranks 156/181 on the Global Adaptation Index Vulnerability ranking, and particularly low on the human habitat vulnerability ranking, namely 171/181), reflective of how climate change threatens food security and the livelihoods.

B. Recent Economic Developments and Outlook

18. **Prior to the COVID-19 pandemic, the economy was emerging from a series of health and economic crises that weakened growth, increased inflationary pressures, widened the fiscal and current account deficits and pushed the country into a high risk of debt distress.** The COVID-19 crisis, including the precipitated global recession, is likely to have adverse impact on the economy, risks reversing recent economic gains and clouds the country's immediate and medium-term prospects, as discussed in Box 4.

Growth Performance

19. **Recent economic performance has been characterized by growth volatility due to the undiversified economy.** Buffeted by three successive epidemic, economic and climatic shocks, Sierra Leone's growth performance in the last five years has been characterized by significant volatility. Real GDP growth performance has swung widely, from a 20.5 percent contraction (2015) to a 6.4 percent growth (2016). Growth has been driven mainly by the mining sector with some support from the agriculture and services sectors. Manufacturing has remained in a slump, reflecting the generally poor business environment and the high cost of energy and credit. Sierra Leone's economy has not witnessed structural transformation since independence, and remains undiversified with a large share of subsistence agriculture, a volatile mining sector and a largely informal service sector.

20. **Sierra Leone's post-Ebola-crisis economic expansion picked up in 2019.** Growth expanded by 5.1 percent in 2019, up from 3.5 percent in 2018. On the supply side, growth was supported by services and faster agricultural growth, primarily driven by the crops sub-sector, including rice, cassava and groundnut, reflecting reforms aimed at increasing agricultural productivity and diversifying the economy.

21. **Inflation doubled from 6.5 percent (2015) to 13 percent (2016), and has averaged at nearly 17 percent every year since then.** Inflation has been driven by non-food prices and the depreciation of the exchange rate. The inflation rate eased to 14.8 percent in 2019 (Table 1). Still, Sierra Leone's inflation remains higher than the SSA average rate of 4 percent. The 14.3 percent depreciation of the Leone against the United States dollar (US$) between 2018-2019 pushed up the prices of key imported commodities such as fuel and rice. Substantial variation in inflation rates exists across regions in the country, with higher rates in the Western region, which comprises the capital, Freetown.

Fiscal Performance

22. **Sierra Leone's broad fiscal stance was expansionary during 2015-2017, leaving limited fiscal space.** Low levels of tax compliance, excessive duty waivers and tax exemptions, and delayed implementation of fuel-price liberalization undermined domestic revenue mobilization. At the same time, spending pressures driven by the wage bill and election-cycle spending, resulted in fiscal deficits, almost doubling from 4.6 percent (2015) to 8.8 percent of GDP (2017) and was financed largely from external and domestic borrowing.

23. **The new government adopted robust measures in early-2018 to boost revenues and contain expenditure.** These include**:** (i) elimination of subsidies on retail fuel; (ii) reduction of duty waivers and tax exemptions; (iii) implementation of the treasury single account; and (iv) auditing and collection of dividends from profitable state-owned enterprises (SOEs). On the expenditure side, measures include better management of the wage bill, tighter controls of recurrent expenditures and a freeze on public sector recruitments and prioritization of capital spending. These measures together contributed to a narrowing of the fiscal deficit by more than 3.0 percentage points to 5.6 percent of GDP in 2018, and further to 2.9 percent of non-iron ore GDP in 2019.

Table 1. Selected economic and fiscal indicators

	2017	2018	2019e	2020 Initial p	**2020 Rev p**	2021p	2022p	2023p	2024p	2025p
National account and prices				**(Annual percent change, unless otherwise indicated)**						
Growth										
GDP at constant prices	3.8	3.5	5.1	4.2	**-2.3**	4.0	4.5	4.5	4.5	4.6
GDP excluding Iron ore	3.6	5.4	4.5	4.4	**-1.7**	3.5	4.4	4.4	4.4	4.4
GDP deflator (excluding Iron ore)	10.4	14.0	11.0	11.0		11.0	9.6	8.8	8.0	7.5
Inflation										
Consumer prices (end-of-period)	15.3	17.5	13.9	13.0	**17.0**	13.5	11.1	9.8	8.8	8.0
Consumer prices (average)	18.2	16.0	14.8	13.4	**15.4**	15.3	12.3	10.5	9.3	8.4
External sector										
Terms of trade (deterioration -)	15.9	-9.8	-4.2	2.3	**0.3**	-5.2	-1.7	-1.6	-1.6	-1.5
Exports of goods	-0.3	-2.0	11.4	28.1	**-14.0**	35.8	12.1	12.3	4.7	7.1
Imports of goods	23.7	0.6	4.7	4.0	**-5.9**	4.5	4.7	4.9	4.5	4.0
Net Exports	-24	-2.6	6.7	24.1	**-19.9**	6.3	5	1.6	2.4	3.9
Gross international reserves, months of imports 1/	3.8	3.7	3.5	3.7	**4.1**	3.8	3.6	3.5	3.4	3.4
Money, credit and reserves										
Domestic credit to the private sector	4.9	30.6	22.9	9.3	**6.9**	15.2	19.0	15.0	14.1	14.0
Domestic credit to the priv sector in percent of non-iron GDP	5.2	5.6	6.0	5.7	**5.8**	5.7	5.9	5.9	5.9	6.0
Base money	9.0	6.5	12.4	26.3	**24.1**	16.8	15.5	14.3	13.3	12.5
M3	7.0	14.5	14.3	17.4	**15.4**	16.8	15.5	14.3	13.3	12.5
Gross Intl. Reserves (excluding swaps, in US$ millions)	501	487	506	572	**545**	543	543	548	552	570
Net Intl. Reserves (excluding swaps, in US$ millions)	128	107	125	154	**127**	124	160	227	297	370
National accounts				**(Percent of non-iron ore GDP, unless otherwise indicated)**						
Gross capital formation	19.2	16.9	15.9	17.6	**16.6**	16.6	17.5	18.8	19.1	19.3
Government	8.6	6.4	5.4	6.6	**6.8**	6.2	6.5	6.8	7.1	7.3
Private	10.6	10.5	10.5	11.0	**9.8**	10.4	11.0	12.0	12.0	12.0
National savings	-1.9	-1.8	1.9	6.3	**2.4**	4.2	5.9	8.3	8.4	9.2
Financing and debt										
Public debt	69.4	68.7	67.4	66.6	**72.7**	73.4	71.5	68.7	65.8	62.9
Domestic	28.0	27.9	24.7	19.4	**21.8**	21.2	20.1	19.0	18.0	17.3
External public debt (including IMF)	41.4	40.8	42.6	47.2	**50.9**	52.2	51.4	49.7	47.8	45.7
External sector										
Current account balance 2/										
(including official grants)	-21.1	-18.7	-14.1	-11.3	**-14.2**	-12.4	-11.6	-10.5	-10.6	-10.1
(excluding official grants)	-22.5	-19.7	-17.4	-15.2	**-18.4**	-15.4	-14.7	-13.5	-13.4	-12.8
Central government budget										
Domestic primary balance 3/	-4.5	-0.5	-0.6	0.3	**-1.7**	-0.4	0.4	0.6	0.7	0.7
Overall balance	-8.8	-5.6	-2.9	-3.3	**-5.4**	-5.4	-4.0	-3.6	-3.2	-3.0
Overall balance (excluding grants)	-11.3	-7.7	-6.3	-7.4	**-9.7**	-7.9	-6.5	-5.8	-5.2	-5.0
Revenue (excluding grants)	12.3	13.7	14.3	14.8	**13.9**	14.5	15.1	15.7	16.2	16.5
Grants	2.5	2.1	3.4	4.0	**4.3**	2.5	2.5	2.2	2.1	2.0
Total expenditure and net lending	23.5	21.4	20.6	22.2	**23.6**	22.5	21.6	21.5	21.4	21.5
Memorandum item:										
GDP at market prices (billions of Leone)	27465	32402	37911	43846	**41736**	49037	56919	65278	74233	83947
Excluding iron ore	27257	32402	37588	43569	**41736**	48710	56483	64723	73458	82811
Excluding iron ore in millions of US$	3700	4082	4142	4149	**3902**	3879	3943	4050	4193	4384
Per capita GDP (US$)	498	534	535	523	**489**	480	478	482	491	505
National currency per US dollar (EOP)	7537	8396	9755	…	**…**	…	…	…	…	…

Source: IMF and World Bank Staff calculations

24. **Reflecting past large fiscal deficits—especially between 2015 and 2017—public debt increased rapidly to push Sierra Leone into high risk of debt distress**. The ratio of government debt to non-iron ore GDP increased to 68.7 percent in 2018. With improvements in the fiscal position since 2018, the ratio of government debt to non-iron ore GDP decreased to 67.4 percent in 2019. However, liquidity indicators are pointing to a continued increase risk of debt distress, as the domestic and export revenues have not kept pace with the rate of increase of debt service. In 2019, debt service was 14.6 percent of government revenues and 7.9 percent of export earnings, up from 13.7 and 7.3 percent, respectively in 2018. The large external share of public debt and the continued exchange rate depreciation exposes the country to debt-related currency risks.

25. **The government has taken important steps to enhance debt transparency**. The authorities have expressed interest to link their debt pages to the International Development Association (IDA) debt website, an important step that will allow stakeholders to access debt-related information. Furthermore, the government is committed to increasing the coverage of its debt in the International Monetary Fund (IMF)/World Bank Debt Sustainability Analysis (DSA) framework.

26. **Accommodative monetary policy combined with expansionary fiscal policy between 2015-2017 fueled inflation, but a tighter monetary policy stance has been adopted since 2018.** With the support of the IMF, the monetary authorities are strengthening the role of indirect instruments, with monetary aggregates as the operating target. In 2019, broad money increased by 12.4 percent, up from 6.5 percent in 2018. The financial sector's claims on the central government as a share of non-iron ore GDP declined from 13.1 percent in 2018 to 12.5 percent in 2019.

27. **Sierra Leone's financial sector remains broadly stable despite wide variation in vulnerabilities among banks**. Private banks are well capitalized, liquid and profitable. Non-performing loans (NPLs) are on a downward trend, although there are substantial differences in NPLs across banks. Between December 2015 and December 2018, the ratio of NPLs to total loans decreased sharply from 31.7 percent to 12.7 percent, largely as a result of a write-off of bad loans in the two state-owned banks under enhanced Bank of Sierra Leone (BSL) supervision. The enhanced BSL supervision also led to improved capital adequacy ratios for both private and state-owned banks. Domestic credit to the private sector increased by 22.9 percent in 2019, a slowdown from the 30.6 percent growth in 2018, but still one of the best performances in West Africa. The key sectors benefiting from credit growth included construction and commerce and to a lesser extent manufacturing, agriculture, mining and transportation and communication.

28. **External imbalances have improved, primarily driven by increasing exports.** Sierra Leone's trade balance improved substantially in 2019. Imports grew by 4.7 percent, up from just 0.6 percent in 2018. But exports increased by 11.4 percent, mainly reflecting increased exports of diamonds, as iron ore exports collapsed due to the recent shutdown of mines. The current account deficit narrowed from 18.7 percent of GDP (2018) to 14.1 percent of GDP (2019), and was primarily financed by FDI and official capital inflow. The country managed to maintain an adequate international reserve cover of 3.5 months of imports, slightly down from 3.7 months of cover in 2018. In 2019, the country's terms of trade deteriorated by 4.2 percent, reflecting a sizable external demand shock. While the Leone has been depreciating in nominal terms recently, it has been appreciating in real terms. In 2018, the deviation of the real effective exchange rate from its long-run norm was 2 percent, posing challenges for Sierra Leone's competitiveness.

Box 3. IMF Engagement

The new government, upon taking office in April 2018, requested that the non-performing Extended Credit Facility (ECF) program started in 2017 be canceled and replaced with a new one, and in November 30, 2018, the IMF Executive Board approved a new three-year ECF arrangement. The objectives of the new program are reducing inflation, mobilizing revenue to allow for much needed spending on infrastructure and social protection, safeguarding financial stability, and strengthening external resilience to shocks. The program also aims to address structural bottlenecks by improving the business environment, promoting economic diversification, and ensuring inclusive growth by expanding social protection. The program goals are aligned with the NDP (2019-2023), which focuses on strengthening governance and accountability to reduce vulnerabilities to corruption, building resilience, and investing in people and infrastructure. The ECF program remained broadly on track after the Second Review on April 3, 2020, against the background of the COVID-19 pandemic. There is close alignment between the World Bank and IMF engagement in Sierra Leone. In addition to joint missions, World Bank dialogue is anchored around joint products such as the annual DSA, which are produced jointly with the IMF, debt management assessments and technical assistance on the medium-term debt management strategy as well as monitoring non-concessional lending given that the country is at high risk of debt distress according to the DSA.

Box 4. Impact of COVID-19 on the Sierra Leone Economy

The global COVID-19 pandemic and the outbreak in Sierra Leone in mid-March 2020 will have significant adverse health and economic implications for the country. The economic implications operate through both direct and indirect channels, and as such may be difficult to quantify precisely especially in light of the uncertainties related to the intensity and duration of the outbreak. On the supply side, the outbreak has disrupted both domestic and international supply chains. The experience of affected countries shows that there are likely to be factory/store closures and cutbacks in production as confinement and social distancing guidelines are instituted. This will lead to lost wages and household income. These supply-side implications are more likely to be more pronounced in the mining and services sectors. On the demand side, private consumption will likely be reduced as households focus on essential goods. Despite, lower private consumption, inflation pressures could rise (as a result of disruptions in supply chains) leading to welfare loss. Overall, COVID-19 is estimated (as of early April) to lead to the economy contracting by 2.3 percent in 2020.

Fiscal impact: The fiscal cost of COVID-19 is likely to be substantial in Sierra Leone. The outbreak will depress government revenues and increase government expenditure. On the revenue side, tax on goods and services as well as corporate income tax and personal income tax, which represent more than 60 percent of tax revenue, will be negatively affected by the depressed economic activity. Tax on international trade would also decline as a result of reduced trade flows. Overall, tax revenue is likely to decline by 0.9 percentage point of GDP. On the expenditure side, the fiscal cost of supporting the health system in terms of surveillance, isolation and treatment of those affected by the disease is likely to be substantial, thereby widening the fiscal deficit and worsening the debt dynamics. Total expenditure (including on health) is expected to increase by 1.4 percentage points of GDP in 2020. The fiscal deficit is estimated to deteriorate by 2.1 percent of GDP in 2020 relative to pre-COVID-19.

External sector: Sierra Leone's trade flows are affected by the outbreak of COVID-19, namely the slowdown in economic activity among its main trading partners, Europe and China. With the domestic COVID-19 outbreak, trade and tourism activities will be further reduced. Demand for the country's export as well as prices of exports will further collapse as will imports due to border closures. The current account deficit is projected to worsen from 11.3 percent of GDP pre-COVID-19 to 14.2 percent of GDP in 2020 and the welfare impact of reduced imports, particularly of food, could be substantial. The COVID-19 outbreak could also lead to a collapse of international financial flows, especially FDI and portfolio flows as well as remittances, putting further burden on the Leone and thereby exacerbate inflationary pressures. The estimated additional balance of payment financing need is about $120 million over 2020-22.

Poverty and social implications: The COVID-19 outbreak could setback progress on poverty reduction as growth slows, inflationary pressures rise, and jobs and livelihoods are lost. Most of the rural poor (84.1 percent) are in subsistence agriculture but still depend heavily on imported food, especially rice. About a third of rural farming households also get income from self-employment, about two thirds of these self-employment activities are in retail trade, mostly via market stalls or mobile sellers. Restrictions on movement and market closures would have dire consequences for these small businesses and informal sector operators. Self-employment in small businesses is the main source of income for over a third of the urban poor.

Policy response: The Government had taken some pre-emptive measures in response to the global outbreak even before Sierra Leone had it first case of the virus and has since taken additional measures. These measures include: a comprehensive Contingency Plan (Le 13 billion or US$1.3 million); establishment of Quarantine Centers at the main border crossing points; restriction of public gatherings and travel bans. Furthermore, the BSL has instituted special measures, including: (i) issuance of foreign exchange directives banning street trading of foreign exchange; (ii) reducing the monetary policy rate by 150 basis points to 15 percent; (iii) provision of Le500 billion (US$50 million) to finance procurement of essential goods; and (iv) increasing the reserve requirement maintenance period from 14 to 28 days.

Outlook and Risks

29. **The COVID-19 pandemic has significantly clouded the country's medium-term growth prospects and heightened downside risks**. Prior to COVID-19, growth was projected to slow to 4.3 percent in 2020 and average 4.6 percent over the medium term (2021-25). With the global COVID-19 crisis and the spread

of the virus to Sierra Leone, the economy could contract by 2.3 percent in 2020 and growth could be lower than the original projections by 0.3-1.8 percent over the medium term (Table 1). With lower revenues and increased spending, the overall budget deficit could increase from the originally projected 3.3 percent of GDP to 5.4 percent of GDP in 2020 before narrowing to 3.0 percent of non-iron ore GDP in 2025. The current account deficit is also expected to widen to 14.2 percent of GDP in 2020 before narrowing to about 10 percent in 2025. Downside risks depend on the duration of the global pandemic and the opening of borders and markets for exports, as well as essential imports, including food. An extended crisis could precipitate a food-security crisis as well as lead to major disruptions in the service sector (trade, tourism and transportation) with substantial job losses and increased poverty. Should these risks materialize, the medium-term growth prospects could be much weaker, including the risk of a recession over the medium term.

C. DEVELOPMENT AGENDA

30. The development challenges identified below have been informed by the pathways and foundations in the SCD, but have been complicated by the added challenges of COVID-19.

31. **The government has embarked on a human capital-driven model of development, and its growth strategy focuses on economic diversification to reduce the volatility and vulnerability of the economy.** A key challenge is that, the time when the country has embarked on an ambitious development agenda, coincides with a period of tough macroeconomic conditions and pandemic threats. Economic diversification not only requires improving the economy's sectoral mix, as emphasized in the NDP, but also the need to speed economic transformation which requires a few critical shifts: increasing productivity on farms, shifting from lower- to higher-productivity activities in firms (in manufacturing such as agro-processing as well as services), shifting economic activity from rural areas to secondary cities (district capitals), and shifting from self- to wage employment.

Alleviating Fiscal Risks and Mitigating Overarching Governance Constraints

32. **Sierra Leone faces significant fiscal risks, and since 2018 the fiscal balance has started to improve thanks to higher domestic revenue mobilization and better expenditure controls**. While revenue performance has improved, the country still has among the lowest tax to GDP ratios (12 percent). Expenditure management has improved, and the government has protected social spending despite fiscal consolidation. But, severe cuts to capital spending may constrain medium-term growth prospects. The legacy of past policies is weighing heavily on the central government's fiscal position and expanding public debt. It is expected that current Public Financial Management (PFM) reform efforts will continue to enhance disclosure and management of risks arising from the government's asset and liability holdings, government guarantees, public-private partnerships, the financial sector, and the natural resource sectors (extractives and fisheries).

33. **The COVID-19 pandemic will pose fiscal risks on the expenditure side was well as the revenue side (Box 4).** The government has prepared the "Quick Action Economic Response Program" which aims to mitigate the economic impact of the COVID-19 shock on businesses, households and to maintain macro-economic and financial stability.[12]

[12] The Program has five objectives: (i) Building and maintaining an adequate stock level of essential commodities at stable prices; (ii) Providing support to hardest-hit businesses to enable them to continue operations, avert lay-offs of employees and reduce NPLs (iii) Providing safety nets to vulnerable groups; (iv) Supporting labor-based public works; and (v) Providing assistance for the local production and processing of staple food items.

34. **The financial sector in Sierra Leone is amongst the shallowest in the region.** The banking system is generally stable outside of the two state-owned banks—accounting for 36.2 percent of deposits. The finance market is characterized by short-term treasury instruments and lacks long-term financing in local currency. Mobile money, while growing, remains low, especially among women: access to a formal financial institution or mobile money provider is only 19.8 percent (less than half of the SSA average of 42.6 percent) and is even lower among women.[13] A significant risk to the banking sector is the high level of government arrears to contractors and its impact on contractors' ability to service domestic bank loans.

35. **The natural resources sector (in particular, mining) is an important source of revenue and growth in Sierra Leone**. The mining sector accounts for about two thirds of exports, 20 percent of GDP and 20 percent of fiscal revenues. The country's most significant growth boom was driven by iron ore exports (20.7 percent in 2013), but mining has not translated into commensurate welfare improvement for Sierra Leoneans.[14] This sector is also an important source of rent seeking, and management of the sector requires transparency and good governance. As mentioned in the Economic Outlook, mining offers upside potential for higher GDP growth over the medium term, but this is subject to mining sector governance constraints. An emerging potential risk is lower investor confidence stemming from governance issues in this sector.

36. **Although key elements of a governance architecture are in place,[15] Sierra Leone has made only modest progress in strengthening governance in practice and continues to lag regional peers.** Despite the improvement in political stability, corruption risks persist, and many governance indicators have stalled. Bottlenecks in PFM and procurement have led to inefficient public spending. The promise of the benefits of decentralization has been dampened by the incomplete transfer of authority to local councils, the re-institutionalization of chieftaincies and contradictory local government legislation. While there are examples of citizen monitoring of service delivery—in education and health—accountability has been weak. The ability of integrity agencies, civil society organizations (CSOs) and the media, to ensure transparency and accountability has been undermined by the systemic governance deficiencies.[16]

37. **The incoming government has made early efforts to tackle corruption.** The actions include:

- *Improving enforcement and compliance*. The Anti-Corruption Commission has recovered significant amounts of stolen since assets April 2018. The Commission also launched a "Pay No Bribe" campaign to collect real-time evidence on corruption in key service sectors.
- *Upgrading legislative and regulatory frameworks*. The National Revenue Authority (NRA) legislation was upgraded and its governance structure was improved. Parliament passed an amendment to the Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) law in May 2019, which will strengthen the BSL's capacity to monitor AML/CFT issues. The 2019 BSL law provides the basis to bolster the central bank's independence.
- *Promoting greater transparency and public accountability*. In 2018 senior officials declared their assets to the Anti-Corruption Commission within three months after taking office. The Audit Service

[13] Only 15. 4 percent of women own a financial institution account, far below the SSA average of 36.9 percent (Findex, 2017).

[14] According to the SCD, if the Extractive Industry Revenue Act (2018) was fully implemented, revenue collected in the 2012-2014 iron ore boom could have reached 11.8 percent of GDP, more than triple the actual revenue collected.

[15] Anti-corruption institutions include: Anti-Corruption Commission, Audit Service Sierra Leone, National Public Procurement Authority, Financial Intelligence Authority, Parliamentary Public Accounts Committee, and the Ombudsman.

[16] Examples include: underfunding of integrity agencies, the inability of Sierra Leone's integrity and law enforcement agencies to effectively prevent and detect corruption, and the inability of the courts to successfully prosecute corruption cases.

Sierra Leone identified significant PFM weaknesses in technical value for money audits in four key sectors—social security, telecommunications, civil works and energy.

Diversifying the Economy for Improved Productivity, Competitiveness and Resilience

38. **Sierra Leone's difficult business environment is a critical factor in explaining why the economy has struggled to diversify and create jobs, constraining overall growth.** The Doing Business ranking has dropped progressively since record improvements in 2010/11. Human capital is low, as evidenced by the high levels of illiteracy and low market-relevant skills. The absence of financial instruments for agribusiness is a persistent problem. Some of the institutional constraints facing businesses include: corruption; cumbersome and opaque procedures; outdated and sometimes contradictory laws and regulations; and the lack of digitization of laws and regulations. Furthermore, public-private trust as well as public-private dialogue are weak. Governance issues in the mining sector are a key binding constraint and the government needs to do more to ensure a more enabling environment for private investment.

39. **A diversified economy requires improved farm and firm productivity in agriculture and fisheries, as well as growth in the services sector.** Despite employing 61.3 percent of Sierra Leoneans and accounting for 49.5 percent of GDP (2018), the agriculture sector remains uncompetitive. Yields are well below their productive frontier for the climatic conditions and soil fertility, due to low uptake of technology and gender disparities in technology access (Box 2 on gender and Annex 9 on land issues).

40. **Fisheries are a valuable renewable natural resource which contributes about 10 percent of GDP, but there is unrealized potential.**[17] Fish-processing companies receiving quality fish for national and export markets is a potentially lucrative market but remains unexploited. Furthermore, illegal, unreported and unregulated fishing activities threaten the sustainable management of fish resources.[18]

41. **The main challenges to productivity include: a costly energy mix, transport-related barriers to markets, low connectivity and technology adoption, and vulnerability of the country's infrastructure to climate change.**[19]

- **Energy is a critical binding constraint to Sierra Leone's growth (Annex 8).** The power sector faces four key challenges: low access and security of supply, and underexplored regional power trade potential (16 percent; 100 MW installed generation capacity); a costly energy mix (US$0.18 per kWh); and poor operational performance and financial viability of the energy utility (technical, commercial and collection losses at 46 percent). The COVID-19 pandemic will likely affect Freetown the earliest and possibly the hardest given the population density and because a third of people live in informal settlements where social distancing is near-impossible. Power outages will add to the disruption of economic activity, and power outages during lockdowns may trigger social unrest.
- **Stable and affordable broadband connectivity and associated enabling environment in digital infrastructure are the key challenges hindering Sierra Leone to take advantage of opportunities of the Digital Economy.** About 20 percent of Sierra Leone's population lives in areas without access to any mobile phone service.[20] Access to fixed and broadband internet is below regional comparators at 12 percent and 48 percent, respectively, and at a cost of 15 percent of gross national income for a mobile services basket (compared to 10 percent in lower-income countries).

[17] A third of the country's border (500 km of coastline) is adjacent a considerable continental shelf with abundant and varied fish resources; directly employing 36,000 people and 500,000 people along the value chain, and accounts for 80 percent of protein. The is reason for the European Union (EU) Yellow Card, issued to nations that not taking sufficient action to control these activities.
[19] Recurrent flash flooding in urban areas and coastal flooding are common, occur every year during June to August.
[20] Access to 2G is 80 percent of the population, 3G coverage is 60 percent and 4G coverage is 30 percent.

- **Roads are major constraints to farm and firm productivity and urban mobility.** Two thirds (68.5 percent) of the rural population do not have access to good roads, and urban congestion is a significant disincentive to private investment, especially in Freetown. Access to transport services is even more challenging for women and persons with disabilities due to their special transport needs (e.g., risks associated with traveling alone and vulnerability to harassment).

Increasing Human Capital for Inclusive Job Creation

42. **The current stock of human capital cannot deliver a job-rich economy.** Two thirds of adults have no or incomplete primary education, and technical and vocational skills as well as higher education gaps and mismatches with the economy's needs undermine productivity and growth prospects. Human capital gaps are amplified by gender disparities in learning opportunities and outcomes, as well as low levels of safety net coverage. Furthermore, women's economic participation has been hampered by stubbornly high rates of fertility, alongside other factors highlighted in Box 2.

43. **The potential impacts of the COVID-19 pandemic will have severe consequences for morbidity and mortality.** In addition to the health impacts, the Ebola crisis was accompanied by teen pregnancy rates which rose by 50 percent, although these impacts were found to have been mitigated by empowerment interventions, life skills and livelihood interventions. The possible gender impacts of COVID-19 will be important to monitor as well as mitigate.

44. **Sierra Leone's burgeoning youth population further compounds the jobs challenge while younger youth cohorts offer some opportunities (Annex 10).** At current rates of population growth (2.2 percent), the economy will need to create 70,000 new jobs per year to maintain current employment rates and keep up with population growth. A falling dependency ratio offers an opportunity for Sierra Leone, but to exploit this opportunity working-aged adults need to be employable—in terms of health, cognitive abilities and skills, a gap especially in older youth cohorts (Box 1). Younger youth cohorts offer hope as they are more likely to have completed secondary education, and every year more and more girls complete their education (albeit starting at a low base).

45. **Spatial and socio-economic disparities are reflected in the sub-national distribution of the three dimensions of the Human Capital Index (Box 5).** (i) The average child has only 4.5 learning-adjusted years of schooling, and lower secondary attendance rates are 3.4 times higher in the best versus poorest performing district; (ii) More than a tenth of newborns die before age 5 and this rate is 3.4 times higher in the best versus poorest performing district and (iii) A quarter of children under 5 are chronically malnourished and malnutrition is 2.4 times higher in the poorest versus richest wealth quintile. Food insecurity and chronic malnutrition roughly coincides with the distribution of extreme poverty: three regions with the highest levels of stunting contain districts with the poverty exceeding 80 percent.

46. **Socio-economic vulnerabilities, susceptibility to shocks, and social exclusion heighten the country's need for safety nets.** Food inflation and rising fuel prices continue to pressure poor households. Underemployment continues to be high, mostly in the form of household enterprises, and for large parts of the population these micro-enterprises (including subsistence farming and petty trading) serve as a safety net. The Safety Net Program provides income support to extremely poor households, and empirical evidence shows that these households spend cash transfers on food and education. However, the Program covers only 5 out of 15 districts, and will have to be expanded to meet the growing numbers of household in extreme poverty as well as COVID-19 related needs.

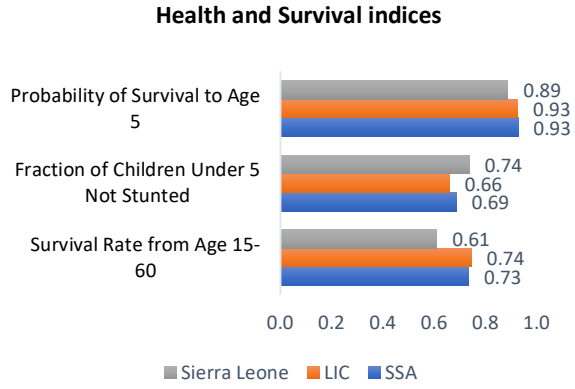
Resilient Urbanization and Disaster Risk Management

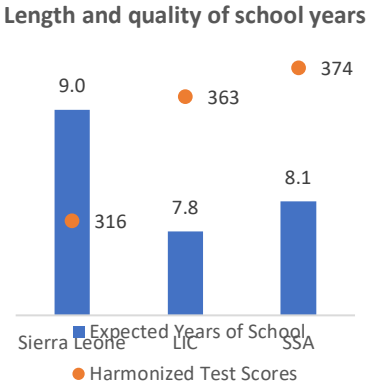
47. **Uncontrolled urban expansion with increased informal settlement, unplanned development in disaster-prone areas and poor waste management exacerbate disaster risks, especially in Freetown.** Urbanization, disaster risk and climate change are closely interlinked. Sierra Leone's urban population has grown rapidly over the last five decades. In Freetown an accelerating ribbon of development along the coast and into the more elevated, steeper and forested central mountain belt is resulting in increased exposure of people and assets to landslides, floods and sea-level rise. Deforestation is increasing surface run-off and intensifying existing risks from floods and landslides. The environmental risks facing Freetown are of particular concern due to rising sea levels as well as the contamination of fish resources from sewage and waste.

Box 5. Human Capital Index in Sierra Leone

Sierra Leone's HCI Score is 0.35, which means that a child born in Sierra Leone today will be 35 percent as productive in adulthood as she could be if she enjoyed complete education and full health in her early years. The component indicators that make up the HCI score are:

- Probability of Survival to Age 5. 89 out of 100 children born in Sierra Leone survive to age 5.
- Learning-adjusted Years of School. Children have effective 4.5 years of schooling when factoring quality of learning.
- Adult Survival Rate. 61 percent of 15-year olds will survive until age 60.
- Healthy Growth. 26 out of 100 children are stunted and are at risk of lifetime cognitive and physical limitations.





The government has committed to investing in people and building the country's human capital and has for the first time based the development agenda on investing in people. *What is the government doing on Human Capital*?

- Launched the Free Education Program (August 2018)
- The NDP, launched in February 2019, is centered around: "Education for Development".
- Government committed to allocating 21 percent of the budget to Education.
- The 2019 Budget was titled: "Fiscal Consolidation for Human Capital Development".
- In 2018 the "Hands off our Girls Campaign" advocates for against rape and other forms of violence against girls.
- The National Strategy for the Reduction of Teenage Pregnancy and Child Marriage (2018-2022) was launched.

Source: The Human Capital Project; Human Capital Index: Country Briefs and Data.

48. **Municipalities are integral actors for service delivery (including services to businesses) and disaster risk management.** However, city governance, planning and financial sustainability are weak, and there are major gaps in urban infrastructure. Especially in urban areas, insufficient storm-water drainage

systems exacerbate risks of flooding and the incidence of vector-borne diseases. Solid waste management has not kept pace with rapid urbanization, combined with insufficient financing and critical infrastructure gaps. Furthermore, there is a complex dual land-tenure system with a general absence of established cadastral boundaries and systematic biases against women and youth affecting land ownership (Box 1 on fragility, Box 2 on gender, Annex 10 on youth and Annex 9 on land).

49. **Sierra Leone's urban centers are prone to natural disasters, mainly in the form of recurrent floods and landslides, which are likely to be exacerbated by climate change.** The Global Adaptation Index on vulnerability to climate change ranks Sierra Leone 158/182. With 13 percent of its area and more than 35 percent of the population at risk, the country has a relatively high mortality risk from multiple hazards. For example, in the last 15 years, Sierra Leone has experienced four major floods that affected over 220,000 people. These disaster risks are also incorporated in FDI decisions.

50. **The country's track record on environmental management is not encouraging.** It ranked 173/178 on the Environment Policy Index[21], a measure of human health impacts from biological impacts and the protection of ecosystems. Effective environmental management is hindered by numerous institutional obstacles, including weak technical capacity, poor coordination and monitoring, and weak oversight and enforcement capacity. Institutional impediments are rife across the range of state institutions involved in the management of the environment.

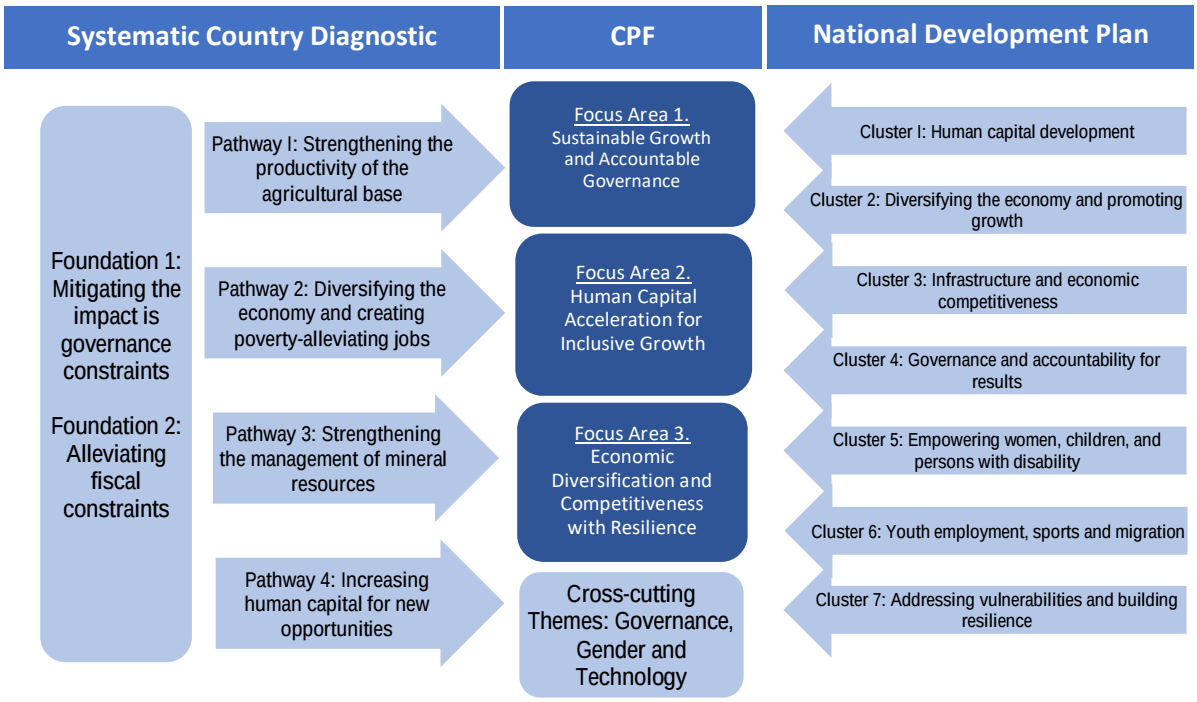
III. WORLD BANK GROUP COUNTRY PARTNERSHIP FRAMEWORK

A. GOVERNMENT PROGRAM AND MEDIUM-TERM STRATEGY

51. **The NDP (titled "Human Capital for Development", 2019-2024) coincides with the 2021-2026 CPF period.** The plan was developed after nationwide consultations. Figure 4 shows the overall consistency across the SCD, the NDP and the CPF Focus Areas. The NDP is candid regarding the challenges the country faces, and coherent in its presentation, and has clear links to the United Nations (UN) Sustainable Development Goals. However, the NDP was prepared in a challenging domestic and external economic environment, including the challenge of restoring macroeconomic stability while focusing on structural reforms for sustained broad-based growth and poverty reduction. The structural reforms needed are wide and complex, and further prioritization of the ambitious development agenda could help address risks related to the financing gap (US$1.5 billion) and weak institutional capacity for implementation. A further risk is that there is an insufficiently prominent role for the private sector toward achieving NDP goals. The NDP aligns well with Sierra Leone's Nationally Determined Contribution to the Paris Agreement which highlights the intention to reduce the country's carbon footprint by following green growth pathways in all economic sectors, proposing carbon neutrality by 2050 conditional on international support.

[21] https://epi.envirocenter.yale.edu/epi-country-report/SLE

Figure 4. Linkages between NDP, SCD and CPF



Notes: There is not a one-to-one match between the SCD pathways and the CPF Focus Areas. For example, Pathway 1 is related to Focus Areas 1 and 3; Pathway 2 is related to Focus Area 3, Pathway 3 is related to Focus Area 1, and Pathway 4 is related to Focus Area 2. Resilience is not explicitly mentioned in the SCD Pathways, it is highlighted in the NDP.

B. Proposed World Bank Group Partnership Framework

Lessons from the Completion and Learning Review[22]

52. **The most recent Country Assistance Strategy (CAS) covered the period FY10-FY13[23] and was updated by the CAS Progress Report (CASPR).**[24] Three shocks—the Ebola outbreak, the iron ore price collapse (2014-2016) and the 2017 landslide—contributed to the delay between the CAS and this CPF. The SCD was initiated in 2017 and completed in March 2018. Because of the considerable time that has elapsed since the last CAS, a special CLR was prepared, as permitted under the special procedures agreed by the World Bank (WB)/IFC/MIGA[25] (see Table 3 for the timeline of events between the CAS and CPF). Table 2 summarizes the key lessons from the CLR and how these lessons have been considered in the CPF (Annex 2 provides more detail).

Lessons from Consultations

53. **The CPF benefitted from consultations with various stakeholders:** national and local governments, the private sector, development partners, CSOs and parliamentarians, field visits and a retreat with key opinion leaders and media editors, as well as a Country Opinion Survey.[26]

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[22] The CLR is an ex-post self-assessment of the previous engagement strategy, not an evaluation of the country's performance.
[2323] Report No. 52297-SL; March 4, 2010.
[24] Report No. 69913; July 12, 2012.
[25] See IBRD/IDA/IFC/MIGA (2018) "Working arrangements between Independent Evaluation Group and WBG" EXC6.02-PROC.105. The focus of the Special CLR is on learning rather than ratings, while making every effort to provide for an accounting of progress.
[26] A second round of consultations was held following the CPF Concept Note Review Meeting in November 2019.

Table 2. Lessons from the CLR

What did the World Bank do well?	Where could the World Bank improve?	WBG response
• **Cross-sectoral integration of Governance in the results framework**: Inclusion of a Governance-related outcome indicator under every outcome allowed for a true cross-sectoral view of governance. • **Timely support to Sierra Leone's natural resource boom**: The introduction of a third pillar covering Sierra Leone's extractive boom is viewed as a timely reaction to changing dynamics in the country and appreciated by both government and Development Partners. • **Advisory Services and Analytics (ASA) program with strong political economy lens:** Provision of technical assistance was in certain areas based on very thorough political economy work. Specifically, the ASA program over the CAS cycle included 11 products, and of the these, six focused on Sierra Leone's recent fragile state status or analyzed the country's political economy dynamics. • **Introduction of citizen engagement (e.g., Community Mobilization Initiatives) and grievance monitoring and redress mechanisms**: Noteworthy improvements were made in relation to grievance and monitoring mechanisms and Community Monitoring Interventions (CMIs), which have improved communication and response between citizens and LGs. The approaches to grievance and monitoring mechanisms have been adopted across sectors.	• **Focus on resource mobilization**: The focus on resource mobilization and the link between taxpayers/voters and service providers is absent both in the Results Framework and the **CAS and** CASPR. • **Complexity of project design (including implementation arrangements):** Stronger emphasis should be placed on reducing complexity, e.g., the number of sub-components, implementing agencies or geographic coverage. • **Regional and global risks:** The CAS and CASPR failed to sufficiently identify global risks (e.g., risks posed by global iron ore market) and regional (risks posed by epidemics). Regional integration opportunities have been under-explored in the CAS and CASPR. • **Results framework: Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) Outcomes and Outcome indicators**: The Results Framework was weakened in that many outcome indicators did not meet the criteria for SMART indicators, further complicating evaluation of progress. • **Links between risks and opportunities identified in CASPR and interventions listed in the Results Framework**: The link between the CASPR's main text and the Results Framework could have been stronger. • **Proximity of task team leaders, preferably in Freetown:** At the time of the CAS all World Bank task team leaders (TTLs) were based outside of Sierra Leone (either in Accra or Washington). This arrangement stymied feedback and dialogue and stands in contrast to earlier arrangements where at least some TTLs operated out of Freetown.	• **Resource mobilization** is a key part of the macro- fiscal engagement (under Objective 1.1, governance, taxation administrative capacity, digital technology investments (e.g., Integrated Tax Administration System (ITAS) and Automated System for Customs Data (ASYCUDA) under Objective 1.2, as well as resource mobilization from natural resources (under **Objective 1.1**). • **Complexity** will be managed proactively at concept stage with the inputs from the Fragile, Conflict and Violence (FCV) unit with strong support from the Country Management Unit (CMU). • **Community engagement** and grievance redress mechanisms will be incorporated in project design and tracked. • **Regional and global risks** are reflected in the Risks section. See Annex 11 for carefully selected examples for tapping into regional opportunities, that are highly complementary to the national portfolio. • **Results framework:** Review indicators to meet SMART criteria. • **Decentralization of TTLs:** Efforts to locate more TTLs in Sierra Leone is consistent with the World Bank's decentralization policy. In recent years modest progress has been made with ensuring country-based TTLs in critical sectors, energy and education.

54. Many choices and prioritization made under the CPF strongly resonate with the findings of the Country Opinion Survey, summarized in Annex 6. See Table 2 and Annex 6 shows how this feedback has been taken into account in the CPF.

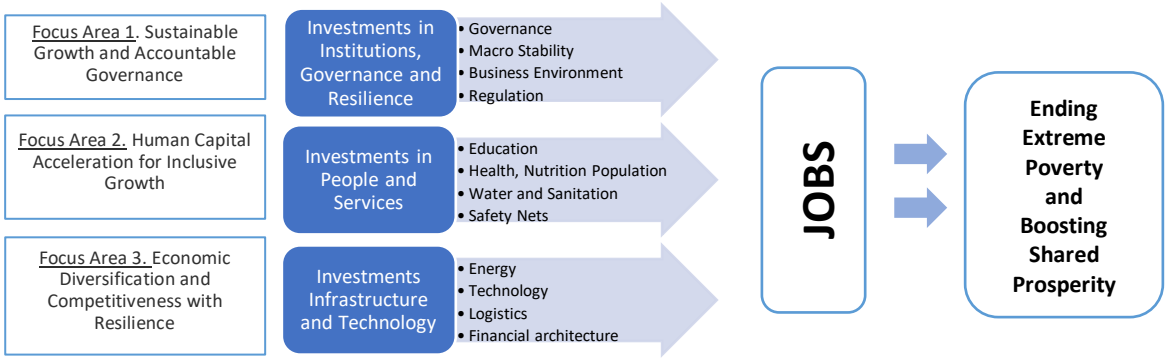
- *Private sector*: The representatives of the private sector highlighted concerns about the prolonged impact on business and growth slowdown following the 2018 elections and the absence of sustained public-private dialogue. They also pointed to challenges surrounding high energy costs, gaps in access to finance, the need for local currency financing, skills gaps and uncertain business environment.
- *Government*: National government officials welcomed the alignment with the NDP, and various themes resonated strongly, including the themes focused on human capital, jobs, economic diversification, innovation and technology.
- *Journalists, CSOs and Parliament*: The emphasis on citizen engagement resonated with CSOs, parliamentarians and media editors who all stressed the need for stronger accountability and citizen engagement, and the unique ability of the World Bank to nudge government in this area.

Development partners: Feedback from bilateral partners included the need for better coordination in areas where partners have strong engagement, especially on PFM, Education, Energy and Private Sector Development). UN agency officials highlighted entry points for better collaboration on ASA (e.g., Public Expenditure Review (PERs)) and areas where there is already strong collaboration (e.g., United National Development Program (UNDP) on economic matters, United Nations Children's Fund (UNICEF) on education and social protection, Food and Agriculture Organization (FAO) on agriculture and land issues).

Overview of the World Bank Group Partnership Framework

55. **This CPF is underpinned by a robust theory of change in which jobs is a central focus (Figure 5).** Informed by the CLR and consultations, three CPF Focus Areas have been identified: Focus Area 1. Sustainable Growth and Accountable Governance; Focus Area 2. Human Capital Acceleration for Inclusive Growth; and Focus Area 3. Economic Diversification and Competitiveness with Resilience. In addition, three cross-cutting themes have been identified: Governance, Gender and Technology.

Figure 5. Theory of Change linked to the CPF Focus Areas



Notes: The starting point for the theory of change is three sets of investments: in people, infrastructure, and institutions which can be thought of as a production function for jobs toward the achievement of the Twin Goals.

56. **The WBG's overall strategic approach to addressing the COVID-19 impacts is to maintain a balance between short-term and long-term needs as well as flexibility.** The short-term response includes: expanding surveillance, isolation centers and case management; improving national and community-level communication and mobilization; and stepping up food assistance and cash transfers to extreme poor and affected households. Medium-term responses include: support to agriculture for continued food production; grant mechanisms to businesses to maintain supply chains; and contingent financing to government for immediate liquidity. Long term efforts include building human capital, supporting diversified growth and strong macrofiscal management. Given the uncertainties related to

COVID-19, there will be a need for flexibility allowing resources to shift with the changing country context of the pandemic. To this end, more frequent PLRs are being proposed (i.e., two PLRs over the CPF period) to allow for adjustments that cannot fully be anticipated at this stage. In the first few years of the CPF, special attention will be paid to COVID-19-related priorities, as spelled out in the objectives underpinning the following: (i) Protecting the poor and vulnerable (including food security); (ii) Supporting businesses (including access to finance and domestic capital markets); and (iii) Accelerating recovery and strengthening economic resilience.

57. **In addition to the three core CPF selectivity criteria (consistency with the SCD, alignment with the NDP and WBG comparative advantage), a fourth filter is included: addressing fragility, including COVID-19 risks.** Annex 7 shows how the selectivity filters have shaped the choices made in the CPF**.** The CPF directly addresses each of the three key binding constraints identified in the SCD that hinder the country from achieving the Twin Goals: Instability in the macroeconomic climate and poor business environment; limited physical infrastructure and human capital; and lack of efficiency and accountability in the public sector.

- **Alignment with the NDP:** Figure 4 illustrates that the CPF is fully aligned with the NDP, and It embraces the government's Human Capital agenda. Other themes that resonate strongly are economic diversification, women's empowerment, employment and governance.
- **WBG Comparative Advantage:** Annex 7 provides detail on how the WBG comparative advantage has been applied in the following areas: convening power, de-risking investments, knowledge, and social and environmental safeguards.
- **Addressing fragility drivers:** Similarly, Annex 7 provides detail on how the following drivers of fragility have been applied: implementation risks, spatial political economic issues, frustrated youth (Annex 10), conflict-inducing effects of concessions, and climate and pandemic risks (including COVID-19).

58. **The CPF is aligned with IDA19 priorities.** The CPF's focus on jobs, governance and women's economic empowerment and fragility, as well as efforts to strengthen community engagement and social inclusion (including disability inclusion), are consistent with the IDA19 priorities.[27] The CPF priorities for regional engagement have been carefully selected for greatest impact and complementarity with the country program. These also coincide with the Regional Integration priorities (energy; digital development; disease surveillance; climate change, and data and statistics).

59. **The CPF has three cross-cutting themes: governance, gender and technology.**

- **Governance**: The CPF draws extensively from the framework that underpins the IDA19 Special Theme on Governance which illustrates the cross-cutting nature of this theme: (i) addressing fiscal risk challenges (under Objective 1.1); (ii) maximizing the impact of service delivery (Objective 1.2 and Objective 2.1); (iii) building confidence in institutions (Objective 1.2 and Objective 3.2); and (iv) robust data and analytics (Objective 1.1). A whole-of-government approach will promote technology-enabled transformation of core government functions.
- **Gender**: Gender is prominent throughout the CPF and this is also consistent with the IDA19 Gender Special Theme. See Box 2 for examples of the issues facing girls and women in Sierra Leone as well as how the WBG is responding across the portfolio and knowledge work. The cross-cutting nature of gender will be addressed in gender-related prior actions under Development Policy Operations (DPOs) and efforts to improve financial inclusion among women (Objective 1.1), women and youth skills development (Objective 2.1 and Objective 2.2), reproductive health services (Objective 2.2, cash

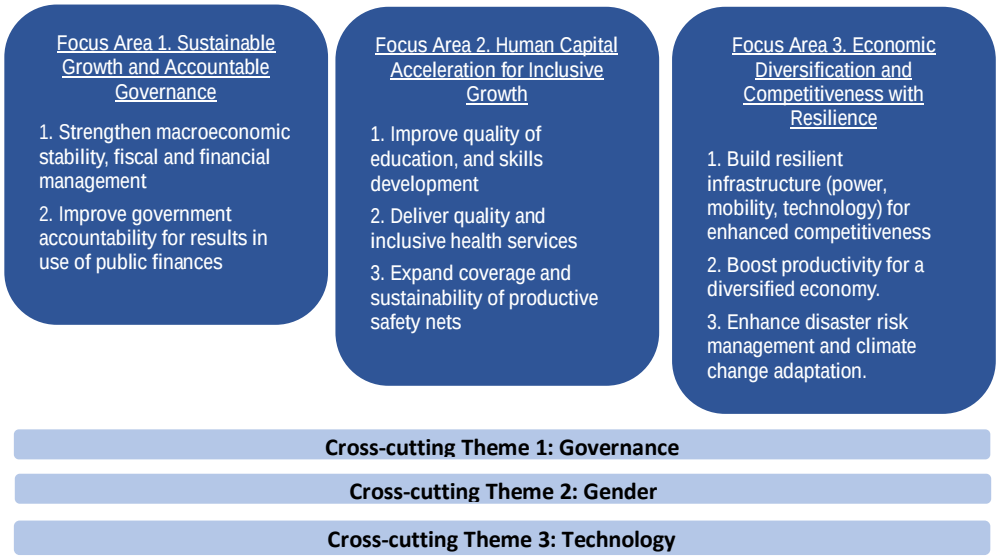
[27] Jobs and Economic Transformation; Gender and Development; Climate Change; Fragility, Conflict and Violence; and Governance and Institutions.

transfers being made largely to female beneficiaries (Objective 2.3) and support to women in business (Objective 3.2).

- **Technology**: A strong focus will be on laying the foundations for the digital economy, and to optimize the benefits that technology has to offer in core government functions (Objective 1.2) and banking services (Objective 1.1). In urban transport the following is being supported: data gathering using big data from cell phones for planning and disaster response, digital technologies for fare collection and use of mobile devices for on-demand passenger and freight transport services. Under Objective 2.2, the education project includes tablets for teachers for improved teacher skills and performance feedback, as well as a digitized annual school census. The Economic Diversification Project will include the digitization of records, as well as simplification and digitization of government to business processes (business registration and construction permits) (Objective 2.3).

Focus Areas and Objectives supported by Program of Lending and Non-Lending Activities

Figure 6. Structure of the CPF



60. **The cascade approach is evident across the various focus areas (especially in Focus Area 1 and Focus Area 3).** Examples of the cascade approach in Energy and Agriculture are presented in Figure 7 and Figure 10, respectively, showing how reforms (through investment, development policy lending and ASAs) improve the prospects for private investments. This cascade approach maximizes finance for development by using public funds to leverage private financing as shown in the "If/Then" Matrix (Figure 8) which identifies priority reforms for key sectors and maps potential IFC program under different reform scenarios (based on both the need and likelihood of reforms taking place during the period of the strategy). Across the CPF, additional opportunities will be explored for collaboration on job creation across GPs and IFC and will contribute to the jobs-related indicators in the results framework.

Focus Area 1. Sustainable Growth and Accountable Governance

Objective 1.1. Strengthen macroeconomic stability, fiscal and financial management
Objective 1.2. Improve government accountability for results in use of public finances

Objective 1.1. Strengthen macroeconomic stability, fiscal and financial management[28]

61. **Reducing the fiscal deficit and reversing the trend of rising public debt requires deliberate actions**:

- *Fiscal consolidation*:[29] (i) Strengthening revenue mobilization through various tax base expansion measures; (ii) Ensuring prudent expenditure management that streamlines the wage bill and improves payroll integrity and rationalizes subsidies; and (iii) Addressing the fiscal overhang and creating fiscal space for domestically funded social and infrastructure spending by clearing the large domestic arrears to suppliers. The World Bank is also undertaking technical assistance on improving coordination between expenditure management and debt management, and a programmatic series of PERs covering key sectors.
- *Revenue mobilization*: Continued support of the government's ambitious revenue mobilization efforts will be provided through: tax system review, reform and revenue forecasting, development of an information technology strategy in domestic revenue mobilization, and revisions to the tax legal framework to ensure alignment with international standards and good practices (Objective 2.1).
- *Debt management*: The World Bank will support the debt management strategy and building capacity in analysis of contingent liabilities, debt management and domestic debt analysis.
- *Data and analytics*: Investing in a strong National Statistical System is critical to planning, tracking progress and improved accountability for results, including a program of Public Expenditure Reviews.

62. **The macro-fiscal impacts of COVID-19 will be significant, and the WBG will mobilize various financing instruments to support fiscal needs as well as respond to the impact on businesses.** The instruments that will be mobilized include: supplemental policy-based lending, a Catastrophe Deferred Drawdown (CAT-DDO), and disaster risk-related instruments to be mobilized (e.g., Contingency Fund under the Social Safety Net Project; Box 6).

63. **Building a modern financial architecture and fostering financial inclusion require the development of a modern and efficient payment gateway and expanding access points, which are the basic foundations of financial inclusion and development.** Engagement in the banking sector will be through implementation of the national payment switch which allows for interoperability amongst financial service providers, mobile money providers, and a retail payment switch that can interface with various systems such as automated teller machines and mobile money. The switch has positive implications for access-point development and financial inclusion in financially excluded regions, but rural linkages to the payments system will need extra effort. Support will be provided to rural financial service providers to connect to the country's payment systems infrastructure, and innovation with agriculture financial products will be incentivized. Lastly, financial access will be improved by supporting the improvement and expansion of the Credit Reporting System and the broadening the scope and usage of the Collateral Registry for movable securities, specifically aimed at benefiting women-led businesses and improving women's access to finance.

64. **Managing volatility from the extractives sector requires market competitiveness and has the potential to attract legitimate investment.** The World Bank will continue to support implementation of a fair and predictable fiscal regime under the Extractive Industry Revenue Act (2018). Lack of complete,

[28] These interventions, amongst others, align with SCD Priority 3 (*Strengthen macroeconomic stability*) and with access to finance (credit) under SCD Priority 4 "Improving access to infrastructure (energy, transport, and ICT) and credit and improving labor market regulations".

[29] Give the COVI-19 related impacts, fiscal consolidation may be difficult immediately, but the CPF covers 6 years and fiscal consolidation will remain essential for the later years of the CPF.

reliable, and readily available geological data weakens government's ability to negotiate better mining investment agreements and affects investor confidence in the minerals sector. The generation of geological maps and a viable geo-science database will be supported as well as putting in place the policies, legislative and regulatory frameworks on management of geo-data.

65. **The fisheries sector has untapped potential and is an important source of revenue from the country's natural resource wealth where revenue is lost on a daily basis**. Building upon previous successful engagement in the fisheries sectors, the focus will be mainly on strategic use of prior actions in DPOs to ensure transparent and good governance and regulation, as well as a sustainable increase in revenue from the country's fish resources. Constraints related to business environment in the fisheries sector will be addressed under Objective 3.2.

Objective 1.2. Improve government accountability for results in use of public finances[30]

66. **The effectiveness and efficiency of public funds delivering results require institutionalization of rules-based systems of financial management and expenditure controls.** The focus will be on building on existing PFM reforms and other accountability systems at the central level, and expanding it to the local level. Governance challenges stem also from weak coordination and collaboration between MDAs at the central level and vertically between the central and local levels, which affect the key processes of planning, fund flows, budget execution and reporting. Technology can be an important enabler (such as through GovTech-related initiatives), complementing efforts to address accountability gaps that are often a result of weak incentives for use of data systems and sharing of key information that result in monitoring weaknesses.

67. **Technical assistance will continue to support systems of revenue management.** The Integrated Tax Administration System (ITAS) linkage will serve as an effective platform to integrate the various stand-alone digital systems in tax administration (Electronic Cash register), customs (Automated System for Customs Data; ASYCUDA), E-procurement and others. A Tax System Review will support the preparation of amendments to tax legislation with a view to ensure clarity of tax legislation and rationalize tax exemptions. Development of a Digital Strategy for domestic revenue mobilization will help ensure integration and effective digital investments as part of medium-term reform implementation. Revenue forecasting will help improve Ministry of Finance's capability to forecast budget revenues.

68. **Current reforms aimed at enhancing and promoting effectiveness in key accountability and oversight institutions will be sustained, including expanded engagement of citizen feedback systems.** Ongoing support includes providing 'hands-on' support, professional development of staff, installation of the Audit Management Information System to enable the Audit Services Sierra Leone to undertake a wide range of audits including revenue performance, procurement performance, and Information Technology audits. On-going support in professional development will be intensified at the Internal Audit Directorate which will strengthen internal oversight. Success of the current reconstituted Audit Committees in MDAs, and the Government Audit Committee will be expanded to all MDAs and SOEs to enhance the quality of accountability. Internal audit and other key local governance functions at the districts will need to be

[30] These interventions align with two SCD secondary priorities: ("*Incentivize functional solutions to improve public administration and effective local governance*" and "*Strengthen accountability and contestability in key sectors*") under SCD Priority 3 (*Strengthen macroeconomic stability*). Engagement relating to the governance and transparency in the extractives sector aligns with SCD Priority 7 ("*Manage the volatility from the mining sector*") and SCD Priority 6 ("*Maximize revenue from the mining sector in a sustainable way*").

supported to improve the data available for better quality of external audits undertaken annually by the Audit Services Sierra Leone of local councils, including citizen-based audits.

69. **To support service delivery results at the local level, targeted focus is needed on PFM and other governance issues at both central and local levels**. Key sources of inefficiencies and weak accountability of service delivery at local or central levels are not a result of PFM-related capacity alone. Although there are established financial management systems at the local level and a functional Integrated Financial Management Information System (IFMIS) at the central level, poor accountable governance on service delivery results are a manifestation of several contributing factors, including: (i) fragmented institutional structures and incentives for accountability of key service delivery functions; (ii) weak incentives for coordinated data management and systems for record-keeping; (iii) limited or delayed utilization of local budgets covering key operating costs of monitoring at local level; and (iv) sectoral budgets and centrally-driven allocations inadequately addressing district/local needs-based planning. IDA support will strengthen key areas of identified weaknesses through an operation supporting Accountable Governance for Basic Service Delivery Results, which will also support CivicTech platforms of citizen reporting.

70. **An update of the 2018 Public Expenditure and Financial Accountability PEFA will to gauge the PFM strengths and weaknesses and inform PFM reforms**. The CPF will support an integrated SOE framework aimed at: determining fiscal risk disclosure, government restrictions that reduce the SOE operational autonomy and limit altering of SOE capital structure or call for lengthy approval processes.

71. **Support in the area of anticorruption and integrity institutions include:**

- *Integrity institutions*: Budgetary autonomy is a significant vehicle for independence of all integrity institutions in Sierra Leone, and the availability of the necessary financial resources to perform their tasks will be a key determinant of their independence. The Public Accounts Committee will continue to be supported to undertake timely review of the supreme auditor's reports, conduct prompt hearings and work with the Anti-Corruption Commission to ensure effective accountability.
- *Anticorruption*: Support is needed for the adoption of amendments to the Anticorruption Law and implementing regulations (that remove discretionary interpretation of Asset Disclosure obligations), and the adoption of the Assessment Report and Action Plan for the AML/CFT risk.

72. **Efforts to support governance and transparency in the extractives sector will build upon previous successful engagement on mining policy and legislation governing the sector.** Improving overall sector governance, transparency, accountability and sustainability will require support to the government's regulation and enforcement efforts, as well as mitigating the environmental impacts of large-scale and artisanal mining. Furthermore, mining is an increasing area of engagement for guarantees given the emerging uncertainties in the extractives sector governance environment.

Focus Area 2. Human Capital Acceleration for Inclusive Growth

Objective 2.1. Improve quality of education, and skills development.
Objective 2.2. Deliver quality and inclusive health services (including pandemic surveillance)
Objective 2.3. Expand coverage and sustainability of productive safety nets

***Objective 2.1. Improve quality of education,* and skills *development*[31]**

73. **In order to improve learning outcomes in primary and secondary education—especially among girls—the engagement will focus on putting the fundamentals in place.** These include: (i) an education system strong in policy, governance and administration; (ii) effective teaching; (iii) accessible and safe learning conditions (classrooms, teachers, textbooks, water and sanitation); (iv) effective school management and community/parents' engagement; and (iv) conducive public sector governance. Reducing secondary school drop-out among girls is a key government and CPF priority.[32] To this end the CPF will support programs that facilitate the path back to school for pregnant girls, reduce the drop-out rates and provide incentives for girls to complete secondary education (Box 2).

74. **Due to the COVID-19 pandemic, there will likely be school closures and disruption and the need to find new ways for students to learn.** Support will be provided to distance learning and technology-based solutions that will enable innovation in responding to the pandemic.

75. **This objective will benefit from investments to address the acute infrastructure gaps that the education sector faces.** This is particularly serious where average class sizes in some districts are up to 80 pupils. In addition to rational class construction in primary and secondary schools, this will include water and sanitation as well as connecting schools to on- and off-grid electricity sources, improved road access as well as last-mile investments in internet connectivity (linked with infrastructure investments under Objective 3.1*)*. A key reason for drop-out among girls (as well as some boys) is the lack of access to secondary schools in villages. Selected investments will also be made to allow girls a safe space to pursue their education while away from their parents in villages.

76. **Informed by the World Development Report 2018, special emphasis will be on measurement[33] and innovative use of data.** This includes: an electronic teacher and health worker attendance system, planning and tracking service delivery results through the digitized annual school census, as well as benchmarking health worker and teacher performance. The CPF will support creating better platforms for citizen engagement and social accountability to monitor and report on select service delivery indicators at the local level. This objective will benefit from the investments to support accountable governance for basic service delivery results under Objective 1.2.

77. **Another determinant of women and youth economic participation is skills.** The CPF will continue to support expanding access to private sector demand-led skills training in critical areas (agriculture, fisheries, tourism, mining and construction). Vocational and technical training and apprenticeships will be financed through a competitive Skills Development Fund, with special emphasis on youth (Annex 10), women (Box 2) and persons with disabilities, and prioritize industries where women are active (e.g., fisheries, tourism and trading). This will complement investments in entrepreneurship and business incubators under Objective 3.2. Under the CPF the World Bank will explore opportunities for engagement in regional operations on higher education aimed at reducing higher-level skills gaps in priority sectors (e.g., digital skills, health sciences, science and engineering).

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[31] Aligns with SCD *Priority 9 ("Improve quality and access to education") and* Aligns with SCD *Priority 8 ("Improving quality and access to health care").*

[32] Gender based violence in schools is a major issue limiting retention of girls, addressed in the Free Education Project.

[33] World Development Report 2018 "Learning to Realize Education's Promise" on Measurement: "A lack of good measurement means that education systems are often flying blind—and without even agreement on the destination." "Lack of measurement makes it hard to know where things are, where they are going, and what actions are making any difference. Knowing these things can provide focus and stimulate action. But measurement that is too removed from action can lead nowhere".

Objective 2.2. Deliver quality and inclusive health services[34]

78. **Over the coming months, the COVID-19 pandemic has the potential for loss of life and a higher burden on the health system.** As part of the Multi-Phase Approach operation, the COVID-19 Emergency Response and Preparedness Project is one of the first round of projects approved by the Board in April 2020. The project will enable Sierra Leone to adequately prepare and prevent COVID-19 and to limit local transmission through containment strategies. It would support enhancement of disease detection capacities through provision of technical expertise, laboratory equipment and strengthen systems to ensure prompt case finding and contact tracing; strengthen clinical care capacity medical response; and support provision of food and basic supplies to COVID-19 induced quarantined and isolated populations, including affected households. Given the importance of hand-washing interventions in COVID-19 prevention, strengthening Water, Sanitation and Hygiene (WASH) interventions will be critical along with including WASH activities in the emergency response operations.[35]

79. **A women's economic participation is strongly determined by whether she marries or bears a child during adolescence.** Prevention is ultimately the best way to keep girls in school. Using an empowerment driven model, girls and boys will be targeted, as well as non-traditional stakeholders (community/religious leaders and opinion leaders) for innovative approaches to fertility reduction.[36] Reproductive health services, specially tailored to the needs of adolescent girls, will be prioritized. These interventions will be complemented by a community platform for a strong gender-based violence (GBV) referral mechanism. In addition, health system strengthening efforts will improve the availability of contraceptives and improve quality of services to reduce maternal and child mortality. It is expected that US$10 million will be mobilized from the Global Financing Facility for Every Women and Every Child)

80. **Complementary interventions that support women's economic empowerment under other Focus Areas include**:

- Objective 3.2 will target females with business incubation, matching grants especially in agro-processing and the services sectors.
- Rural expansion of financial services and community banks (including women-owned financial service associations) will help with access to credit (Objective 1.1). Under this objective, development policy lending may include prior actions, such as gender-informed land legislation to address structural barriers to women's economic participation.
- In the Agro-processing Project over a third beneficiaries are women-owned businesses. In the SCADEP Project, 40 percent of the 50,000 smallholder beneficiaries are women and youth farmers, and at least 50 percent of matching funds are allocated to women and youth producer organizations, District Women's Farmers Cooperatives and business owners.
- Public works approaches will employ semi-skilled youth for construction and maintenance of feeder roads, and other public works-type interventions.

81. **Given the youthful population, high mortality and fertility rates, the biggest burden of disease is predictably related to maternal and child conditions.** As with education, there will be a strong emphasis

[34] Aligns with SCD *Priority 8 ("Improving quality and access to health care").*

[35] Consideration will be given to using drone technology to facilitate the transport of test specimens, medicines and critical medical supplies when movement is constrained between Lungi International Airport and the district capitals.

[36] This may include (i) a national campaign on gender in coordination with cultural leaders and key opinion leaders; (ii) programs that promote safe spaces and life skills programs for girls who are at risk of being married or pregnant before 18 years; and (iii) Establishing "Husband to be" clubs with skills programs and gender-informed information exchange for boys.

on putting the fundamentals in place, such as: the equitable deployment of human resources, investment in drug supply and blood supply systems, and obstetric and newborn care. Innovative service delivery models and performance-based financing will be implemented, and investments are being explored by IFC to increase access to diagnostic services. Strengthening disease surveillance systems for early detection and prevention of epidemics will be a further priority and will be linked with support for Disaster Risk Management under Objective 3.3.

82. **The efficiency of existing spending in the health sector has been a concern.** Unless value for money is addressed, the increased resources that the government is committing to human capital will suffer from the same inefficiencies as the existing budget. Existing challenges concern PFM-related issues at the central and local levels, as well as weak accountability in the distribution of medical supplies and essential drugs to facilities. The PERs in Health (as well as Education) will be important for understanding the effectiveness of public spending.

Objective 2.3. Expand coverage and sustainability of productive safety nets

83. **The Safety Net Program aims to establish the key building blocks for a resilient national safety net system and to provide income support to extremely poor households.** This includes: expanding the Safety Net Program to all districts, strengthening the development of systems for targeting, verification, operational efficiency and accountability. Innovative technology-based payment systems will be used to improve the timeliness of payments and reduce leakage. The Safety Net Program will also implement behavior change workshops aimed to promote sound nutrition practices in order to improve nutrition, early stimulation and parenting, especially in a child's first 1,000 days (particularly in districts with high poverty rates). The expanded safety net system also allows for rapid and targeted transfer of resources during times of disasters, a critical ingredient in the support to households' ability to cope when faced with closely intertwined disaster and climate risks.[37]

84. **Interventions under this objective are also critical in preventing fragility risks that relate to youth.** A jobs-related portfolio analysis of WBG projects in Sierra Leone will be conducted and tracked. The analysis will review World Bank and IFC projects and the extent to which these interventions are targeted toward addressing specific types of jobs, challenges faced by informal enterprises, the quality of informal jobs, and the expansion of access to jobs for vulnerable population groups such as women, youth and the disabled.

85. **Protecting the poor and vulnerable is an important aspect of the COVID-19 response.** Additional resources—IDA as well as bilateral donor resources—will be mobilized for the safety net program to ensure its scalability in addressing this critical priority. This will finance adjustments to the design, coverage, and targeting of social programs, including, among others, greater attention to urban areas, frontloading social protection transfers to mitigate the loss of income and livelihoods.

Focus Area 3. Economic Diversification and Competitiveness with Resilience

86. **IFC's multiple areas of engagement across the CPF objectives are especially reflected in Focus Area 3.** IFC's strategic priorities cover three main sectors that offer potential for growth and job creation: Agribusiness, Mining and Energy with Access to Finance (Figure 8 and Figure 11 in Annex 4).

- **Agribusiness**: Emphasis is on (i) creating jobs in agri-sector through productivity and income growth (ii) developing agribusiness and value-chains around key crops, leveraging landmark

[37] This will also contribute towards the IDA19 commitments on climate change.

projects, (iii) improving access to fertilizer farming tools, logistics, trucking and packaging, and (iv) improving access to LT financing and local currency financing.

- **Mining**: Working with mining operators to support good governance, while supporting the mining sector to adopt the best-practice models for community engagement and mainstreaming gender empowerment programs.
- **Energy**: Facilitating investments in critical infrastructure such as the Liquified Natural Gas (LNG) Freetown Terminal project. Through creating markets and infrastructure for gas, IFC will develop gas to power and renewables to diversify the energy mix and boost productivity in key economic sectors.
- **Access to Finance**: Leveraging A2F as a cross-cutting sector to enable investment opportunities.

Objective 3.1. Build resilient infrastructure (power, mobility, technology) for enhanced competitiveness
Objective 3.2. Boost productivity in key sectors for a diversified economy
Objective 3.3. Enhance disaster-risk management and resilient urbanization

Objective 3.1. Build resilient infrastructure (power, mobility, technology) for enhanced competitiveness[38]

87. **Increased access to electricity and improved quality of supply is critical for improving almost every aspect of life in the country, from manufacturing (including agro-processing), mining, tourism to education and health services.** The WBG will support the expansion of access to an affordable and sustainable energy mix through developing a least-cost sector expansion plan with a focus on renewables, sub-regional energy imports as well as off-grid solar solutions to bring much needed electricity to schools and clinics.[39] This will require tapping into the comparative advantage of World Bank, IFC and MIGA; see Figure 7 showing the opportunities being explored for using the cascade[40] in energy. In addition to coordinating across WBG, coordinating investments across various stakeholders, including major development partners such as the Millennium Challenge Corporation, United States Agency for International Development (USAID), Department for International Development (DFID) and the African Development Bank will be critical.

88. **Sierra Leone will tap into the Western Area Power Pool to support the electrification of district capitals, an important government priority.** Progress towards establishing secure power-trading arrangements in the regional market will be sustained through regional development policy financing[41] across West Africa Power Pool countries. This approach provides complementary measures to strengthen confidence in the regional power market by improving the financial and physical security of power trade and strengthening the contractual and institutional mechanisms. A major issue affecting regional trade is cases of non-payment for power by importers and non-delivery of power by exporters. A regional Energy

[38] Aligns with SCD Priority 4 ("*Improving access to infrastructure (energy, transport, and ICT and credit and improving labor market regulations*").

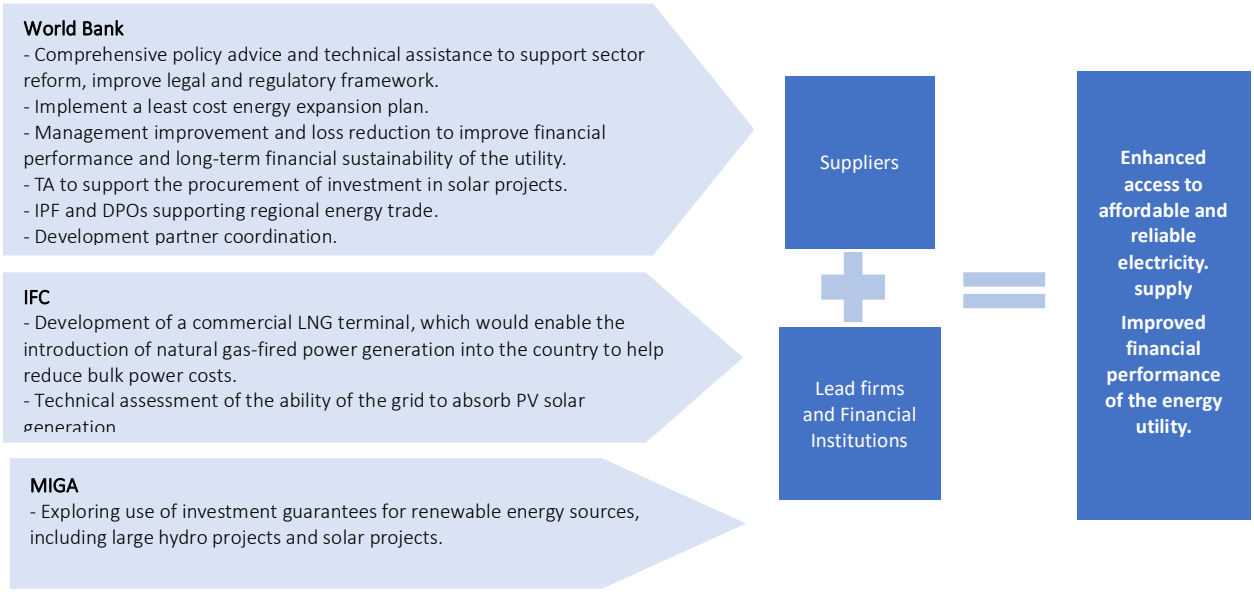
[39] Deepwater anchorages within the Freetown harbor area could accommodate multiple, floating LNG import and transshipment facilities. The sheltered space within an existing landlord port and right next to an international airport, makes the location a low-cost site to build a greenfield LNG terminal, a project that IFC is pursuing.

[40] The cascade approach aims to maximize the finance for development through a shift in investment thinking: to transition from completely publicly financed projects to selectively using publicly funds to leverage private financing. The "If/Then" Matrix (Figure 8) demonstrates this for how public reforms will improve the prospects for private investments.

[41] This regional development policy financing operation is designed to pilot a new approach to regionally-coordinated policy-making and complement regional investment financing operations.

DPO will help address some of these underlying issues, including regional legal and institutional frameworks.

Figure 7. Exploring opportunities for using the Cascade in Energy



89. **In support of the country's renewable energy agenda, the IFC is undertaking analytics on solar energy and LNG.** IFC is currently undertaking early-stage technical and commercial studies related to a commercial LNG terminal, situated in Freetown harbor, and that will offer LNG terminal services through a floating storage unit and transshipment to customers, especially businesses in Sierra Leone and neighboring countries. The impact of all investments in the energy sector is constrained by the distribution losses in the sector, and redoubled efforts to improve the energy utility performance and financial viability are critical. This requires further strengthening the commercial management of the Electricity Distribution and Supply Agency (EDSA), enhancing EDSA's staff capacity, as well as increasing the capacity, efficiency and reliability of the distribution network, and to connect new residential, commercial and industrial users.

90. **Another critical infrastructure gap is the digital infrastructure.** A strong focus will therefore be on laying the foundations for the digital economy, and to optimize the benefits that technology has to offer in some key areas: core government functions, banking services and government-to-government (G2G) services (Figure 9). The government is currently developing a Digital Roadmap and Strategy and the WBG is undertaking a Digital Economy Diagnostic which will inform future engagements. This is consistent with the Africa Region's *Digital Economy for Africa* (DE4A) initiative launched in April 2019, which aims that every African Individual, Business and Government is Digitally Enabled by 2030.

Interventions will focus on lowering the costs and maximizing the use of the digital infrastructure by supporting a private sector-led model for mobile, broadband, and data services, including addressing policy and regulatory barriers to attracting private sector investment efficiently and sustainably. The policy and regulatory environment lack transparency and predictability, and the taxation of the telecom sector is high. A Digital Single Market approach for the Mano River is being explored, and a single connectivity market will remove barriers to regional telecom infrastructure and services deployment to encourage investment, improve performance, eliminate pricing and quality differentials between

countries while simultaneously expanding access to connectivity to all. Technical assistance in cybersecurity is a further area of support.

Figure 8. "If/Then" Matrix: Potential IFC Program and Priority Policy Reforms

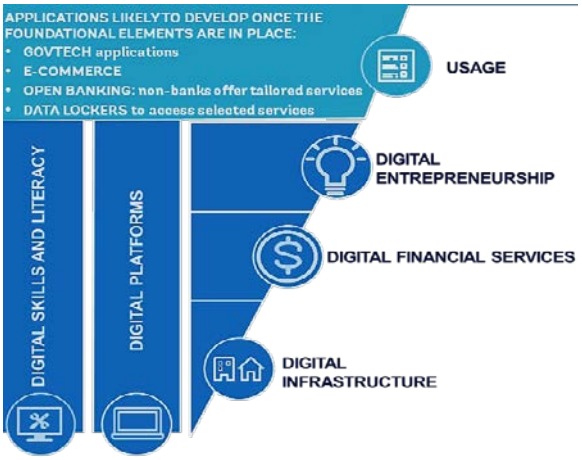
	Agribusiness	Mining	Energy
Low Reform Case	**Improve governance and transparency** across all sectors particularly the three priority sectors and cross-cutting digital sector. Establish **Public and Private Dialogue** mechanisms to enhance the government's engagement with the private sector on introduction of reforms, including improvement of business environment. For 1.0/2.0, work with sponsors on **best practices on sustainability**. For 3.0, work on reforms that create enabling environment for private sector.		
	• No reform/Low reform, only niche investment opportunities	• Mining: EITI compliance	• Government to ensure functioning and stability of enabling environment i.e. permits, licenses • Government firm commitment to a gas-to-power project that IFC can support
Medium Reform Case	• Rehabilitation of feeder roads • Set up Sierra Leone Agribusiness Development Fund • Value chain development programs established • Reform Environmental Impact Assessment procedures • Seed Certification Agency is up and running • WB firm level interventions and enabling environment have been successful • Fertilizer Regulations implemented. National Fertilizer Regulation Agency is operational • Reform standards and compliance procedures which hamper growth	• Implement Minerals Policy and Artisanal Mining Policy that address transfer pricing, revenue management, dispute resolution, harmonization of land policies, skills development and improved environmental management	• Improve EDSA operational performance; Procure low cost import least cost generation projects; Enhance Transmission and Distribution network; Implement transparent sector cash waterfall mechanism.
High Reform Case	• Reform role of Ministry of Agriculture in the provision of agricultural services to enable more efficient private sector delivery system • Enact and enforce the regulation of special economic zones to attract agro-processing companies	• Completion of geological mapping of resources for transparency • Sector reforms on revenue sharing; Stabilization fund	• Implementation of competitively procured private power generation projects. • Develop efficient tariff mechanism to reflect rational and prudently incurred costs.

Note: This IFC matrix identifies priority reforms for key sectors and maps potential IFC program under different reform scenarios (based on both the need and likelihood of reforms taking place during the period of the strategy).

91. **Applications of use of digital technology across the portfolio and pipeline include:**

- **GovTech** is a building block of the digital economy, translating into improved public sector effectiveness through digital G2G services and government-to-business (G2B) services. The lack of a shared Government Datacenter leads to duplication of investments, and security issues across tax administration (electronic cash register), customs (ASYCUDA) and e-procurement.
- **Financial Sector**: The national payment switch planned under Objective 1.1 will help address issues of interoperability of electronic payments, including a retail payment switch, connect mobile network operators to the country's payments system, and improve the convenience and user experience for customers transacting electronically.
- **Business services**: The Economic Diversification Project (under Objective 3.2) will include the digitization of laws and regulations, as well as simplification and digitization of G2B business processes such as business registration and construction permits.
- **Urban and Disaster Risk Management**: In the urban space the following is being supported: data gathering using big data from cell phones for planning and disaster response, digital technologies for fare collection and use of mobile devices for on-demand passenger and freight services.
- **Human Capital**: The education sector has experimented with innovative use of data for planning and tracking service delivery results through the digitized annual school census. Support to the sector will be expanded to include tablets for teachers for improved teacher skills, performance feedback, and deployment (under Objective 2.1).

Figure 9. Foundations of the Digital Economy



92. **To improve rural mobility, special focus will be placed on all-weather feeder roads and river crossings that link farms with processing centers and markets.** In addition, support to the sector will help scale-up the capacity of the districts to undertake maintenance for the rehabilitated feeder roads using performance-based labor-intensive methods targeting youth. These investments will reduce travel times to markets, reduce post-harvest losses and support rural development. Logistics will be added as an area of engagement with the Regional Integration Program.

93. **Urban mobility investments aim to change the way Freetown is growing: from a congested, vehicle-oriented city to a resilient, people-oriented city, with a focus on vulnerable groups such as low-income residents, women and people with disabilities.** The Integrated Urban Mobility Project will support modernization and professionalization of public transport services, coupled with comprehensive corridor improvements such as transit terminals, improvements in selected markets, daycare centers, and pedestrian facilities. These investments are expected to reduce travel time and traffic accidents, generate employment and benefits to women traders, and reduce carbon emissions.

Objective 3.2. Boost productivity in key sectors for a diversified economy[42]

94. **Improved Small and Medium Enterprises (SME) competitiveness is critical for economic diversification, and SMEs in government's priority sectors: agribusiness, fisheries and tourism.** Through the Doing Business Road Map and implementation of mini-action plans under various Doing Business indicators,[43] there will be rationalization and updating of business laws and regulations, policies and procedures. The creation of a Single Window Business Portal and SME solution centers will improve access to business services such as registration, licensing, and permits, and business advice. Benefiting from the digital infrastructure (under Objective 3.1), a special focus will be on digital technology for digitization of public records. Building on existing business accelerators, the SME solution centers, and business incubators will include technical assistance for SMEs and start-ups to stimulate entrepreneurship, especially among women and youth. Firm-level interventions are critical, targeting growth-oriented enterprises and entrepreneurs[44] through tailored investments.

95. **Support to SMEs will pay special attention to gender biases to improve women's economic participation.** Sierra Leone has already closed the legal gender gap in two of the areas measured by *Women, Business and the Law*: Mobility and Marriage. Potential reforms include: women's access to equal job opportunities, their decision-making ability within marriage, their ability to return to work after child-bearing, their entrepreneurial prospects, and their property and pension rights.

96. **The business environment for trade is also lagging and the business processes in customs and trade need to be streamlined.** IFC is building on previous successes in trade facilitation, as well as the introduction of trade automation, application of cargo inspection selectivity and strengthening coordination between customs and other border agencies. Under the CPF trade policies and could be potential areas of reform under future DPOs.

97. **Support to smallholder farmer commercialization will encourage the widespread adoption of modern agricultural practices, and agro-processing to address market failures that agribusiness firms encounter in the upstream and downstream segments of value chains.** This includes improving the competitiveness of input markets (for items such as seeds and fertilizers), public-private partnerships in research and development for agricultural inputs and employing climate-smart agriculture approaches to enhance food security and reduce hunger. Focused attention will be on matching grants to support quality-enhanced business plans, delivering high-quality business development services for agribusinesses, especially (but not exclusively) targeting the "missing middle" - firms too large to qualify for microfinance and too small to obtain finance from banks.

98. **The role of agricultural development in inclusive growth and in increasing the resilience of the Sierra Leone's economy is critical.** This includes: productivity-enhancing investments in crop production and processing, to improve food security and import substitution at scale will be necessary. Gaps and opportunities for women in various agricultural value chains will be analyzed and investments made

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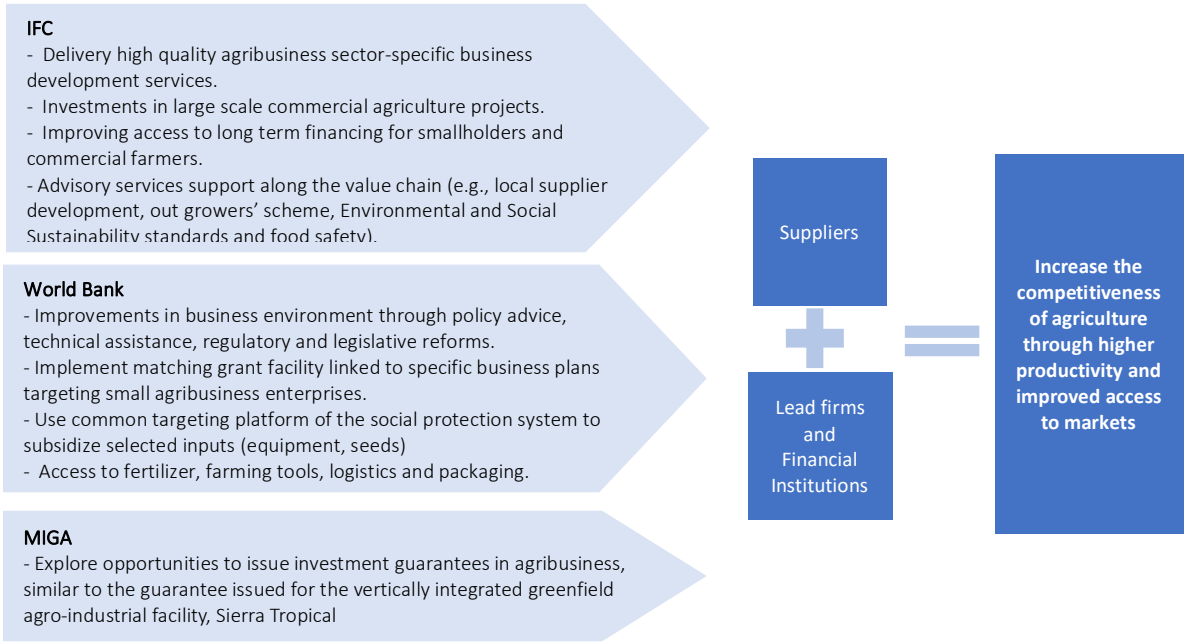
[42] Aligns with: SCD Priority 1 ("*Reforming the role of the Ministry of Agriculture, Forestry, and Food Security in the provision of agricultural services*"), SCD *Priority 2: "Improve market opportunities for producers", and SCD Priority 5 ("Promote vertical diversification").* Interventions for private sector development and business environment are also included under SCD *Priority 4 ("Improving access to infrastructure (energy, transport, and ICT) and credit and improving labor market regulations").* Efforts toward economic diversification aligns with *Priority 7 ("Manage the volatility from the mining sector").*

[43] Starting a Business; Dealing with Construction Permits; Registering Property; Getting Credit; Protecting Minority Investors; Paying Taxes; Trading Across Borders; Resolving Insolvency.

[44] By targeting "growth-oriented enterprises and entrepreneurs" the intention is to distinguish this group of businesses from household enterprises whop generally have fewer than 5 employees and rarely grow beyond that size.

accordingly. For the poorest households, subsidization of inputs will be linked to a common targeting platform of the Social Safety Net (SSN) Program (under Objective 2.3). Figure 10 shows examples where the World Bank, IFC and MIGA are active and contributing to increasing the competitiveness of the agriculture sector through higher productivity and access to markets.

Figure 10. Exploring opportunities for using the Cascade in Agriculture



99. **The fisheries sector is an important part of the government's economic diversification agenda.** Building upon previous successful engagement in this sector, the focus will be mainly through strategic use of prior actions in DPO for the sustainable increase in revenue from the country's fish resources (under Objective 1.1). These will include periodically implementing a closed season for foreign industrial trawlers to temporarily reduce the pressure on fish resources; dramatically reduce licenses to destructive trawlers; and strengthen fisheries monitoring, control and surveillance systems. This requires a reliance on complementary investment financing from development partners (such as Iceland, the European Union (EU) and the German Society for International Cooperation (GIZ)) and the private sector for critical fisheries infrastructure including landing sites, cold-storage facilities, water supply, and post-harvest fish processing.

100. **Supporting businesses (including access to finance and domestic capital markets) will be an important dimension of the CPF response to COVID-19.** Examples include:

- *Economic Diversification Project*: Specific calls for proposals will be launched focusing on helping SMEs and start-ups address the impact from COVID-19, especially on cash-flow issues. These emergency grants and technical support will be streamlined and adapted to the emergency situation.
- *Agroprocessing Project*: Private-public dialogue will be supported to forge closer ties between government and the private sector by rallying around the immediate need to secure supply chains.
- *Small-holder Agribusiness Development Project*: Emergency support for production will be mobilized such as land preparations and production support services which are affected by restrictions movement focusing on key staple (rice).

Objective 3.3. Enhance disaster-risk management and resilient urbanization

101. **Effective and comprehensive management of disaster and climate risks is essential for Sierra Leone to minimize the impacts of natural catastrophes and increase long-term resilience to natural shocks.** The CPF will support the implementation of targeted disaster risk-reducing interventions: (i) Revision of planning and construction codes for buildings and infrastructure for resilience to disaster risks; (ii) Creating, demarcating, and communicating no-build zones; and (iii) Developing early warning systems. The World Bank will support the strengthening of institutions to shift natural disaster management practices from a reactive to a preventive approach, which entails: (i) development of a comprehensive Disaster Risk Management Framework, legislation and support institutional capacity to enforce regulatory compliance; and (ii) operationalizing the National Disaster Management Policy for preparedness and response to disasters, many of which are consequences of climate change. Furthermore, the country has unique historic vulnerabilities to epidemics. See also interventions under Objective 2.1 for a combination of national and regional interventions will be used to continue to strengthen surveillance systems to support pandemic preparedness, in coordination with other development partners. As Box 6 shows, a portfolio-based approach is being adopted so that crisis and disaster risk management is reflected across multiple operations in the portfolio. The priorities under Sierra Leone's Nationally Determined Contribution to the Paris Agreement include mitigation/adaptation actions in the agriculture, energy, transport, health, and mining sectors as well as establishing an early-warning and disaster preparedness system.

102. **Addressing the interconnectedness of urbanization with disaster risk and climate change is critical for resilience and sustainability.** The CPF will support the completion of the slope stabilization at the Freetown landslide site, as well as implementation of targeted disaster risk-reducing interventions such as: revision of planning and building construction codes; and creating, demarcating and communicating no-build zones. A package of interventions will be implemented in the largest district capitals. These include small-scale infrastructure improvements such as drainage systems, solid-waste management and market improvements including water and sanitation to help cities increase their own source revenues; as well as development and enforcement of spatial plans, a comprehensive cadastral system, and an effective building permit system. These interventions are strongly linked to decentralization and governance interventions under Objective 1.2 and investment in urban mobility systems under Objective 3.1. Response to COVID-19 risks in urban areas will be interwoven into interventions under the Urban Resilience Project: Short-term job creation: community tree planting for slope stabilization and improving drainage in informal settlements. Medium-term: WASH facilities upgrade; Contingency Continuity Plans for local councils in line with Health Plans, extension of the Emergency Operations Center to districts, as well as strengthening DRM and emergency health policies.

103. **The CPF will engage on land reform issues through land policies, the legal and regulatory framework through development policy lending (Annex 9).** Engagement will be in an opportunistic manner, such as the above-mentioned modernized and standardized cadastral system across cities.

C. IMPLEMENTING THE COUNTRY PARTNERSHIP FRAMEWORK

104. **The CPF implementation period is FY21-FY26 (Table 3).** This coincides with two electoral cycles, and the CPF straddles two IDA cycles, avoiding starting the next CPF on the last year of the IDA19 cycle when IDA resources are often constrained. Two PLRs are planned, allowing for adjustment to the COVID-19 realities as well as alignment with post-election priorities.

Box 6. Crisis and Disaster Risk Finance in Sierra Leone

In the face of the COVID-19 pandemic, governments face even greater risks and contingent liabilities from disasters and crises as they tend to shoulder a significant share of disaster response and recovery costs. The World Bank has engaged with the government on the importance of pre-arranging finance in advance of emergencies so that funds are available quickly for response and can flow through pre-designed disbursement mechanisms so that funds reach those that are affected.

Undertaking a diagnostic and designing a risk financing strategy. In 2020, the government in partnership with the World Bank will undertake a diagnostic that will take stock of economic and fiscal impacts of disasters; review existing mechanisms to finance these costs; analyze the existing legal and institutional environment for response; and estimate a potential funding gap following disasters. Following the diagnostic, the country will develop a risk financing strategy, which will provide a coherent and comprehensive way of layering and prioritizing different financial instruments the country can access in response to disasters and crises. It will outline: (i) the different vulnerable groups the country chooses to protect; (ii) how frequently the country experiences shocks and how severe these events are; (iii) what instruments are well-suited to respond to the (i) and (ii); (iv) possible ways in which funds would flow when instruments are triggered; and (v) what, if anything, needs to change with regard to the institutional environment to allow for implementation of the strategy.

Prepositioning finance and building shock-responsive systems. government has prioritized prearranging finance in advance of emergencies in the last few years and building robust disbursement mechanisms. The Government programmed US$4 million in IDA funds from the Sierra Leone Social Safety Net Project as contingency to scale up the national safety in response to shocks. In addition, US$2.5 million in technical assistance (of which US$1 million is recipient executed) resources have been secured from the Global Risk Financing Facility to support the Government to build the systems required for scaling up the safety net quickly so funds can flow to vulnerable populations after emergencies.

Following the COVID-19 outbreak the World Bank has been requested for a **catastrophe deferred drawdown option (CAT-DDO) facility**, a contingent line of finance, which will allow the country access to quick liquidity during this shock. In order to be eligible for this instrument, countries need to have an adequate macroeconomic policy framework and a strong institutional environment for risk management in place.

The World Bank is also working with BSL to increase the **interoperability of digital payments and access to financial services** through the Sierra Leone Financial Inclusion Project. This work could also be leveraged to explore the possibility of developing more rapid disbursement mechanisms for emergency response.

Table 3. CPF implementation period and key milestones

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
CAS and CASPR																	
Ebola and iron ore price collapse																	
Freetown landslide																	
SCD																	
Elections																	
NDP launched																	
CPF preparation																	
CPF period																	
Next elections																	
CPF PLR#1																	
CPF PLR#2																	
IDA19																	
IDA20																	

105. **What is different under the CPF?** There is similarity between CPF Focus Areas and those of the last CAS, as many of the development challenges persist. The main difference is implementation.

- **Proactively manage risks to operations arising from fragility:** The FCV Unit will be engaged to provide upstream guidance to project teams and advice to the Country Management Unit CMU at Concept and Decision review stage to ensure that project design and implementation arrangements are simplified for the FCV context.
- **Strengthening the "periphery"**: This entails supporting decentralization efforts, including fiscal decentralization and revenue capacity of local governments. Another vehicle is through citizen engagement across the portfolio using participatory approaches and strengthening feedback loops between citizens and service providers, as well as incorporating lessons from community-driven development[45] in community engagement efforts.
- **Stronger results orientation and use of performance-based financing**: A strong results orientation also means tracking results alongside the tracking of disbursements, as well as a stronger emphasis on performance-based financing instruments. Given the poorly aligned institutional incentives, performance-based designs may offer solutions to the government perception that World Bank operations are too input-driven and not sufficiently results-focused. Examples include disbursement-linked indicators within investment operations and results-based financing, especially in education and health service delivery. When the systems are robust enough, the use of the Program for Results instrument may be explored with caution. [46]
- **Stronger presence on the ground**: Proximity of task team leaders (TTLs) was one of the lessons from the CLR. Consistent with the WBG's decentralization goal, the aim is to locate TTLs in the country office, especially in the major areas of engagement: energy, education, and private sector development.

106. **Greater selectivity will require less emphasis in some areas and as conditions and development partner priorities change over the CPF period, this can be revisited at the PLR stage:**

- **Political and cultural realities**: The SCD remarks that land tenure reform has a very low feasibility due to political constraints (Annex 9). Incremental and highly selective engagement is more realistic.
- **Low historic engagement**: In some areas there is no recent history of engagement and the CPF will seek to deepen existing engagements rather than re-engaging in new areas. Examples include: water, forestry, justice, law and order. Engagement on large-scale land reform is not anticipated. Instead, various instruments will be used such as DPOs and investment to address specific land issues such as investment in the cadastral system. The engagement of partners in the water sector will be monitored and our engagement may be steeped up if support by other DPs decreases
- **Private sector comparative advantage**: In the areas of mining and energy there will be a strong preference for private sector investment, consistent with the Maximizing Finance for Development agenda.
- **Complementarity with development partners**: In some areas the World Bank and partners are co-financing (education), and in some sectors the World Bank and DPs are active in complementary areas (energy, PFM and private sector development). There are also areas where partners are active, and the World Bank anticipated being engaged mainly in DPOs (fisheries).

[45] A lesson from community-driven development activities is the need to for institutionalization in local governments.

[46] Program for Results operations are not yet proposed because of system weaknesses. Progress on this issue will have to be tracked over time, and accordingly, the suitability of the Program for Results instrument should be periodically reviewed.

107. **Short- and medium-term COVID-19 interventions will have to be frontloaded** Short-term: surveillance, isolation centers, and mass mobilization; cash transfers and food assistance. Medium-term: support to agriculture for continued food production; grant mechanisms to businesses to maintain supply chains; maintaining energy security and contingent financing to government for immediate liquidity. The CPF will continue with the long-term development efforts toward accelerating recovery through building human capital, supporting diversified growth and strong macrofiscal management. Table 4 shows the portfolio and indicative pipeline and demonstrates the implementation of the selectivity criteria.

Table 4. Active portfolio and IDA19 indicative lending pipeline by Focus Area

	Active Portfolio (FY14-FY20)	Pipeline Portfolio (FY21-FY26)
Focus Area 1. Sustainable Growth and Accountable	Public Financial Management Improvement and Consolidation Project Additional Financing (AF) (FY17)	Accountable Governance for Basic Service Delivery Results Project (FY21/22)
	Productivity and Transparency Support DPO II (FY19)	2 New DPO series (FY21-FY26)
	Productivity and Transparency Support DPO III (FY20)	Catastrophe Deferred Drawdown (FY21)
	Harmonizing and Improving Statistics (FY20)	
Focus Area 2. Human Capital Acceleration for Inclusive Growth	Revitalizing Education Development (FY14)	Free Education Project (FY20)
	Skills Development Project (FY19)	Productive Safety Net Youth Employment Project (FY22/23)[47]
	Health Service Delivery and System Support Proj(FY16)	New Health Project (FY22/23)
	Safety Net Project (FY14, FY20)	
	COVID-19 Preparedness and Response Project (FY20)	
	Ebola Emergency Response Project (FY14)	
	Disease Surveillance and Response in West Afr (FY16)	
Focus Area 3. Economic Diversification and Competitiveness with Resilience	Smallholder Commercialization and Agribusiness Development Project (FY16)	Smallholder Commercialization and Agribusiness Development Project AF (FY21)
	Agro-processing Competitiveness Project (FY19)	Economic Diversification Project and AF (FY21)
	Financial Inclusion Project (FY19)	New Energy Project (FY21, FY24)
	Energy Sector Utility Reform and AF (FY14, FY19)	Resilient Urban SL Project (FY21)
	Extractive Industry Transparency Technical Assistance Project II (FY18)	West Africa Power Pool CLSG II AF (FY23)
	Integrated Urban Mobility Project (FY19)	Regional Digital Foundations Project (FY21/22)
	Freetown Emergency Recovery Project (FY18)	West Africa Food Security Project (FY21)
	West Africa Power Pool Cote D'Ivoire Sierra Leone Guinea (CLSG) II (FY18)	Regional Higher Education Project
		New Regional Energy DPO series (FY21)

Notes: Regional projects are in blue.

Financing

108. **WBG support will consist of a mix of instruments, such as policy-based lending, performance-based lending, investment lending and guarantees, in addition to analytic and advisory services.** Building on the existing Private Sector Window (PSW) portfolio, IFC and MIGA will continue to utilize this window for de-risking and crowding in private sector financing. Policy-based lending will continue to be a key part of the WBG engagement in the country and build on the present DPO series that will close in FY20 (focused on productivity and transparency). In the area of data and analytics, a combination of programmatic and just-in-time targeted ASAs will be delivered to inform critical, time-bound needs (ASA portfolio in Annex 3). Table 9 in Annex 3 shows the Trust Fund portfolio. Going forward, the Trust Funds portfolio will be tracked more closely to strategically analyze how Trust Fund support the CPF priorities.

[47] The Youth Employment project may be fast tracked in consultation with the Ministry of Finance.

109. **Out of Sierra Leone's IDA18 PBA of SDR282million (US$391 million[48]), 74 percent (SDR209.3 million; US$291.7 million) has been utilized.** The remaining will be used to finance the DPO that will be presented to the Board together with the CPF. See Table 7 for the IDA18 portfolio.

110. **Resources from two IDA cycles (IDA19 and IDA20) will finance the CPF and will be subject to the Sustainable Development Finance Policy.[49]** Additional resources could potentially be accessed through the IDA19 special windows. These include the Regional Window and the Private Sector Window. The Scale-Up Facility can be accessed once risk of debt distress improves. Sierra Leone will be subject to the Sustainable Development Finance Policy under the IDA19 cycle.[50]

Financial Management, Procurement and Government Systems

111. **Project level - Fiduciary oversight of projects:** In response to ineligible expenditures and failed procurements, the Ministry of Finance has created a Project Fiduciary Management Unit to handle project-related financial management and procurement functions. The Project Fiduciary Management Unit (PFMU) will be piloted using a selection of projects and based on the pilot experience decisions will be made whether to institutionalize the PFMU. New projects will be required to prepare a separate short annex demonstrating principles of enhanced accountability and citizen engagement. A detailed fiduciary review may be undertaken to assist strengthening financial management and accountability.

112. **National level - Efforts to build government's PFM capacity**: This strongly coincides with the new administration's focus on anti-corruption. Activities to be implemented include: increasing access to information and promote budget transparency; supporting integrity improvements in the Asset Disclosure System; supporting Sierra Leone toward full compliance with Extractive Industries Transparency Initiative (EITI) Public Beneficial Ownership Disclosure obligations; effective implementation of eProcurement; and strengthening Audit and Parliamentary Committees.

Managing Program Implementation

113. **Risks associated with implementation capacity will be mitigated through sequencing and course correction and recalibration, to allow for achieving results while being realistic about implementation capacity.** Sequencing of interventions coupled with the ability to course-correct during the CPF period will be important tools for mitigating implementation and institutional capacity risks. Joint quarterly reviews are planned with government. Two PLRs will be prepared—cognizant of the COVID-19 uncertainties and other fragilities—to make the necessary course-corrections.

114. **The program will also follow the 2020 FCV strategy**. Considering prevailing fragilities, new projects will be reviewed to ensure realism in program design and implementation arrangements. Regarding personnel, TTLs will receive FCV orientation, focusing on how to engage with low-capacity

[48] The USD/SDR exchange rate is as of March 31, 2020.

[49] IDA allocations are determined annually, and depends on: (i) total IDA resources available; (ii) number of IDA-eligible countries; (iii) the country's performance rating, per capita GNI and population; (iv) implementation of IDA's forthcoming Sustainable Development finance Policy and (v) the performance and other allocation parameters for other IDA borrowers.

[50] As Sierra Leone is at high risk of debt distress according to the most recent DSA, the country will have access to 100 percent of its core allocation subject to meeting agreed policy and performance actions to be implemented on a yearly basis under the Sustainable Development Finance Policy. If Sierra Leone misses their annual performance and policy actions, the country may lose their set-aside of 20 percent at the start of the third year of the IDA19 period, if it is not released before. The performance and policy actions will be developed based on diagnostics such as the upcoming programmatic PER and the DPO series.

clients as well as stress management and security. Partnerships with development partners and CSOs will promote a shared understanding of the drivers of fragility, risk and resilience.

115. **Citizen engagement is where the CLR reported some success and the CPF will continue.** Citizen engagement will be built into project design and offer a potential solution to the weakness of the political cycles to deliver improved accountability.[51] Across the portfolio, citizen engagement tools and grievance redress mechanisms will be systematically used in program design and monitoring. The success of this stepped-up citizen engagement depends critically on the willingness of the government to continue to strengthen voice and accountability mechanisms.

116. **A key dimension of the country's fragility is its vulnerability to climate and pandemic disasters.** Operational measures will be taken to facilitate the World Bank's disasters response. Contingent Emergency Response Components (CERC) are included in project design, to be activated for quick disbursement. Currently seven projects include CERCs, and the pipeline includes four additional projects that plan to include CERCs.[52] A CAT-DDO will quickly mobilize resources in response to the COVID-19 pandemic risks.

Partnerships and Donor Coordination

117. **Implementation of the CPF program will draw on ongoing partnerships with development partners.** The WBG will continue to use IDA financing to leverage additional resources including through country-specific or regional trust funds. Informed by the UN Sustainable Development Cooperation Framework (October 2019), the World Bank and the UN organizations will continue to collaborate closely, especially on disaster recovery and mitigation as well as selected topics such as human capital, adolescent pregnancy and women's empowerment.

118. **The convening power of the WBG will be used to facilitate dialogue with economic institutions especially the Ministry of Finance.** This was another recommendation from donor consultations. For example, a multi-donor trust fund (MDTF) has been established for Education at the request of the Minister of Finance as it offers a means to channel bilateral donor resources through government systems while reducing the transaction costs to the government. Informed by donor consultations, quarterly meetings of the Technical Working Groups involving the major development partners will be organized in key areas of common interest and investment. These areas include: governance and PFM, education, energy and private sector development.

Results Tracking and Monitoring

119. **The CPF results framework will be used as a tool to monitor milestones and outcomes.** The results framework in Annex 1 captures a combination of portfolio and pipeline activities over the CPF period. In line with the lessons identified in the CLR (Annex 2), the results framework balances the medium-term policy reform objectives of the CPF and more immediate project-level results. A strong focus on data-gathering activities (such as the Statistical Capacity Project for household and agriculture sector data) will generate data that can be used for tracking progress. In order to facilitate joint monitoring

[51] Where voting is along ethnic lines (rather than delivery), the accountability expected from electoral cycles is muted.
[52] Projects with CERCs: Integrated Resilient Urban Mobility Project, Safety Nets Additional Funding, Regional Disease Surveillance Systems Enhancement Project, Extractives Industries Technical Assistance Project Phase2, Health Service Delivery and Systems Support, Smallholder Commercialization and Agribusiness Development Project and Harmonizing and Improving Statistics in West Africa. Pipeline projects with planned CERCs: Sierra Leone Free Education Project, Economic Diversification Project Resilient Urban Sierra Leone Project and Improved Women's Empowerment and the proposed new Health Project.

with the government, several indicators taken from the NDP are included in the CPF Results Framework (Table A. 1). Quarterly portfolio monitoring will be conducted with the government to monitor progress, identify problem projects and agree on remedial actions.

IV. MANAGING RISKS TO THE CPF PROGRAM

120. **The overall risk to achieving the CPF development objectives is High (Table 5).** The risks are directly related to risks in the SCD and the RRA (fragility, political and environmental risks), as well as macroeconomic and implementation capacity. These risks will continue to be monitored closely during the CPF period in close collaboration with the government and development partners, as well as CSOs.

Table 5: Systematic Operations Risk-Rating Tool

Risk Categories	Rating
1. Political and governance	Substantial
2. Macroeconomic	High
3. Sector strategies and policies	Moderate
4. Technical design of project or program	Moderate
5. Institutional capacity for implementation and sustainability	High
6. Fiduciary	High
7. Environment and social	Substantial
8. Stakeholders	Moderate
9. Other (Epidemiological risks)	High
Overall	**High**

121. **Macroeconomic (High)**: The macroeconomic and fiscal risks to the CPF program relate to: low domestic resource mobilization, limited fiscal space to implement an ambitious development program, as well as exchange rate and inflation risks, amplified by the current COVID-19 situation (Box 4). The CPF seeks to address macroeconomic risks through macro-fiscal monitoring and tracking emerging macroeconomic risks, and an active dialogue with government on macro-fiscal management issues, in collaboration with the IMF (including tracking of the ECF program). High frequency household surveys will be important for monitoring the impact of COVID-19-related inflation risks and pressures on food security as well as risks to the poor from fiscal consolidation reforms. The scalable Safety Net program will help mitigate risks to the extreme poor.

122. **Epidemiological Risk (High):** The epidemiological risk is high. The COVID-19 pandemic presents a major health threat that could shift Government priorities back to health services and other humanitarian needs. The risk is in part mitigated by the existence of a surveillance system, the country's experience with the Ebola crisis, and our support to the COVID-19 response. The DPO will help to mitigate the fiscal risks through the resources to respond to the increased health needs.

123. **Fiduciary (High)**: World Bank PFM specialists have worked intensively through PFM clinics targeting project implementing units (PIU) to enhance client capacity and this will continue. The experience with piloting the Project Fiduciary Management Unit (PFMU) will be assessed and based on the pilot experience decisions will be made whether or not to institutionalize the PFMU.

124. **Political and governance (Substantial)**: Many of the risks relate to the drivers of fragility. Attention will be paid to the North-South geographic balance of operations to mitigate political economy risks. As appropriate, indicators will be disaggregated by North-South districts. Annex 10 shows several projects plan to target youth as beneficiaries, and with the support of the Social Protection and Jobs Global

Practice, the number of youth beneficiaries and jobs created will be tracked.[53] In large FDI operations land is often a source of tension with communities. IFC and MIGA have stepped up how they are addressing risks relating to land acquisition. These risks, if identified during due diligence, will be monitored as per the IFC and MIGA Policies of Environmental and Social Sustainability and supporting procedures.

125. **Institutional capacity for implementation and sustainability (Substantial):** Civil service capacity remains an impediment to implementation and almost all projects include interventions on institutional strengthening and capacity building. During project design more explicit attention will be paid to complexity, drawing upon the FCV unit with strong support from the CMU. Performance-based approaches such as disbursement-linked indicators and results-based financing in education and health operations will be increasingly used. Sequencing will be used in order to be realistic about client capacity, allowing flexibility for course correction during the CPF period.

126. **Environmental and Social (Substantial)**: Through enhanced social safeguards monitoring, project teams will be supported to ensure that—at design and supervision stages—project teams are considering sources of exclusion, such as gender and disability, and where appropriate, tracking gender-disaggregated project results. Mitigation of GBV risks in projects will focus on capacity strengthening of implementing institutions and improved reporting and monitoring. Implementing the new Environmental and Social Safeguards Framework (ESF) will be oriented toward a prevention-based approach. In practical terms, this will mean a robust social assessment, political economy assessment, or conflict analysis ahead of project design, as required by the new ESF, and will actively seek to address these factors of fragility in project design. There is growing experience with implementing Grievance Redress Mechanisms (GRM) in operations and peer learning across projects and PIUs will be encouraged.

127. **Climate and disaster (Substantial)**: Sierra Leone is prone to natural disasters, mainly in the form of recurrent floods and landslides, exacerbated by climate change. The country also has unique historic vulnerabilities to epidemics. COVID-19 poses significant risks to operations as well as to staff. With World Bank support the government is stepping up disaster-risk management such as creating institutions and early-warning systems, as well as strengthening disease surveillance.

[53] Examples of operations include: education; building life skills, technical and vocational skills; efforts to keep girls in school; as well as public works initiatives targeting youth. Improving connectivity at educational institutions and targeting emerging entrepreneurs through business incubators will also contribute to enhancing the economic participation of the youth.

Annex 1. Results Matrix

Table A. 1. Summary of Indicators in the Results Framework[54]

	CPF Objective Indicators	Supplementary Progress Indicators
Sustain 1.	**Objective 1.1. Strengthen macroeconomic stability, fiscal and financial management** • Indicator 1. Domestic revenue as share of GDP (percent)* • Indicator 2. Adult account ownership at a financial institution or mobile money provider (percent, by gender)	• SP Indicator 1. Revenue from extractives and fisheries (percent of non-iron ore GDP) • SP Indicator 2. Transactions processed through the retail payments switch (percent) • SP Indicator 3. Frequency of poverty data collected (years)
Focus	**Objective 1.2. Improve government accountability for results in use of public finances** • Indicator 3. Contracts awarded through open competitive procurement (percent) • Indicator 4. New mining leases compliant with the Extractive Industries Revenue Law (percent)	• SP Indicator 4. eProcurement implemented and operationalized (yes/no)* • SP Indicator 5. Non-state actors and citizens participating in annual budget discussions (number; by gender) • SP Indicator 6. Projects with citizen feedback on quality of services and infrastructure (number)
Focus Acc	**Objective 2.1. Improve quality of education, and skills development** • Indicator 5. Learning adjusted years of schooling (years, by gender and North/South districts) • Indicator 6. Female students who completed Junior Secondary school (percent, by North/South districts)*	• SP Indicator 7. Teacher attendance rate (percent, by gender) • SP Indicator 8. Youth successfully completed skills upgrading program (number, by gender)
	Objective 2.2. Deliver quality and inclusive health services • Indicator 7. Universal Health Care service coverage index (by gender and North/South districts) • Indicator 8. Modern contraceptive use (percent, sub indicator for adolescents)*	• SP Indicator 9. Pandemic case management procedures are implemented for International Health Regulations relevant hazards. (yes/no**).** • SP Indicator 10. GBV referral and management protocols in place (yes/no)
	Objective 2.3. Expand coverage and sustainability of productive safety nets Indicator 9. Share of extreme poor households receiving SSN assistance (percent, by gender and North/South districts)	• SP Indicator 11. Beneficiaries receiving nutrition/parenting/early stimulation education (percent, by gender and North/South districts) • SP Indicator 12. Beneficiaries who are persons with disabilities receiving SSN assistance (number, by gender and North/South districts)
Ecor Focus A D	**Objective 3.1. Build resilient infrastructure (power, mobility, technology) for enhanced competitiveness** • Indicator 10. Access to energy (percent, by North/South)* • Indicator 11. Share of electricity from renewable sources (percent)* • Indicator 12. Mobile broadband basket price per month (percent GNI per capita Prepaid, 500MB) • Indicator 13. People benefiting from improved resilient roads (Number)*	• SP Indicator 13. Commercial, technical and distribution losses reported by energy utility (percent)* • SP Indicator 14. Population covered by mobile 3G broadband network signal (percent, by North/South districts) • SP Indicator 15. Travel time reduced by roads and bridges upgraded by World Bank -financed projects (min/km)*

[54] It is important to note that the Supplementary Progress Indicators are not taken into account for the *ex post* evaluation of the CPF.
The asterisks (*) refer to indicators that are also in the Results Framework of the Government's NDP.

	CPF Objective Indicators	Supplementary Progress Indicators
	Objective 3.2. Boost productivity in key sectors for a diversified economy • Indicator 14. Doing Business score* • Indicator 15. Yield of targeted commodities (MT/ha) (by gender and North/South)* • Indicator 16. Regulation of fishing hours of trawlers monitored by Vessel Monitoring System (hours annually)	• SP Indicator 16. Deals or off-take arrangements negotiated and successfully delivered by agriculture producer organizations (number, by gender) • SP Indicator 17. Private investment leveraged through project activities (SLL, US$, by gender (company ownership) • SP Indicator 18. Female direct employment created
	Objective 3.3. Enhance disaster-risk management and resilient urbanization • Indicator 17. Solid waste management in 4 major sites upgraded and operational (number)* • Indicator 18. Access to contingent financing for immediate liquidity for disaster response (yes/no)	• SP Indicator 19. Disaster Risk Management Agency established and operational • SP Indicator 20. Contribution of property tax to own source revenue in 4 major cities

Table A. 2. Results Framework

FOCUS AREA 1. SUSTAINABLE GROWTH AND ACCOUNTABLE GOVERNANCE			
Objective 1.1. Strengthen macroeconomic stability, fiscal and financial management **Intervention Logic** *Key Constraints*: The country is facing a challenging macro-fiscal environment: narrow fiscal space and persistent fiscal deficits; low tax revenue (below 12 percent of GDP in 2016); high levels of debt (68 percent of GDP), high level of nondiscretionary spending and poor cash management. At the same time, the government faces large expectations from citizens. Government has taken early actions: elimination of fuel subsidies; stronger expenditure control over MDAs; reduced duty waivers and tax exemptions; and rolled out a treasury single account; and re-engaged with the IMF. The underdeveloped financial payments system infrastructure also poses challenge to government, business and individuals to make basic payments. Furthermore, managing volatility from the extractives sector requires market competitiveness and attracts legitimate investment. The fisheries sector has untapped potential and an important source of revenue from the country's natural resource wealth. *WBG Interventions*: The World Bank support (mainly through technical assistance and development policy lending) will support: policy reforms on expenditure management, improve payroll integrity, support pro-growth tax reform, continued rolling out of IFMIS, implementation of eProcurement and ITAS, as well as continued support to implementing the Single Treasury Account. The World Bank will support the digital interface between government systems (IFMIS, the BSL, Debt Management System, ASYCUDA and successor to NRA's DTIS). Support will be provided to a capable and effective and national statistical service. The Bank will also support financing of the national retail payment switch. The ASA program will include: PERs in priority sectors (education, health etc.) to inform fiscal consolidation and expenditure management, tax reform, debt management, as well as technical assistance (TA) on state-owned banks to inform the government's strategy on the state-owned banks. The World Bank will continue to support implementation of a fair and predictable fiscal regime under the Extractive Industry Revenue Act (2018). Lack of complete, reliable, and readily available geological data affects investor confidence in the minerals sector and it also weakens government's ability to negotiate better mining investment agreements. The generation of geological maps and a viable geo-science database will be supported as well as putting in place the policies, legislative and regulatory frameworks on management of geo-data. Building upon previous successful engagement in the fisheries sector, the focus will be mainly through strategic use of prior actions in DPOs to ensure good governance and transparency, as well as a sustainable increase in revenue from the country's fish resources. Constraints related to business environment in the fisheries sector will be addressed under Objective 3.2. *Expected Outcomes*: Improved budget execution and cash management; improved revenue generation; improved fiscal discipline; and a roadmap for state-owned banks to reduce fiscal risk. Financial inclusion will be supported through a functional national payment switch and retail payment switch. Improved fiscal consolidation and lower primary deficit. Increased domestic tax revenues. Increased tax to GDP ratio.			
CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 1. Domestic revenue as share of GDP (percent)* Baseline: 14.3 (2018) Target: 18 (2026) *Source*: IMF ECF Staff Report (2019); NRA Annual Report. **Indicator 2. Adult account ownership at a financial institution or mobile money provider (percent, by gender)** Baseline: 19.8 (2017) Target: 30 (2026) *Source*: Findex.	**SP Indicator 1. Revenue from extractives and fisheries (percent of non-iron ore GDP)** Baseline: 3.7 (2014) Target: 11.8 (2026) *Source*: SCD; NRA Annual Report. **SP Indicator 2. Transactions processed through the retail payments switch (percent)** Baseline: 0 (2019) Target: 1,300,000 (2026) *Source*: BSL. **SP Indicator 3. Frequency of poverty data collected (years)** Baseline: 8 (2020) Target: 3 (2026)	**Ongoing Operations:** • Productivity and Transparency Support Credit (P156651; US$30m; FY18). • Productivity and Transparency Support Grant (P168259; US$40m; FY19). • Productivity and Transparency Support Grant (P169498; US$100m; FY20). • Public Financial Management Improvement and Consolidation Project (P133424; US$22m; FY13).	**Proposed Operations:** • DPO series (FY21-23). • DPO series (FY24-26). • Accountable Governance for Basic Service Delivery Results Project (US$50m; FY21). **ASAs:** • Programmatic PER (P172094; FY21-23). • Economic Diversification ASA (FY20/21).

	Source: Harmonizing and Improving Statistics in West Africa Project.	• Harmonizing and Improving Statistics in West Africa Project (P169265; US$30m, FY20). • Financial Inclusion Project (P166601; US$12m; FY19). ASAs: • Tax Reform Support (FY20/FY21).	

Objective 1.2. Improve government accountability for results in use of public finances

Intervention Logic

Key Constraints: Bottlenecks in PFM and procurement lead to inefficient public spending in priority sectors and the financial management and procurement systems continue to be sub-par. The systemic governance deficiencies have also undermined the ability of integrity agencies, CSOs and the media to ensure accountability. Drivers for corruption include: Lack of an official, updated record of laws and regulations; Inability of integrity and law enforcement agencies to effectively prevent and detect corruption; Inability of the courts to successfully prosecute corruption cases. The natural resource sectors (e.g., mining and fisheries) are important sources of revenue and growth in Sierra Leone. Over the years, these endowments have not translated into commensurate welfare improvement for Sierra Leoneans. These sectors are also an important sources of rent seeking, and management of the sector requires close attention to transparency and good governance.

WBG interventions: Public Sector reform has been instantiated in several areas and require completion and/or deepening: introduction of performance management; ghost worker elimination and improved payroll integrity; roll out of IFMIS and implement eProcurement and ITAS. The World Bank will support the digital interface in support of G2G and G2B transactions (IFMIS, the Debt Management System, tax system, ASYCUDA). Community engagement and accountability will be strengthened through implementation of the Open Governance Partnership and project-based citizen engagement interventions as well as GRMs. Through development policy financing the World Bank will support legislative and regulatory reforms for anticorruption and asset disclosure, financing and implementation of AML/CFT systems. Support will also be provided to a create capable and effective and national statistical service. Efforts to support governance and transparency in the in the extractives sector will build upon previous successful engagement in this sector on mining policy and the legislation governing the sector. Improving overall sector governance, transparency, accountability and sustainability will require support to the government's regulation and enforcement efforts, as well as mitigating the environmental impacts of large scale and artisanal mining. Also, mining is an increasing area of engagement for guarantees given the emerging uncertainties in the mining sector.

Expected Outcomes: Strengthened financial control in government, and improved accountability systems. Improved feedback from citizens to service providers. Improved interoperability and efficiency of e-government systems. Improved G2G functionality of G2G transactions. Improved statistical capability in Stats SL.

CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 3. Contracts awarded through open competitive procurement (percent) Baseline: 0 (2019) Target: 60 (2026) *Source*: NPPA Quarterly Bulletin Report. **Indicator 4. New mining leases compliant with the Extractive Industries Revenue Law (percent)** Baseline: 0 (2016) Target: 100 (2026) *Source*: Third Productivity and Transparency Support DPO; EITAP2.	**SP Indicator 4. eProcurement implemented and operationalized (yes/no)*** Baseline: 0 (2020) Target: 120 (2026) Source: PFMICP; Accountable Governance for Basic Service Delivery Results Project. **SP Indicator 5. Non-state actors and citizens participating in annual budget discussions (number; by gender)** Baseline: 152 (2018) Target: 500 (2026) *Source:* Non-State Actors Annual Report. **SP Indicator 6. Projects with citizen feedback on quality of services and infrastructure (number)** Baseline: 57 (2020) Target: 90 (2026) *Source:* Operations Dashboard.	**Ongoing Operations:** • Productivity and Transparency Support Credit (P156651; US$30m; FY18). • Productivity and Transparency Support Grant (P168259; US$40m; FY19). • Productivity and Transparency Support Grant (P169498; US$100m; FY20). • Public Financial Management Improvement and Consolidation Project (P133424; US$22m; FY13). • Extractives Industries TA Project (P160719; US$20m; FY18). **ASAs:** • Tax Reform Support (P171983; FY20/FY21). • State-owned Bank TA (P172045; FY20).	**Proposed Operations:** • DPO series (FY21-23). • DPO series (FY24-26). • Accountable Governance for Basic Service Delivery Results Project (P172492; US$50m; FY21). **ASAs:** • Tax reform Support (P171983; FY20/FY21). • Programmatic PER (P172094; FY21-23).

FOCUS AREA 2. HUMAN CAPITAL ACCELERATION FOR INCLUSIVE GROWTH			
Objective 2.1. Improve quality of education, and skills development **Intervention Logic** **Key Constraints:** The current stock of human capital cannot deliver a job-rich economy. More than a tenth of newborns die before age 5; a quarter of children under 5 are chronically malnourished and the average child has only 4.5 learning-adjusted years of schooling. Human capital gaps are amplified by high fertility (4.1 children per woman), gender disparity in learning opportunities and low levels of safety net coverage. Women's economic participation have been hampered by stubbornly high rates of fertility, alongside other factors. **WBG Interventions:** The focus will be on putting the education fundamentals in place. This includes: Education system strengthening in policy, teacher management reform; accessible and safe learning conditions including students with disabilities (classrooms, teachers, textbooks) Teaching aides (including tables) for teachers; Support to school management and community/parents' engagement; Performance-based school grants scaled up in all districts. Performance-based service delivery models for improved maternal, neonatal, adolescent and child health programs. Community-based health system built on performance-based financing principles. Strengthen disease surveillance programs. Catch-up programs and financial support (e.g., for childcaring) for girls who have dropped out of school due to pregnancy. Implement private sector demand led TVET programs and a Skills Development Fund to finance quality and relevant skills development program. Strong emphasis will be on expanding girls' and women's economic participation by improving access to skills training in critical areas; and prioritize industries where women are active (e.g., fisheries and tourism). This will complement investments in entrepreneurship and business incubators. In addition, the CPF aims at reducing higher-level skills gaps by enhancing quality and relevance of higher education programs (such as STEM) in priority sectors (e.g., digital skills, health sciences, agriculture, engineering). **Expected Outcomes:** More girls and disabled children retained in school, and safe, gender-sensitive, inclusive school environment promoted; Increased numbers of pregnant girls returning to school to resume their education, especially in Q1; Teachers competent and pedagogical skills enhanced, and teacher management improved; Parents engaged in education of their children. Skills and competencies of students enhanced in TVET sector; Improved early detection programs and pandemic preparedness.; Improved quality of infant and childcare services.			
CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 5. Learning adjusted years of schooling (years, by gender and North/South districts) Baseline: 4.5 (Male: 4.6, Female:4.5) (2018) Target: 6.5 (Male 6.5, Female 6.3) (2026) *Source*: Human Capital Project. **Indicator 6. Female students who completed Junior Secondary school (percent, by North/South districts)*** Baseline: 49.1 (2017) Target: 75 (2026) *Source*: EdStats.	**SP Indicator 7. Teacher attendance rate (percent, by gender)** Baseline: 80 (2019) Target: 85 (2019) *Source*: EMIS. **SP Indicator 8. Youth successfully completed skills upgrading program (number, by gender)** Baseline: 0 (2019) Target: 8,000 (2026) *Source*: TVET-MIS.	**Ongoing Operations:** • Revitalizing Education Development (P133070; US$10m; FY14). • Skills Development Project (P163723; US$20m; FY18). **ASAs:** • School Census (FY19). • Teacher Management in Sierra Leone (FY19).	**Proposed Operations:** • Free Education Project (P167897; US$50m; FY20/FY21). **ASAs:** • School Census (FY20-FY26). • Girls Education and Empowerment (FY22). • Programmatic PER - Education (P172094; FY21-23).

Objective 2.2. Deliver quality and inclusive health services

Intervention Logic

Key Constraints: While access to health facilities appears high, not many facilities are functional, quality is poor, and the expanded service coverage has not translated into health gains. Sierra Leone continues to lag far behind in maternal, infant and child mortality, compared to its regional peers. Challenges include: most of deliveries take place at the lowest level of the health sector (67.5 percent) and are performed by unskilled workers (68 percent); inappropriate distribution of facilities and human resources; irregular access to medicines, inadequate laboratory services, and poor access to safe blood products, placing populations at increased risk of disease, disability and death. The 2014-2015 Ebola epidemic confirmed the critical importance of strengthening national disease surveillance systems to detect disease outbreaks earlier and to support health systems to respond more effectively to minimize economic and human costs. Furthermore, poor sanitation, combined with food insecurity, inadequate caregiving practices are associated with high levels of malnutrition and stunting (26.4 percent). Lastly, stubbornly high rates of fertility have hampered progress in Sierra Leone's human capital development.

WBG Interventions: Using an empowerment driven model, target females and males (especially 10-19 years old), community/religious leaders, healthcare workers, CSOs, and political decision-makers for innovative approaches to fertility reduction. This will include a (i) national campaign on gender in coordination with cultural leaders and key opinion leaders; (ii) programs that promote safe spaces and life skills programs for girls who are at risk of being married or pregnant before 18 years; and (iii) Establish "Husband to be" clubs with skills programs and gender-informed information exchange for boys. Under the Reproduce Health Taskforce reproductive health services specially tailored to the needs of adolescent girls will be implemented so that prevention. These interventions will be complemented by a community platform for a strong GBV referral mechanism. In addition, health system strengthening efforts will improve the availability of contraceptives and improve quality of reproductive and maternal health services to reduce maternal and child mortality. Youth friendly reproductive health programs will be implemented, while also improving the availability of contraceptives. Given the young population, high mortality and fertility rates in the country, the biggest burden of diseases is predictably related to maternal and child conditions. There will be a strong emphasis on the fundamentals, innovative service delivery models (e.g., performance-based financing) will be implemented, and comprehensive obstetric and newborn care. The systems that underpin the service delivery at the frontline will be reinforced (e.g., human resource deployment; drugs supply; data and information systems etc.). Strengthening disease surveillance systems for early detection and prevention of epidemics will be a further priority and will be linked with support for Disaster Risk Management. Finally, the IFC will explore opportunities in health service delivery, in particular expanding diagnostic services.

Expected Outcomes: Increased contraceptive prevalence rate; reduced dropouts especially in secondary school; increased numbers of pregnant girls returning to school to resume their education, especially in Q1; strengthened disease surveillance systems in place.

CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 7. Universal Health Care service coverage index (by gender and North/South districts) Baseline:38.8 (2019) Target: 48 (2026) *Source*: Universal Health Coverage Global Monitoring Report **Indicator 8. Modern contraceptive use (percent, sub indicator for adolescents)*** Baseline: 14 (2019) Target: 25 (2026) *Source*: Demographic and Health Survey.	**SP Indicator 9. Pandemic case management procedures are implemented for International Health Regulations relevant hazards. (yes/no).** Baseline: Score 2 (2020) Target: Score 4 (2026) *Source*: Joint External Evaluation. **SP Indicator 10. GBV referral and management protocols in place (yes/no)** Baseline: No (2020) Target: Yes (2026) *Source*: New Health Project.	**Ongoing Operations:** • Health Service Delivery and System Support (P153064; US$10m; FY16). • Disease Surveillance and Response in West Afr (P154807; US$30m; FY16). • Ebola Emergency Response Project (P152359; US$126m; FY14). • COVID-19 Emergency Response and Preparedness Project (P173803; US$7.5m; FY20). **ASAs:** • SDI/SARA Survey (FY19).	**Proposed Operations:** • New Health Project (US$40m; FY21). (It is expected that $10 million will be mobilized from the Global Financing Facility for Every Women and Every Child) **ASAs:** • Pandemic Preparedness Core ASA (FY21) • Programmatic PER - Health (P172094; FY21-23).

Objective 2.3. Expand coverage and sustainability of productive safety nets

Intervention Logic

Key Constraints: Poverty continues to decline albeit at a slowing pace, but extreme poverty is increasing indicating that por households are falling deeper into poverty. Food inflation has remained in double digits and consistently above headline inflation. Exchange rate depreciation passes through to food inflation because of large share of Consumer Price Index food basket being imported. Main poverty determinants are: education status, household size and access to energy. The Safety Net Program covers 15 percent of extremely poor households, but its scope and coverage fall short of the vast needs of the extreme poor households across the country. Coupled with food insecurity, children in extreme poor households are most likely to suffer from malnutrition and stunting (31 percent in quintile 1). Climate change is resulting in higher variability in rainfall and higher average temperatures are bringing additional health risks, impacting especially on poor households. Coupled with pandemic risks and disaster risk, these covariate risks are sources of fragility that heighten the country's need for safety nets. Underemployment is high among youth and women as the engage in household enterprises that also serve as a safety net across large parts of the country (Objective 2.2).

WBG Interventions: Safety Net Program establishes the key building blocks for a basic national safety net system and provides income support to extremely poor households. National-wide expansion of the SSN Program will include disability in targeting criteria to reduce social exclusion of persons with disabilities, targeting districts with highest poverty rates with even higher levels of support. Sustainability will be enhanced by supporting program management to reduce operational inefficiency, and capacity building to reduce targeting errors, as well as use of innovative technology-based payment systems to improve timeliness and minimize leakage. Continued support will be provided to the use of geospatial poverty maps for targeting as well as digital beneficiary information was consolidated in the national registry. Soft conditions will be used to signal to parents the importance of enrolling pupils on time and keeping children in school, as well as use of preventive maternal and infant health services especially in first 1000 days. Community-based programs and beneficiary workshops to promote good health and nutrition practices, such parenting, improved nutrition and child weaning practices, as well as addressing the special needs of children with disabilities. Public works for youth (including disabled youth) to implement the rural feeder road program under Objective 3.1 as well as South-South learning on youth employment initiatives. Scalable Safety Nets are also an important element of Disaster Risk Responsiveness System (Objective 3.3). Further support to and livelihoods will be produced through the next phase of support to productive safety nets. Special attention will be given to expanding the productive assets of the poor.

Expected Outcomes: Expanded coverage of Social Safety Net Program; Increased share of beneficiaries receiving nutrition/parenting/early learning/stimulation education is anticipated, as well as reduced errors of exclusion and inclusion in safety net program. Access to safety net support will also be provided to people with disabilities.

CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 9. Share of extreme poor households receiving SSN assistance (percent, by gender and North/South districts) Baseline: 15 (2020) Target: 60 (2026)[55] *Source*: Social Safety Net Additional Financing Project.	**SP Indicator 11. Beneficiaries receiving nutrition/parenting/early stimulation education (percent, by gender and North/South districts)** Baseline: 0 (2014) Target: 45(2026) *Source*: Social Safety Net Additional Financing Project. **SP Indicator 12. Beneficiaries who are persons with disabilities receiving SSN assistance (number, by gender and North/South districts)** Baseline: 4,000 (year) Target: 8,000 (2026) *Source*: Social Safety Net Additional Financing Project.	**Ongoing Operations:** • Safety Nets Project and AF (P143588; US$47m; FY14, FY19). **ASAs:** • Supporting Youth Employment through Social Innovations and Productive Inclusion (P170904; Y20/FY21). • Sierra Leone: Climate, Disaster, and Crisis-Risk Financing for Shock-Responsive Safety Nets (P143588; FY23).	**Proposed Operations:** • Productive Safety Net and Youth Employment Project (FY22/23). **ASAs:** • Impact Evaluation of Safety Nets Program (FY21). • Supporting Youth Employment through Social Innovations and Productive Inclusion (P170904; Y21). • Programmatic PER - Social Protection (P172094; FY21-23).

[55] It is anticipated that the FY24 Productive Safety Net and Youth Employment Project cover new/additional 35,000 beneficiary households (equivalent to the current scale up with the SSN-AF).

FOCUS AREA 3. ECONOMIC DIVERSIFICATION AND COMPETITIVENESS WITH RESILIENCE			
Objective 3.1. Build resilient infrastructure (power, mobility, technology) for enhanced competitiveness **Intervention Logic** ***Key Constraints***: *Energy:* The power sector faces four key challenges: low access and security of supply (16 percent; 100 MW); costly energy mix (US$0.18 per kWh), poor operational performance and financial viability of EDSA (technical, commercial and collection losses at 46 percent), a major barrier to private sector investment in generation. While regional energy trade has started, it still has much more future potential. *Digital*: Reliable and affordable broadband connectivity and associated enabling environment in Digital Infrastructure are the key challenges and hindering Sierra Leone to take advantage of full-fledged opportunities of Digital Economy. 3G coverage is low (60 percent; 74.8 percent in SSA), and 20 percent of the population do not have access to mobile networks. Mobile broadband subscriptions are growing but still low (21.5 percent; 25 percent in SSA). *Mobility:* Two thirds of the rural population do not have access to good roads, and deficient transport services are major constraints to farm and firm productivity. Poor urban mobility is a significant disincentive to private investment. Rural and urban access to markets (as well as to schools and clinics are severely constrained by the barriers to mobility. ***WBG Interventions***: *Energy:* Support to implementation of a least-cost power sector expansion plan (includes cross-border transmission and distribution, with special emphasis on expanded connectivity of district capitals and off-grid solutions for rural areas). Improvement of the operational efficiency and financial viability of the utility is major area of support, as well as leveraging private financing and guarantees for renewable energy sources (hydro, solar and LNG). Support to renewable and off-grid power solutions for telecom towers to improve network reliability. *Digital*: The Digital Diagnostic and a Digital Roadmap and Strategy will be developed. Complementary private and public backbone investments will be facilitated for expanded digital connectivity of district capitals and services sector (education, health services). GovTech interventions will support G2B business processes (Objective 3.2). *Mobility:* The construction and maintenance of all-weather rural feeder roads and river crossings will be financed. In urban areas there will be investment in mobility services around markets and services to business, while paying inclusiveness (e.g., daycare centers for women and disability access). Urban corridors will be upgraded and transit terminals and pedestrian services especially in Freetown will be supported. ***Expected Outcomes***: Security of electricity supply is expected to be improved (especially from renewable sources), and access will be expanded in selected district capitals and rural areas using off-grid solar solutions. Reduced technical, commercial and collection losses and improved financial viability of EDSA. Reduced costs of doing business (energy costs, reduced travel time and transport costs) and increased competitiveness. Enhanced digital connectivity, and better access at lower cost to digital solutions by businesses and service delivery providers. Improved wellbeing indicators due to energy access and improved connectivity by households and more productive use of travel time, especially among the poor, women and the disabled.			
CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 10. Access to energy (percent, by North/South)* Baseline: 16 (2019) Target: 40 (2026) *Source*: EDSA. **Indicator 11. Share of electricity from renewable sources (percent)*** Baseline: 40 (2019) Target: 66 (2026) *Source*: EDSA. **Indicator 12. Mobile broadband basket price per month (percent GNI per capita Prepaid, 500MB)** Baseline: 12.93 (2018) Target: 4 (2026) *Source*: Alliance for Affordable Internet.	**SP Indicator 13. Commercial, technical and distribution losses reported by energy utility (percent)*** Baseline: 39 (year) Target: 20 (year) *Source*: EDSA. **SP Indicator 14. Population covered by mobile 3G broadband network signal (percent, by North/South districts)** Baseline: 60.06 (2019 Q2) Target: 90 (2026) *Source*: GSMA Intelligence. **SP Indicator 15. Travel time reduced by roads and bridges upgraded by** World Bank**-financed projects (min/km)*** Baseline: 80 (2019) Target: 8 (2026) Source: SCADEP.	**Ongoing Operations:** • Energy Sector Utility Reform and AF (P120304; US$90m; FY19). • West Africa Power Pool for CLSG (P113266; US$60m; FY18). • Integrated and Resilient Urban Mobility Project (P164353; US$50m; FY19). **ASAs:** • Least Cost Energy Expansion Plan (P120304-TF0B0480). • Unlock the Potential for Grid Connected Solar PV through Private Sector in Sierra Leone (P167093, FY20). • DE4A Country Diagnostic (P172293; FY20). **IFC Advisory:** • **West Africa Power Program -** Solar PV Study (FY20) • **Gas-to-power Market Creation in SSA**	**Proposed Operations:** • Sierra Leone Electrification Project and AF (P171059; US$100m, FY21). • Smallholder Commercialization and Agribusiness Development Project AF (P170604; US$30m; F21) • West Africa Energy Trade Development Policy Financing Program (P171225; US$25m; FY21). • West Africa Power Pool for CLSG AF (FY23). • Regional Digital Foundations Project (FY21/22). **ASAs** • Digital Economy for Africa Digital Roadmap/Action Plan (P172293; FY21).

Indicator 13. People benefiting from improved resilient roads (Number)* Baseline: 0 (2020) Target: 50,000 (2026) *Source*: Integrated Urban Mobility Project		MIGA • Orange Sierra Leone (US$93.7m; FY18).	IFC Investment. • LNG Terminal Project (FY22/FY23).

Objective 3.2. Boost productivity in key sectors for a diversified economy

Intervention Logic

Key Constraints: The difficult business environment is a key barrier to productivity, competitiveness, and to attract investments (Doing Business ranking: 163/190). Other constraints are: weak human capacity, high levels of illiteracy, lack of entrepreneurship and market relevant skills. The lack of financing for SMEs who are too large to qualify for microfinance and too small for commercial financial institutions (the "missing middle") and the absence of financial instruments for agribusiness is a persistent problem. Institutional constraints include: corruption, cumbersome and opaque procedures and sometimes contradictory legislation. Furthermore, public-private dialogue is lacking, which leads to government policies that negatively affect investments and competitiveness. Low productivity is due to low uptake of technology (e.g., modern seeds/improved breeds, chemical and organic fertilizers, and mechanization), as well as gender disparities in access to these inputs. Other challenges to firm productivity and agribusiness sector competitiveness include: costly energy and mix, transport services, low connectivity and innovative technology adoption (Objective 3.1)

WBG Interventions: The WBG has supported the development of a Doing Business Reform Road Map and implementation of the DB Reform Action Plan will be supported. A special focus will be on the use of digital public records, public registries, G2B and e-payments (see complementary support to the national payment switch under in the Financial Inclusion Project under Objective 1.1). Investments will focus on entrepreneurship and SME growth, building on existing business accelerators, the SME solution centers, and business incubators will include technical assistance for SMEs and start-ups to stimulate entrepreneurship, especially among women and the youth. Firm-level interventions are particularly critical, targeting especially growth-oriented enterprises and entrepreneurs through the provision of tailored investments. his will also entail engaging with strong banks that target SMEs especially on securing credit lines to support a Local Currency Facility, and seed funding. Finally, support will be provided to effective public-private dialogue mechanism. The World Band will support measures to boost agricultural productivity, employing climate smart agriculture strategies to enhance food security. Development policy lending will be used to facilitate the competitiveness of input markets (e.g., seed and fertilizer Regulations and Agencies). Agro-processing SMEs will be targeted with technical assistance for SMEs/SME incubators, and matching grants financing linked to business plans. Attracting FDI for commercial farming and agroprocessing with appropriate private sector financial instruments is important stream of business for IFC and MIGA.

Expected Outcomes: Improved competitiveness of SMEs and entrepreneurs and an improved business environment, and improved DB Ranking. It is expected registration of informal businesses will increase, increased number of entrepreneurs with investment-ready growth-oriented businesses. Improved employment and income generation prospects among smallholder farmers, and increased farm yield and productivity including among women farmers. As well as enhanced agriculture value chains, specifically, off-take arrangements negotiated and successfully delivered by agriculture producer organizations.

CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 14. Doing Business score* Baseline: 47.5 (2020) Target: 52.5 (2026) *Source*: Doing Business Report. **Indicator 15. Yield of targeted commodities (MT/ha) (by gender and North/South)*** Baseline: 1.1 MT (2017) Target: 2.4MT (2026) *Source*: SCADEP. **Indicator 16. Regulation of fishing hours of trawlers monitored by Vessel Monitoring System (hours annually)** Baseline: 236,720 (2020) Target: 70,000 (2026) [56]	**SP Indicator 16. Deals or off-take arrangements negotiated and successfully delivered by agriculture producer organizations (number, by gender)** Baseline: 0 (2017) Target: 100 (2026) *Source*: SCADEP. **SP Indicator 17. Private investment leveraged through project activities (SLL, US$, by gender (company ownership)** Baseline: 0 (2020) Target: 17 million (2026) *Source*: Economic Diversification Project; Agro-processing Project; IFC. **SP Indicator 18. Female direct employment created** Baseline: 0 (2020)	**Ongoing Operations:** • Smallholder Commercialization and Agribusiness Development Project (P153437; US$40m; FY16). • Agro-processing Competitiveness Project (P160295; US$10m; FY19). • Skills Development Project (P163723; US$20m; FY18). **ASAs:** • Doing Business (P169285; FY20). • Economic Diversification ASA; FY20). **IFC Advisory** • Sierra Rutile Advisory Program. **IFC Investment:**	**Proposed Operations:** • Smallholder Commercialization and Agribusiness Development Project AF (P170604; US$30m; F21). • Economic Diversification Project (P164212; US$30m; FY21). • Enhancing Food System Resilience to Climate Change in Africa (P172769; FY21; US$30). **ASAs:** • Regional Food System Resilience in West Africa: Regional (P172941; FY21). •

[56] Shrimpers 15,000 hours; demersals 20,000 hours and cephalopod to 5,000 hours, Mid water: 30,000.

Source: Fisheries Project.	Target: 255 (2026) [Target will be finalized in consultation with the client] *Source*: IFC; All World Bank Projects.	• Sierra Rutile 2. MIGA • Cargo Services Freetown International Airport (Groupe Europe Handling SAS) (US$4.1m; FY18). • Sierra Tropical (Dole Asia Holding) (US$36m; FY19).	

Objective 3.3. Enhance disaster-risk management and resilient urbanization

Intervention Logic

Key Constraints: Sierra Leone is prone to natural disasters (e.g., recurrent floods and landslides), which are likely to be exacerbated by climate variability. Sierra Leone ranks 158/182 on the Global Adaption Index. Thirteen percent of Sierra Leone's area and more than 35 percent of her population are at risk of floods, landslides and coastal erosion. The consequences from exposure to natural disasters is likely to worsen in the coming years, given Sierra Leone's vulnerability to the adverse effects of climate variability as well as the low level of Sierra Leone's capacity to cope with extreme events. Uncontrolled urban expansion with increased informal settlement, unplanned development in disaster-prone areas and poor waste management exacerbate disaster risks, especially in Freetown. Municipalities are integral actors for service delivery (including services to businesses), planning, local development, and disaster risk management. In urban areas insufficient storm water drainage systems exacerbate risks of drowning and the incidence of vector-borne diseases.

WBG interventions: Addressing the interconnectedness of urbanization, disaster risk and climate change is critical. The CPF will support the completion of the slope stabilization at the Freetown landslide site, as well as implementation of targeted disaster risk reducing interventions: (i) strengthening the capacity of city councils for urban planning, zoning and permitting; and (ii) Developing early warning systems. Institutions will be strengthened to shift natural disaster management practices from a reactive to a preventive approach, which entails: (i) The development of a comprehensive Disaster Risk Management Framework, legislation and institutional capacity to enforce regulatory compliance; and (ii) Operationalization of the National Disaster Management Policy for preparedness and response to disasters, many of which are consequences of climate change. An integrated approach in support of local government capacity development in Freetown and large district capitals includes: e.g., urban planning and development and enforcement of spatial plans, implementing a comprehensive cadastral system and an effective building permit system). Furthermore, complementary investments in small scale economic infrastructure (e.g., drainage systems, solid waste management and market improvements including water and sanitation) will be financed. These interventions are strongly linked to decentralization and governance interventions under Objective 1.2 and investment in urban mobility systems under Objective 3.1. The World Bank will work closely with development partners supporting coastal erosion interventions (e.g., mangroves in Freetown).

Expected Outcomes: Slope stabilization at Freetown landslide site. Improved preparedness and ability to respond to disasters. More efficient response to disasters. Reduced risk from disasters (including floods). In Freetown and large district capitals: improved business services from infrastructure upgrades (markets, sanitation, solid waste management) and ability of local governments to generate revenue. Citizens engaged and consulted in municipal improvements with feedback loops to responsive local councils in the large district capitals.

CPF Objective Indicators	Supplementary Progress Indicators	World Bank Group Program	
Indicator 17. Solid waste management in 4 major sites upgraded and operational (number)* Baseline: 0 (2020) *Target*: 4 (2026) *Source*: Resilient Urban SL Project. **Indicator 18. Access to contingent financing for immediate liquidity for disaster response (yes/no)** Baseline: No (2020) *Target*: Yes (2021) *Source*: SL CAT-DDO	**SP Indicator 19. Disaster Risk Management Agency established and operational** Baseline: No (2020) Target: Yes (2026) *Source*: Resilient Urban SL Project. **SP Indicator 20. Contribution of property tax to own source revenue in 4 major cities (percent)** Baseline: 26 (2020) Target: 50 (2026) *Source*: Resilient Urban SL Project.	**Ongoing Operations:** • Freetown Emergency Recovery Project (P166075; US$10m; FY18). **ASAs:** • Sierra Leone: Climate, Disaster, and Crisis-Risk Financing for Shock-Responsive Safety Nets (P143588; FY23).	**Proposed Operations:** • Resilient Urban SL Project (P168608; US$50m; FY21). • CAT-DDO (FY22).[57]

[57] Examples of areas to be addressed in the CAT-DDO are: Disaster Risk Management Framework and Disaster Risk Management legislation and regulations.

Annex 2. Completion and Learning Review

I. INTRODUCTION

1. **This Completion and Learning Review (CLR) presents an assessment of the World Bank Group (WBG) programs and performance in implementing the most recent Sierra Leone Country Assistance Strategy (CAS).** The CAS cycle covered is FY10-13 (Report No. 52297-SL; March 4, 2010) as well as the CAS Progress Report (CASPR), which proposed adjustments to the CAS in order to align WBG support with changes to the country context (Report No. 69913-SL; July 12, 2012).

2. **Because of the considerable time that has elapsed since the last CAS cycle, this is a special CLR as permitted under the special procedures agreed by IBRD/IDA/IFC/MIGA.[58] The reason for the delay is the three major shocks experienced since the last CAS (CLR Table 1):**

- **2014-2016**: After the outbreak of Ebola pandemic in May 2014, the country was declared Ebola-free in March 2016.[59] The epidemic severely impacted the World Bank's project portfolio in Sierra Leone and put on standby all but select Human Development activities through the end of the epidemic in 2016. This period also coincided with the iron ore price collapse.
- **2017**: A landslide of rare and catastrophic proportions killed 1,141 people and left more than 3,000 homeless in the capital, Freetown.

The SCD was initiated in 2017 and completed in March 2018. Following the 2018 elections and the change in administration, the incoming government developed a NDP which was launched in February 2019.

CLR Table 1. Period between CAS and CPF

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
CAS and CASPR																	
Ebola and iron ore price collapse																	
Freetown landslide																	
SCD																	
Elections																	
NDP launched																	
CPF preparation																	
CPF period																	

3. **The focus of Special CLRs is on *learning* rather than *ratings*, while making every effort to provide an accounting of progress.** Furthermore, this review necessarily relies, in part, on qualitative evidence to assess progress and does not rigorously distinguish among outcomes that were achieved prior to the end of the CAS period or afterwards given: (i) the time that has elapsed since the CAS period, (ii) the triple shocks (epidemic, economic and climatic) experienced by Sierra Leone in recent years, and (iii) the limited availability of data over these years.

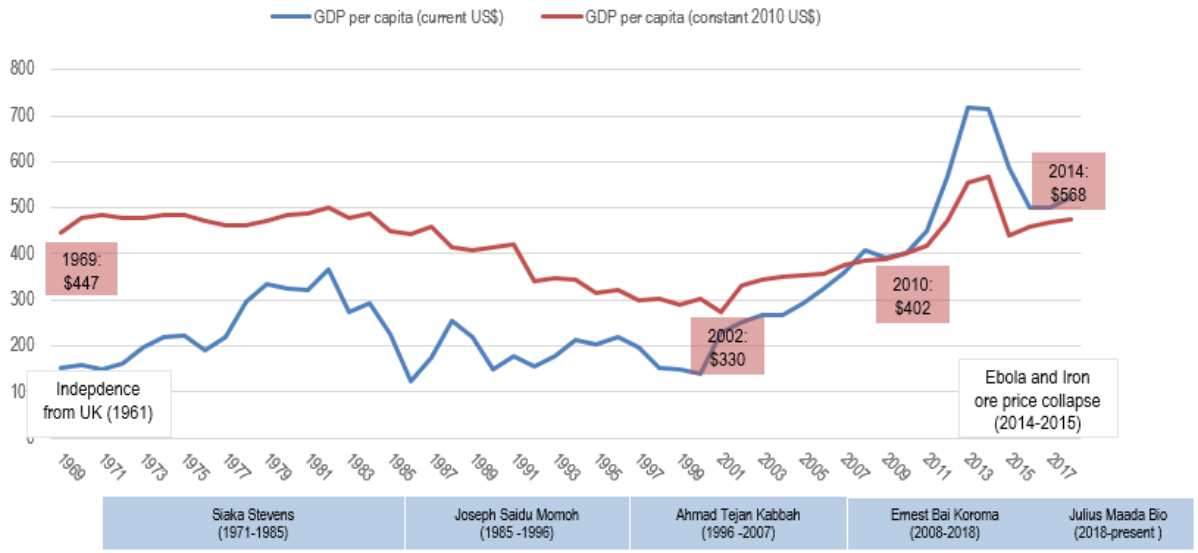
4. **The FY10-FY13 CAS was a joint strategy prepared by the WBG (IDA, IFC and MIGA) and the African Development Bank (AfDB).** The Joint CAS was in part motivated by the fact that most sectors require engagement by both banks, and a joint strategy was thought to be the best way to achieve coordination and a division of labor between the two banks in support of the country's development needs. In 2012 during preparation of the CASPR a World Bank assessment of progress was made under the Joint CAS, while the AfDB prepared a completion report, which concluded the joint strategy.

[58] IBRD/IDA/IFC/MIGA "Working arrangements between Independent Evaluation Group and WBG" EXC6.02-PROC.105. Country Engagement Guidance (OPS5.01-GUID.110).
[59] The CLR review period covers FY10-FY13 and was unaffected by the Ebola outbreak of 2014-2016.

5. **Sierra Leone is one of the world's poorest countries.** In 2010 the country's gross domestic product (GDP) per capita exceeded the income level immediately after independence (in constant 2010 US$) (CLR Figure 1). Between the end of Sierra Leone's civil war in January 2002, and the start of the Ebola outbreak in 2014, the country experienced a strong rebound in economic growth—at a yearly average of 8.6 percent (2002-2013). Per capita GDP nearly doubled from US$330 in 2002 to US$568 in 2014 (CLR Figure 1). Economic growth was particularly strong over the CAS cycle (FY10-FY13) with a yearly average growth of 11.9 percent increasing from US$402 (2010) to US$555 (2013).

6. **Sierra Leone's poverty rates improved along with the strong growth performance.** The poverty headcount ratio at US$1.25 per day declined from 59.0 percent in 2002 to 52.3 percent in 2011. While the US$1.25 poverty headcount declined, the US$2 per day headcount ratio slightly increased over the same period: from 78.4 percent in 1989 to 80.0 percent in 2011. As of 2014, Sierra Leone's population was 6.3 million with a population growth of 2.2 percent. Over the preceding two decades population growth fluctuated strongly, due to the country's civil war, between -0.4 percent (1994) and 4.6 percent (2003). In line with Sierra Leone's modest economic ranking, the country's Human Development Index was the fifth lowest globally at the time.

CLR Figure 1. GDP per capita (constant and current)



II. PROGRESS TOWARDS CAS DEVELOPMENT OUTCOMES

CAS Pillar 1: Human Development

7. Four of five Outcomes under Pillar 1 were Partially Achieved, while one Outcome was Achieved.

CAS Outcome 1: Improved capacity to effectively and efficiently deliver education. Achieved

8. Progress on Outcome indicator 1.1 "*Primary completion rate*" increased from 67 percent in 2010 to 70 percent in 2013. Outcome Indicator 1.2 "*Girls enrollment at junior secondary school*" increased from 40.9 percent in 2008 to 48.2 percent in 2013. While Outcome Indicator 1.1 partly supports the higher-level objective "Increased access to and completion of primary schooling especially for girls and out of school children", it leaves out girls' education and transition to secondary education, key areas of focus of the CAS. The Education-For-All Fast Track Initiative (EFA-FTI) grant was a key contributor to the performance under this outcome.

CAS Outcome 2: Improved access to basic health services. Partially Achieved

9. Through the Reproductive and Child Health Project Phase 2 (P110535) good progress was made in relation to vaccination coverage and children under-5 sleeping under an insecticide-treated bed-net. Deliveries in health facilities increased, but not as much as planned, increasing from 42 percent in 2008 to 60 percent in 2013 against a target of 70 percent. With additional funding through the Reproductive and Child Health Project Phase 2 (FY14), deliveries further increased to 74.8 percent in 2017. The latter should be viewed in relation to Sierra Leone's maternal mortality statistics, which are the highest worldwide, suggesting that quality of care did not improve alongside the mentioned increase in access to obstetric care. Further aggravating Sierra Leone's health situation is the country's demographic development. Very high fertility in a very "young" population and a high dependency ratio result in large and increasing cohorts of children, notably from the poorest households who have the highest fertility. These dynamics put extreme pressure on poverty reduction, further compromising access and quality of service delivery. Adolescent pregnancy is high: 24 percent of women aged between 15 and 19 have had a birth. The high fertility and teenage pregnancy disrupt young mothers' education, and further marginalizes women with respect to their economic potential and income generation.

CAS Outcome 3: Increased household access to safe drinking water and sanitation. Partially Achieved

10. With support from the Decentralized Service Delivery Project (DSDP, P113757)[60] people with access to water increased from 64,000 in 2009 to 115,000 in 2013 in targeted areas while those with access to improved sanitation increased from 25,000 in 2009 to 35,000 by 2013.

CAS Outcome 4: Improved capacity to manage social risks. Partially Achieved

11. Under CAS Outcome 4, progress against the OIs were substantially below target: against the target of 4 million person-days of employment, 1.76 million person-days of employment were achieved, and against a target of 1.2 million women-days of employment, 0.793 million women-days of employment were reached. Although there were significant delays and allegations of corruption in its implementation, the Youth Employment Support Project (YES, P121052) responded to priorities and demands of the country in relation to this outcome. A 2016 World Bank Policy Research Working Paper[61] reports job creation at 8,944 directly created jobs and 4,343 indirectly created jobs, at a cost of approximately US$198 per temporary job created. The Working Paper further calculates that under the project, each US$7 designated as a direct transfer to beneficiaries generated an additional US$1 of income and concludes that public work programs can strongly impact household welfare in the short run.

CAS Outcome 5: Improve predictability, expenditure control and transparency in decentralization and public resource management. Partially Achieved

12. The DSDP Implementation Completion Report (ICR)[62] highlights service output improvements to basic service delivery in health, education, solid waste and water access across Sierra Leone. These improvements built on two mechanisms, the Community Monitoring Intervention (CMI) and the Grievance Redress Mechanism (GRM), which have also had relevance in the fight against corruption. The CMI removed financial barriers to health service access by reducing illegal fee-charge practices and has contributed to the increase in the utilization of the health clinics, and improved child delivery at government health clinics and hospitals. Through the CMI, community members have started to actively engage local councils and service providers on their responsibilities and service needs, as well

[60] Based on following quote: "The driving forces behind the projected 5.5-6 percent annual growth include an increasing rate of private savings and higher public investment – initially in the greater availability of electricity in Freetown, followed by improved water supplies and road access – which are expected to help reduce business costs."

[61] World Bank Policy Research Working Paper No. #7580 (2016) *Can you work it? evidence on the productive potential of public works from a youth employment program in Sierra Leone*. World Bank Group, Washington D.C.

[62] CLR Table 1 shows the ICRR and ICR ratings for projects closed during CAS cycle.

as to express ownership towards their communal facilities and services through community contributions in monitoring and maintaining services delivered to their communities. On GRM implementation, the grievance data analysis indicates that the DSDP2 GRM has been receiving more non-project related service delivery grievances in DSDP2 sectors than project-related service delivery grievances. For example, 20 DSDP2 grievances were received versus 85 non-DSDP2 project grievances.

13. Outcome Indicator 5.5 "*Progress on public oversight of PFM to be in place*". Although it had not become effective by the end of the CAS period, the Public Financial Management Improvement and Consolidation Project (PFMICP, P133424) support built on foundations laid during the CAS and has resulted in improved revenue management, projections, and reporting. IFMIS has been successfully rolled out to 56 MDAs and implementation of ASYCUDA World has led to growth in year-on-year customs revenues at about 67 percent during the first six months of implementation. Furthermore, more non-state actors and citizens are now participating in annual budget discussions.

14. Outcome Indicator 5.6 "*Ward Committees holding public meetings*"[63] is rated Achieved, as 79 percent of Ward Committee meetings were made public against a target of 80 percent. Furthermore, ward Committees improved their reporting to Local Councils as part of their annual development planning and execution cycle.

CAS Pillar 2: Promoting Inclusive Growth

15. Three of four Outcomes under Pillar 2 were Partially Achieved, while one Outcome was Achieved.

CAS Outcome 6: Improved efficiency and transparency of agriculture and fisheries. Partially Achieved

16. Highlights under CAS Outcome 6 includes Outcome Indicator 6.6: "*Improved efficiency and transparency of agriculture and fisheries*": The public disclosure of fishing licenses, linked to the West Africa Regional Fisheries Program (WARFP, P106063) was not achieved within the CAS period. However, through the WARFP Global Environment Facility (GEF) AF (P156759) which was implemented after the CAS period, progress was made in the fight against Illegal, Unreported, and Unregulated fishing. Through patrol exercises, trawlers were fined for their illegal fishing practices and arrests were made. Revenue published for 2018 shows fines revenue of US$606,579. Licenses of vessels in direct competition with artisanal fishermen were cancelled, their catch confiscated, and fines were issued. Four of these trawlers could catch nearly 50,000 tons of fish a year, equivalent to the yields possible from roughly 2,500 canoes. That implies approximately 11,000 direct and indirect jobs were potentially impacted in one year by the presence of the trawlers.

CAS Outcome 7: Improved investment climate. Mostly Achieved.

17. Highlights under CAS Outcome 7 include the achievement of the Extractive Industries Transparency Initiative (EITI) validation, the establishment of the Financial Intelligence Unit and an increase in access to banking (new bank accounts opened by 300,000 adults). However, progress towards CAS Outcome 7 was lower than the general improvements in Sierra Leone's investment climate during the CAS cycle. The Doing Business Report 2012 noted Sierra Leone was one of the economies where the ease of doing business improved the most in 2010/11 with improvements in 3 or more areas of regulation. In the 2013 Doing Business Report Sierra Leone is mentioned as one of ten countries which narrowed the distance to frontier in registering property and paying taxes the most since 2005 and 2004, respectively. Sierra Leone is also mentioned as one of two countries, which created a new credit registry or bureau. These achievements can in part be linked to IFC's support to a better business environment through targeted technical assistance.

[63] Full wording of Outcome Indicator 5.6: "Ward Committees holding public meetings and reporting to Local Councils as part of annual development planning and execution cycle increases to 80 percent".

CAS Outcome 8: Improved access to sustainable electricity infrastructure services. Partially Achieved.

18. While Sierra Leone's business environment improved significantly in 2010/11, the 2013 Doing Business Report listed Sierra Leone as one of the ten most difficult countries in the world to get electricity and in the top ten of countries with the most procedures for getting electricity. At the end of the CAS period, commercial and technical losses in the energy sector were at 46 percent. Through the Energy Sector Utility Reform Project (P120304), there was a further reduction of commercial and technical losses to 38 percent as result of the rehabilitation and expansion of the distribution network. Collection rates in the energy sector also improved from about 78 percent to about 85 percent and the reliability of the distribution network has improved in terms of duration of outages. At the time a data system for setting targets and monitoring progress was being put in place.

CAS Pillar 3: Extractive Boom

19. The third CAS Pillar was introduced in the CASPR but this pillar was not associated with a specific CAS Outcome. Progress as indicated by 4 indicators under Pillar 3 was strong and consistent, and all Pillar indicators were Achieved. Highlights from the CASPR under this pillar include: the creation of the National Minerals Agency and the submission of key mining regulations to Cabinet. One lesson learned in relation to Pillar 3 is that undertaking an Extractive Industries Value Chain analysis is critical to create the foundation for strategic and effective provision of development assistance related to the natural resources and extractives sector.

III. WBG PERFORMANCE

20. WBG performance over the CAS cycle was mixed. While implementation was successful in some areas, the CASPR results framework was not fully updated, and which prevented improved ratings being reported for a majority of CASPR Outcomes. A strengthened results framework would have resulted in the CASPR Outcome ratings being more in line with ICR and IEG ratings for projects which closed during the CAS cycle.

21. Supervision of World Bank-funded projects was generally moderately satisfactory during the CAS cycle. Government and other CAS stakeholder interviewees for the CLR expressed a positive view on World Bank supervision, except in relation to the presence of task team leaders in Sierra Leone. All World Bank task team leaders are based outside of Sierra Leone, either in Accra or Washington, DC. Interviewees reported that this arrangement stymies feedback and dialogue with government and stands in contrast to earlier arrangements whereby more World Bank task team leaders operated out of Freetown.

III.A. DESIGN AND RELEVANCE

(i) Focus areas and instruments

22. The World Bank employed a wide range of financing instruments during the CAS cycle, including Investment Project Financing (IPF) and Development Policy Financing (DPF). Financing was also accompanied by technical assistance. At CASPR stage the introduction of Performance Based Financing (PBF) was intended as a means to achieve greater service delivery results. PBF was used in Reproductive and Child Health Project Phase 2 (P110535) and shows Satisfactory progress towards PDO indicators. PBF is also used in the Revitalizing Education Development in Sierra Leone (REDiSL; P133070), which is rated Satisfactory.

23. Development policy lending was used for a series of Development Policy Operations (DPOs), which included the Governance Reform and Growth Grant (P117822) and the Governance Reform and Growth Credit (P126355) to support Outcomes under CAS Pillar 1. The ICR for the Governance Reform

and Growth series noted that reforms supported by the DPO series were broadly implemented as planned. However, the DPO encountered challenges in budget allocation and efficiency in public spending during the CAS cycle, resulting in large overruns in some of the budget line items, most of which were accumulated into arrears due to the lack of sufficient revenue to finance the extra expenditures. While the DPO series was cited in the results framework in relation to services, the focus on resource mobilization (the second objective of the DPO series) and the link between citizens and service providers were absent both in the results framework and the CASPR write-up. In future, it will be important to make these linkages.

24. The ICR for the DPO series further highlighted the practice of off-budget spending without parliamentary approval and frequent interference from authorities in procurement processes. These challenges illustrate the need for the World Bank to engage in areas of support which limit operations' exposure to rent seeking and other fiduciary misconduct.

25. Stakeholders interviewed for the CLR expressed satisfaction with the World Bank's balance between project financing and analytic work and technical assistance. In relation to IFC, stakeholders in government and development partners observed that IFC focused more on business advisory, and less on targeting the poor.

(ii) Adequacy and appropriateness of interventions

26. Two approaches and interventions during the CAS cycle stand out. First, the community engagement mechanisms—the CMIs and GRMs—under the Decentralized Service Delivery Project (Phases 1 and 2) hold promising potential to improve delivery and accountability across sectors. Second, interventions under the Youth Employment Support Project, despite some shortcomings, delivered important results and respite from unemployment, notably in relation to Sierra Leone's youth. Good progress was also registered in relation to improving the investment climate, and management of natural resources under Outcomes 7 and 10 linked to the Financial Sector Development Plan Support Project (P121514) and the Artisanal Mining Community Development and Sustainable Livelihoods Project (P123572). Of importance is the fact that progress took place in collaboration with IFC and built on technical assistance provided by both institutions. Furthermore, the provision of technical assistance was in several areas based on very thorough political economy analytic work.

(iii) IFC additionality

27. IFC-financed activities during the CAS cycle included support to the Reducing Administrative Barriers to Investment (RABI) scheme and the Sierra Leone Import and Export Promotion Agency (SLIEPA). The IFC also worked actively with the AfDB and IDA on financial sector issues and invested in the West African Venture Fund, which provided capital financing to emerging small and medium-sized enterprises in Liberia and Sierra Leone. A 2009-10 mining venture with London Mining was unsuccessful, and the company subsequently went into administration. This aspect of IFC's activities may not have been communicated clearly enough according to interviewees for the CLR.

(iv) Tradeoffs between risk and development impact

28. The introduction of a third pillar covering Sierra Leone's extractive boom is viewed as a timely response to changing dynamics in the country. Macroeconomic stability remained an issue during the CAS cycle but could not have been mitigated in full by World Bank support, given the scale of the Ebola outbreak and the global collapse in commodity prices. Risks related to governance remained elevated during the CAS cycle, while at the same time political economy work was put on hold or cancelled.

Political economy work concluded during or after the CAS cycle pointed to divisions within the political elite in Sierra Leone, which were likely to be accentuated as natural resources income increases. Capital-intensive sectors such as infrastructure and energy were mentioned by interviewees for the CLR where risks for rent extraction were high.

29. While the review period for the CLR (FY10-FY13) preceded the Ebola epidemic, stakeholders expressed positive views on the World Bank's support to Sierra Leone during the Ebola epidemic, and stakeholders also reported a positive view of the tradeoffs made by the World Bank between risks such as Ebola and development impact.

(v) Results framework, intervention logic, realism of objectives, and relevance of indicators

- The CASPR made a number of changes to the CAS results framework. Most important, the CASPR recorded and rated progress towards Outcome Indicators and added a third Pillar covering Sierra Leone's extractive boom. However, the extractive boom was already partly covered under CASPR Pillar 2 under Outcome 7, where Outcome Indicator 7.5 focused on EITI validation and partly under pillar 1 Outcome 5, where Outcome Indicator 5.5 focused on putting in place a process for public oversight of PFM. Recognizing the importance of Sierra Leone's mineral wealth was certainly appropriate, but the absence of an Outcome for Pillar 3, in addition to the theme already being covered under Outcomes 5 and 7, further questions the rationale behind the introduction of the theme in a third and separate Pillar. Lastly, Pillar 3 indicators were at a different level than traditional CAS and CPF Outcome Indicators. In terms of design, Pillar 3 indicators did not meet World Bank standards for measuring results (according to SMART criteria for indicators). In terms of implementation, Pillar 3 focused the World Bank resources on Sierra Leone's extractive boom and was appreciated by both government and development partners. In sum, while interviewees appreciated the World Bank's responsiveness to the risks from the natural resource boom, the creation of an additional pillar was not the only way to demonstrate this responsiveness as the additional pillar also added to the complexity of the CASPR (see bullet number 8 below) making it unbalanced across pillars.
- The inclusion of a Governance-related Outcome Indicator under every Outcome was an important design achievement that should be acknowledged in relation to the structure of the results framework and the recognition of the cross-sectoral nature of Governance. This approach stands out relative to results frameworks in other Country Strategies and Results Frameworks across the Africa Region, where Governance typically resides under a separate pillar, undermining its cross-cutting impact.
- The link between the CASPR's main text and the results framework could have been stronger. Aspects that could have been elaborated better in the results framework are: (i) the CASPR's note on the agriculture sector's potential for driving inclusive growth and "prospects of increasing agriculture productivity" under the Smallholder Commercialization Program; and (ii) the "enormous" regional integration potential could have been emphasized better in the results framework.
- The Agriculture sector's cross-sectoral ties to the private sector, infrastructure, jobs, and land could have been further pursued. For example, the CASPR acknowledged as a source of potential conflict "ongoing risks associated with uncertain land tenure systems," but does not reflect this important issue in the results framework. Conversely, the results framework devoted four Outcome Indicators covering the fishing industry, which was over-represented.
- The CASPR cited opportunities for regional integration as "enormous" but regional integration was not linked well with interventions. Only two projects, the West Africa Regional Fisheries Program and the West Africa Regional Communications Infrastructure Project (P123093) exploited the potential and opportunities offered by regional integration projects.

- The emphasis on the importance of decentralization was a positive aspect of the CAS and CASPR and the associated results frameworks. It was also well reflected in the results framework under Outcome 5 on improved predictability, expenditure control, and transparency in decentralization and public resource management.
- Two of six Outcome Indicators were met at CASPR stage but were not replaced nor were the targets updated at CASPR stage. The CASPR did a good job in updating progress in the results framework, but 7 of 40 Outcome Indicators had already been achieved at CASPR and should have been removed from the results framework, or had targets revised in order to allow for measuring of the World Bank's contribution towards Outcomes and the CAS Development Outcome.
- The results framework was quite complex with 40 Outcome Indicators, 3 Pillars and 9 Outcomes in contrast to the relatively modest portfolio for Sierra Leone, which had commitments of US$67 million in 2012, and US$224 million for the entire portfolio. (By comparison, the results framework for Ethiopia's FY2013-16 CPS consisted of 26 Outcome Indicators, 3 Pillars, and 18 Outcomes, for commitments of US$1,395 million in 2015 and US$1,862 million for the CPS cycle.

(vi) Identification of critical risks and mitigation measures

30. Several risks were identified in the CASPR, most notably the resource curse and its associated outcomes such as high inequality and devastating conflict. The CASPR further stressed challenges given the rise in natural resource income: macroeconomic stability, value for money in government expenditures, transparency and good governance. The mineral sector was furthermore likely to divert human capital, and entrepreneurial and investment resources from other sectors. In addition, the following six risks were identified by the CAS and CASPR: (i) weak governance and accountability structures; (ii) limited capacity to deliver services and manage public resources; (iii) youth employment and social instability; (iv) economic shocks; (v) regional volatility, including international drug trafficking; and (vi) climate change and disaster risks.

31. While the identification of risks was good, in hindsight, the risk of epidemic outbreaks and collapse in global demand should have been added to the list of risks. One mitigatory measure against the resource curse that was mentioned, but not pursued by the World Bank, is establishment of a Sovereign Wealth Fund (this shortcoming proved less relevant after the iron ore price collapse).

32. The emphasis of the CAS program on social accountability and transparency mitigated the risks arising from weak governance, capacity and accountability, as reflected in projects in fisheries, decentralization and public-sector reforms. During the CAS cycle, the World Bank proactively increased the size of its budget support operations in response to the exogenous fuel- and food-price shocks. Furthermore, the World Bank mobilized advice to government on short-term coping systems for Sierra Leone. At the same time, setbacks in a number of sectors (e.g., energy and roads) led the ICR of the Integrated Public Financial Management Reform Project (P108069) to conclude that "the need to clearly understand the political economy and authorizing environment in the country and therefore adequately sequence the interventions". This lesson applies across the Sierra Leone portfolio.

33. In relation to natural resource revenues the CASPR suggests a "robust pipeline of public investment plans" based on revenue from mining activities. This suggestion is well reflected in the CASPR results framework, which includes Outcomes that would work to support increased public spending in the areas of infrastructure and social interventions (CAS Outcomes 1-5 and 8-9).

(vii) Integration of lessons learned from the previous CASs

34. The CASCR for Sierra Leone's FY06-FY09 CAS period highlighted achievements in key areas including decentralization, building of a solid foundation for the fiscal transfer system, improvements in Local Councils' participatory planning capacity, budgeting and financial management as a result of intensive training and monitoring. However, in the FY10-FY13 CAS period, less than half of all outcomes in these areas were Achieved or Mostly Achieved. The CASCR for the FY06-FY09 CAS period noted challenges related to shortage of professionals, ability of Local Councils to attract and retain staff, high dependence on central government transfers, traditional authorities' lack of commitment to local government reform, and lack of leadership of the local government reform process. The CASPR for the FY06-FY09 CAS concluded that the World Bank followed a balanced approach, emphasizing project support when Development Policy Lending might not have been possible (given that Development Policy Lending depends on a stable macroeconomic environment).

35. In view of the challenges related to off-budget spending and interference in procurement processes under the two DPOs as explained above, under the CPF the World Bank should consider whether too much emphasis was put on DPOs at the expense of other lending instruments. It may also be relevant to explore the recommendation of the last CASCR, namely to better understand how the World Bank can engage at the grassroots level and institutionalize community participation in planning, implementation, and monitoring local development interventions.

36. The World Bank was committed to improving infrastructure, energy, transport, and water, but implementation during the previous CAS cycle showed weak governance contributed to limited results, and that entrenched vested interests made governance reforms in the power and roads sectors complicated.

37. Complex and unrealistic project design led to slower than expected implementation during the FY10-13 CAS cycle. Of the 11 projects, which closed during the CAS cycle only two were rated Satisfactory, one was rated Unsatisfactory and the remaining 8 projects were all rated Moderately Satisfactory. Realism was criticized in the ICRs of the Bumbuna Hydroelectric Environmental and Social Management Project and the Decentralized Service Delivery Project. These issues were present and discussed during the preceding CAS cycle, and the last CASCR observed that the design of some projects was too complex with too many subcomponents, large geographic coverage and involved numerous implementing agencies. Limited administrative capacity in a recently fragile state setting is still a binding constraint in Sierra Leone and must be taken into account in future programming. Future project designs should be simpler, align with implementation capacity, and avoid overburdening projects with ambitious objectives and outcomes. For better monitoring and evaluation SMART Outcomes and Outcome Indicators will be key.

CLR Table 2. ICRR and ICR ratings for projects closed during CAS cycle

Project name	Project number	Commit-ment US$m	Type	Outcome rating	Bank performance rating	Borrower performance rating
Governance Reform and Growth Grant 4	P117822	10	Development Policy Loan (DPL)	MS	MS	MS
Governance Reform and Growth Grant 5	P126355	24	DPL	MS	MS	MS
Sierra Leone - SL Infrastructure Development Project (Transport; IDP)	P078389	55	SIL	MS	MS	MS
Power and Water Project	P087203	35	SIL	MS	MS	MS
Sierra Leone - SL-GEF Biodiversity Conservation Project	P094307	5	SIL	S	S	S

Sierra Leone - Rural and Private Sector Development Project	P096105, P125256	20	SIL	MS	MS	MS
Decentralized Service Delivery Project	P113757	20	APL	MS	MS	MS
Integrated Public Financial Management Reform Project	P108069	4	TAL	MS	MS	MS
Sierra Leone - SL-National Social Action Project	P079335	43	SIL	S	S	MS
Sierra Leone - SL Bumbuna Hydroelectric Environmental and Social Management Project	P086801	50.5	TAG and PRG	U	U	U
Youth Employment Support Project	P121052	20	ERL	MS	MS	MS

Note: Where Implementation and Completion Results Report (ICRR) and ICR ratings are available ICRR ratings supersede ICR ratings. DPL = Development Policy Loan; SIL = Sector Investment Loan; APL = Adjustable Program Loan; TAL = Technical Assistance Loan; TAG = Technical Assistance Grant; PRG = Partial Risk Guarantee; and ERL =

III.B. Program Implementation

(i) Collaboration and division of labor across WBG

38. IDA and IFC were involved in the Bumbuna Hydroelectric Environmental and Social Management Project and IFC further collaborated with IDA on a number of projects where IFC in parallel provided technical assistance in relation to investment climate, regulatory reform and the formalization of smaller businesses. MIGA provided guarantees to five projects amounting to a total of US$9.2 million over the FY10-13 CAS cycle. MIGA continued to search for opportunities alongside IFC and the World Bank, in particular in the energy and agribusiness sectors. Given Sierra Leone's fragile context, MIGA planned to utilize the Private Sector Window for future projects.

(ii) Relevance, quality and dissemination of knowledge services

39. The World Bank's ASA program over the CAS cycle included 11 products listed in CLR Table 2. Of the 11 outputs, six focused on Sierra Leone's recent fragile state status or analyzed the country's political economy dynamics. CAS stakeholders expressed satisfaction with the World Bank's knowledge generation, but it is unclear how political economy analyses have informed the World Bank operations given challenges mentioned above in relation to decentralization, energy and roads. More analytic work should shed light on Sierra Leone's history of weak economic growth, poor governance and low development results, a highly centrally state, and rudimentary services outside the capital where access to power is very low relative to other countries in the region. Given the centralized nature of government that persists despite decentralization efforts since 2004, and the poor economic and human development outcomes, a better understanding of the intersection of the above-mentioned factors would be helpful for the realization of the country’s goals in the years to come.

CLR Table 3. World Bank ASA Program

Report Name
Understanding Youth Violence: Cases from Liberia and Sierra Leone. Social Development Department. Report No. 8643. June 2013.
Sierra Leone: PIM in a Donor-Dependent Post-Conflict Economy. Report No. 93361. June 2013
Sierra Leone Social Protection Assessment. Report No. 78195-SL. Human Development Department, Social Protection Unit. Africa Region. June 2013.
Engaging for Results in Civil Service Reforms. Policy Research Working Paper 6458. May 2013.
Investing in Habope. Financial Assessments of Community-Based Small Investments in Sierra Leone. Report No. 98913. 2013.
Sierra Leone: Strengthening Entry-Level Leadership Development in the Civil Service. Report No. 73065. September 2012.

Working with the Grain for Reforming the Public Service. Policy Research Working Paper 6152. July 2012.
Investing Mineral Wealth in Development Assets. Policy Research Working Paper 6089. June 2012.
Why Quality Matters: Rebuilding trustworthy local government in post-conflict Sierra Leone. Policy Research Working Paper 6021. April 2012.
Governance and Political Economy Constraints in Emerging Post conflict Sierra Leone: A Multilevel Analysis. October 2011.
Sierra Leone Public Expenditure Review. Report No. 52817-SL. October 2010.

(iii) Responsiveness, priorities and demands, and mid-course correction

40. Government representatives interviewed for the CLR generally expressed satisfaction with the WBG's responsiveness, prioritization and mid-course correction. In particular, officials were pleased with the addition of the third CAS pillar addressing Sierra Leone's extractive boom. The World Bank support to the health sector was also highlighted as an example of responsiveness and the provision of much-needed financial support. There was some frustration expressed with the level of support from IFC. In light of IFC modest portfolio and Sierra Leone's modest economy, the lesson learned for IFC must be to more clearly communicate IFC's mandate, financing ability, as well as critically reviewing IFC's engagement with respect to meeting the goal of shared prosperity.

(iv) Alignment with country systems and coordination with other development partners

41. This CLR covers the CAS cycle that was implemented jointly with the AfDB until 2012, when the CASPR was implemented. The AfDB undertook its part of the Joint CAS earlier than the World Bank; this arrangement illustrates a key challenge of implementing joint strategies. As the two organizations began the Joint CAS at different times it became difficult to carry out a joint mid-term review. Instead, the World Bank undertook a CASPR when the AfDB ended its engagement in the Joint CAS. In addition to the importance of timing, lessons learned from the Joint CAS include that joint strategies require sufficient forward planning to allow for joint missions. In addition to timing and planning, joint strategies required strong government leadership, which was absent for most of the Joint CAS period.

42. In addition to its joint strategy with the AfDB the World Bank also engaged in partnerships with the European Union (EU) under an EU-funded trust fund for the Decentralized Service Delivery Project (which augmented the availability of grants to Local Councils complementing the inter-governmental fiscal transfers and flows through the comprehensive decentralization strategy). Together with the AfDB, DFID and the EU, the World Bank carried out joint assessments for budget support and coordinated the dialogue with government under the Multi-Donor Budget Support framework. The World Bank and the UN also co-chaired the Development Partners Coordination Committee, with quarterly meetings chaired by the Minister of Finance and Economic Development.

(v) Attention to safeguard and fiduciary issues

43. For most part, audit reports and audited interim financial statements in respect of the Rural Development and Private Sector Project were provided in a timely manner. However, towards the end of the project, the financial management rating was downgraded to moderately satisfactory due to cash management issues. Given that the currency of commitment in respect of loan numbered IDA H6970 was SDR while the currency of the designated account is US$ and given that during the implementation period US$ appreciated against the SDR, exchange rate losses of US$ 804,713.23 were experienced. Consequently, some of the planned activities were not implemented.

IV. ALIGNMENT WITH THE TWIN GOALS

44. The WBG Corporate Strategy was only made official by end of the CAS cycle. Nevertheless, the first two CAS Pillars reflected very closely the WBG Corporate Strategy's goals of reducing poverty and boosting shared prosperity as per their focus on human development and promotion of inclusive growth. Sierra Leone made significant strides in poverty reduction in the decade before the Ebola crisis, which has since been reversed. Between 2003 and 2011, Sierra Leone has experienced continued macroeconomic growth, though still lagging behind the SSA average GDP per capita. The poverty headcount has declined from 66.4 percent in 2003 to 52.9 percent in 2011. The overall reduction was led by strong growth in rural areas, where poverty declined from 78.7 percent in 2003 to 66.1 percent in 2011. Underlying this poverty reduction was an annualized 1.6 percent per capita increase in real household expenditure from 2003 to 2011.

V. LESSONS LEARNED

45. Lessons learned for the Sierra Leone CAS cycle FY10-13 include the importance of design of interventions and strategies, taking sufficiently into account the challenging environment for development in Sierra Leone, and carefully consider the approaches that had success during the FY10-13 CAS cycle (CLR Table 2).

CLR Table 4. World Bank performance during the CAS cycle FY10-13

What did the World Bank do well?
Cross-sectoral integration of Governance in results framework Timely support to Sierra Leone's natural resource boom ASA program with strong political economy lens Technical Assistance and introduction of grievance and monitoring mechanisms
Where could the World Bank improve?
SMART Outcomes and Outcome indicators Proximity of TTLs, preferably based in Freetown Use of political economy ASAs in project design and strategy formulation Linkages between risks and opportunities identified in CASPR write-up and interventions listed in results framework Focus on resource mobilization

46. Design of the CASPR results framework was weakened by several factors, including a results framework that was only partly updated, which left 20 percent of Outcome Indicators unusable for evaluation purposes.[64] Second, many Outcome Indicators did not meet the criteria for SMART indicators, further complicating evaluation of progress. A positive feature of the CAS cycle results framework was that Governance was retained under every Outcome. This allowed for a true cross-sectoral view of governance and contrasts with the design of other AFR results frameworks.

47. Noteworthy progress was made in relation to grievance and monitoring mechanisms, which have improved communication and response between citizens and local governments. WBG technical assistance was instrumental for progress towards a more attractive business environment and better management of Sierra Leone's natural resources. The potential of the grievance and monitoring mechanisms is promising, and the approaches have been adopted across sectors in the Sierra Leone portfolio.

[64] Eight out of forty CAS indicators were met at CASPR but not updated and were not used to measuring progress towards CAS Outcomes.

48. CAS implementation also showed a remarkably large part of projects closing with a Moderately Satisfactory rating and only 18 percent of projects which closed during the CAS cycle had a rating of Satisfactory or above. This corroborates the ICR observation that project design must be kept simple and allow for local capacities and constraints.

49. Even though the Ebola outbreak and the commodity price crash came after the period of the CAS and CASPR, the Ebola outbreak and global drop in commodity prices underlined the importance of considering global and regional risks in overall risk assessments. As commodity prices begin to rise, Sierra Leone will once again face the resource-curse risk and the introduction of a sovereign wealth fund appears to be the WBG's best option for a mitigatory measure. Risks can further be reduced by adequately understanding Sierra Leone's political economy, which will allow the World Bank to formulate more effective policy interventions.

50. Close collaboration and cooperation with development partners will increase the chances of success in relation to infrastructure development and infrastructure sector reforms, notably in energy. Related to political economy is the importance of nurturing the feedback mechanisms between taxpayers/voters and politicians. Going forward a stronger emphasis on resource mobilization (as supported by the DPO series) should be considered.

CAS Results Matrix, World Bank Group only, June 1, 2012 to June 30, 2013

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
Pillar I: Human Development			
1. Increased access to and completion of primary schooling especially for girls and out of school children	1. Improved capacity to effectively and efficiently deliver education. 1.1. Primary Completion Rate from 67 percent in 2010/2011 to 70 percent. *Governance/Gender Indicator* 1.2. Enrollment for girls at Junior Secondary School increased from 40.9 percent in 2008 to 43.9 percent in 2013.	The Education For All Fast Track Initiative grant (EFA-FTI; P115782) was a key driver of the education sector performance. Progress towards Outcome 1: Primary completion rate (Outcome Indicator 1.1) increased from 67 percent in 2010 to 70 percent in 2013 and decreased to 58.3 percent in 2015. The decrease was due to the Ebola virus epidemic which resulted to the closure of schools across the country in 2014 and part of 2015 with socio-economic consequences. After 2015, there was a steady increase in the primary completion rate from 66.5 percent in 2016 to 68.3 percent in 2017[65]. Girls' enrollment at Junior Secondary School increased from 40.9 percent in 2008 to 48.2 percent in 2013 (Outcome Indicator 1.2). The trend after the CAS period is similar to the primary completion rate, decreasing to 52.2 percent in 2015 and increasing to 56.3 percent in 2016 and 57 percent in 2017. These indicators support the higher-level objective "Increased access to and completion of primary schooling especially for girls and out of school children".	**Projects:** FY09 EFA-FTI Catalytic Fund. FY08 Chyao-Africa-Support to Education of war affected children in the Northern Province. **ASA**s: FY12 Higher and Tertiary Education Note. FY12 Education Country Status Report (with the United Nations Children's Fund (UNICEF) and Pole de Dakar). FY13 Developing an Education Sector Plan (2013-2018). FY13 A study on the Completion and Transition from the Primary to ISS (secondary) school level in Sierra Leone. FY13 SABER Report on Early Childhood Development. FY 13 SABER Report on Teachers in Secondary Education. ***Partners**: AfDB, DFID, EU, UNDP, UNICEF, Irish Aid.*
2. Improve the health status of population and quality of health services	2. Improved access to basic health services 2.1. Children receiving Penta-3 vaccination before 12 months of age increased from 54.8 percent in 2008 to 85 percent in 2013. 2.2. Children under 5 who slept the previous night under an insecticide treated net increased from 26 percent in 2008 to 80 percent by 2013.	Through the Reproductive and Child Health Project Phase 2 (P110535), good progress was made in relation to vaccination coverage and the proportion of children under 5 years sleeping under an insecticide-treated bed-net. Deliveries in health facilities increased, but not as much as planned, increasing from 42 percent in 2008 to 60 percent in 2013 against a target of 70 percent. The framework for community-based accountability committees for each public health clinic was established (Outcome Indicator 2.4) but could not be verified. Given that the Reproductive and Child Health Project Phase 2 was the only health project in the portfolio available to respond immediately to the Ebola epidemic, additional funding was disbursed that resulted to increase in all the indicators[66] post CAS period except indicator 2.4 which could not be verified. The increase in deliveries in health facilities should be seen in relation to Sierra Leone's maternal mortality ratio figures, which are the highest worldwide suggesting severe weaknesses in quality of obstetric services. Further aggravating Sierra Leone's health situation is the country's demographic development. Very high fertility in a very	**Projects:** FY 10 Reproductive and Child Health Phase II. **ASA:** FY11 Public Expenditure Review. FY12 Constraints to Service Delivery. ***Partners**: DFID, EU, Irish Aid, United Nations Population Fund (UNFPA), UNICEF, UNFPA, USAID, World Health Organization (WHO).*

[65] World Bank Education Statistics
[66] Report Number: ICRR0021026 (ICR for Reproductive & Child Health II Project (FY10) – P110535)

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
	Governance/Gender Indicator 2.3. Deliveries conducted in health facility increased from 42 percent in 2008 to 70 percent in 2013. 2.4. Framework for community-based accountability committees for each public health clinic established.	"young" population and high dependency ratio results in large and increasing cohorts of children, notably from the poorest households who have highest fertility. These dynamics put extreme pressure on poverty reduction and service delivery, further compromising healthcare access and quality. Teenage pregnancy is high at 24 percent of women aged between 15 and 19 have had a birth (year). The high fertility and teenage pregnancy disrupt young mothers' education, further marginalizes women with respect to income generation.	
3. Developed framework for management and supply of safe water and sanitation	3. Increased household access to safe drinking water and sanitation. 3.1. People with access to water increased from 64,000 in 2009 to 115,000 in 2013 in targeted areas. 3.2. People with access to improved sanitation increased from 25,000 in 2009 to 35,000 by 2013. *Governance/Gender Indicator* 3.3. Commercial and technical losses reduced from 60 percent in 2007 to 38 percent in 2013 (Freetown).	People with access to water increased from 64,000 in 2009 to 115,000 in 2013 in targeted areas (Outcome Indicator 3.1) and the number of people with access to improved sanitation increased from 25,000 in 2009 to 35,000 by 2013 (Outcome Indicator 3.2). The Decentralized Service Delivery Project (DSDP, P113757)67 succeeded in delivering water and improved sanitation to communities across the country. The Sierra Leone Multiple Indicator Cluster Survey (MICS), produced by Statistics Sierra Leone, indicates that in 2017 about 67.8 percent of households in Sierra Leone had access to an improved water source. This is an improvement from the MICS (2010), when only 57.1 percent of households had access to improved water. In line with these findings, the 2016 INPSS indicated that 67.4% of households had access to improved water sources[68]. Relating to the number of people with access to improved sanitation services, the Impact Evaluation revealed that as at January 2018, 92.47% of respondents had access to improved sanitation services. The 2015 Water and Sanitation (WSP) Program Report (No. 106722) highlighted lessons learned from water utilities in Sierra Leone and Liberia and stressed the difficulties in increasing tariffs and the importance of restoring utilities' ability to sustainably fund operational costs from sales by improving cost recovery. In 2016 the cost of utility water per M3 in Freetown was US$0.06, while private water sold at 100 times more at US$6/M3. In addition to the lessons raised by the WSP report, it should be noted that the longer the situation of very disconnected water prices from utility	**Projects:** FY12 Decentralized Service Delivery Project Phase II. FY10 GRGC-3. **AAA**: FY12 Public Expenditure Review for Water and Sanitation. FY12 Public Expenditure Review. ***Partners***: *China, DFID, UNICEF.*

[67] Based on following quote: "The driving forces behind the projected 5.5-6 percent annual growth include an increasing rate of private savings and higher public investment – initially in the greater availability of electricity in Freetown, followed by improved water supplies and road access – which are expected to help reduce business costs."
[68] Report No: ICR00004667 (ICR for Decentralized Service Delivery Project – P113757)

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
		and private providers persists, the greater the risk of vested interests taking control of the market, rendering future reforms the more challenging.	
4. To reduce the incidence and consequences of extreme poverty	4. Improved capacity to manage social risks 4.1. Cash for work programs create 4 million person days of employment in target areas by 2013 with increased sustainability (of which 1 million women) from 0 in 2008 *Governance/Gender Indicator* 4.2. Number of women days employment created through cash for work program increased from 0 in 2008 to 1.2 million in target areas.	Under Outcome 4 progress against both Outcome Indicators were substantially below target, as creation of 4 million person days of employment resulted in 1.76 million person days (Outcome Indicator 4.1), and women days employment reached 0.793 million days against a target of 1.2 million women days (Outcome Indicator 4.2). According to the 2010 CAS "Given the issues of youth unemployment and the vestiges of clientelism that are still present in Sierra Leone, the risks of serious disruption to economic development and public order remain." In view of the above, the Youth Employment Support Project (YES, P121052) was appropriate and responded to priorities and demands of the country though there were significant delays and allegations of corruption in its implementation. Furthermore, an impact evaluation of the program assessed the short-term impacts of the labor-intensive public works program implemented the YES Project, on household welfare and economic prospects and found that 8,944 jobs were created directly and 4,343 jobs created indirectly at a cost of approximately US$198 per temporary job created.[69] It further concluded that under the project, each US$7 designated as a direct transfer to beneficiaries generated an additional US$1 of household income.	**Projects:** FY10 Youth Employment and Skills. FY12 Development policy lending. FY09 Integrated Public Financial Management Project. FY10 Rapid Response Growth Poles: Community-Based Livelihood and Food Support Program. FY10 Empowering Vulnerable Youth for Self-Reliance in Kono District and Western Area. **ASA:** FY12 Public Expenditure Review. FY12 Social Protection Assessment. ***Partners***: *UNICEF, WFP.*
5. Ensure sustainable human development through the decentralized provision of	5. Improve predictability, expenditure control and transparency in decentralization and public resource management. 5.1. Number of councils with integrated development plans and budgets increased from 0 in 2009 to 19 by 2013. 5.2. Number of councils receiving timely transfers	Outcome 5.1: All 19 Local Councils prepared integrated development plans, budgets and procurement plans and maintained budget execution rates of 90 percent of available funds for each year. Until September 2016, Outcome 5.2: Through the Decentralized Service Delivery Project (DSDP), all the Councils received transfers in a timely This support has helped councils to continue pursuing their development agenda in the face of unpredicted transfers from the Government consolidated revenue fund. 5.3: This Indicator was revised to read expenditure of individual budget categories (sectors) are to be within 15 percent of budgeted allocations. At the time of assessment, the variance in expenditure composition between actual and originally budgeted primary expenditure was 13.6 percent[70]	**Projects:** FY09 Integrated Public Financial Management Project. FY10 Decentralized Services Delivery I. FY12 Decentralized Services Delivery phase II. FY12 Development policy lending. FY11 Strengthening Internal Audit at the BSL. FY10 Institutional Capacity Building for Combating Corruption in Sierra Leone. **ASA:** FY12Public Expenditure Review.

[69] Rosas and Sabarwal (2016) "Can You Work it? Evidence on the Productive Potential of Public Works from a Youth Employment Program in Sierra Leone" Policy Research Working Paper No. 7580, World Bank.

[70]see Report No: ICR00003645 (ICR for the Governance Reform and Growth Grant/Credit - Series 4, 5 and 6)

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
improved social services. Improve and expand sound public financial management	from crisis response facility increased from 0 in 2009 to 19 by 2013. 5.3. Variance in expenditure for the 20 largest budget heads declines from 13.5 percent in 2008 to <7 percent in 2013. *Governance/Gender Indicator* 5.4. Number of councils meeting at least 75 percent of the service output targets specified in local council policy MOUs by 2013. 5.5. Process for the public oversight of PFM to be in place by 2013. 5.6. Ward Committees holding public meetings and reporting to Local Councils as part of annual development planning and execution cycle increases to 80 percent.	Under the Decentralized Service Delivery Project, 11 of 15 councils met at least 75 percent of service outputs specified in their Subsidiary Agreements (Outcome Indicator 5.4) The ICR highlighted improvements in service outputs to basic service delivery in health, education, solid waste, and water access across Sierra Leone. These improvements build on two mechanisms, CMIs and GRMs, which may have relevance in the fight against corruption. These citizen-government platforms allowed government to manage social risks by responding to citizen voices and showed tangible results. For example, the share of Ward Committee meetings that were made public against a target of 80 percent was achieved (Outcome Indicator 5.6). Ward Committees further reported to Local Councils as part of their annual development planning and execution cycle. CMI has contributed to improved health outcomes, such as reduction of illegal fee-charge practices, increase in the utilization of the health clinics, and improved child delivery at government health facilities and clinics. The success of CMI and GRM has drawn attention from other sectors, including water and sanitation, education, social services, and waste management. GRM provides beneficiaries and wider community members a direct channel to voice complaints and suggestions around projects to Ward Committees, Local Councils, and the Decentralization Secretariat at the Ministry of Local Government. The grievance data analysis for the Decentralized Service Delivery Project indicates that more complaints were non-project related grievances rather than project-related service delivery grievances (e.g., 20 DSDP2 grievances versus 85 non-DSDP2 project grievances). Through the CMI, community members started to actively engage Local Councils and service providers on their responsibilities and service needs, as well as to express ownership towards their communal facilities and services through community contributions in monitoring and maintaining services delivered to their communities. Delays in the effectiveness of the Public Financial Management Improvement and Consolidation Project (PFMICP, P133424) and had not become effective by end of the CAS cycle, and caused Last, Outcome Indicator 5.5 on public oversight of PFM not to be achieved and did not fulfill the SMART criteria[71] related to time and realism.	*Partners*: *DFID, EU, IMF, UNDP, UNHCR.*
Pillar II: Promoting Inclusive Growth			

[71] SMART indicators are: Specific (target a specific area for improvement); Measurable (quantify or at least suggest an indicator of progress); Assignable (specify who will do it); Realistic (state what results can realistically be achieved, given available resources); Time-related (specify when the results can be achieved).

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
6. Enhanced productivity in agriculture and fisheries.	6. Improved efficiency and transparency of agriculture and fisheries. 6.1. 50 percent of target beneficiaries for selected value chains (list) increase production by 20 percent. Achieved for rice, cassava and cocoa. *Governance/Gender Indicator* 6.2. FBOs registered with the Ministry of Agriculture established in all districts by 2013. 189 FBOs established.	The West Africa Agricultural Productivity Program (WAAPP, P094084), which was active from March 2007 to December 2013 was rated by IEG as Highly Satisfactory given PDO's alignment with World Bank and regional strategies, relevance of design, efficacy, and efficiency. Under Outcome 6, there was a disproportional and over-representation of indicators pertaining to fisheries (four Outcome Indicators) against Agriculture (two Outcome Indicators). Agriculture was a larger share of the portfolio and has a larger potential for low-skilled labor absorption and so promotion of inclusive growth compared to the fisheries sector, notably given the low base of agriculture productivity in Sierra Leone e.g., rice average yields are low at <1 ton/ha against World average 3.9 ton/ha in 2014. In addition, Sierra Leone's food exports made up more than 90 percent of the country's merchandize exports in 2000 and agriculture sector combines the potential of economic diversification away from the mining dominance, with a considerable uptake of young, unskilled people from the labor force. Also related to agriculture development is the Rural and Private Sector Development Project (RPSDP, P096105), which was rated in its ICR a Moderately Satisfactory against Outcomes, Bank performance, and Borrower performance. These realities and the sector's importance to inclusive growth call for a continuation of the World Bank's efforts to support development of Sierra Leone's agro-economic sector going forward. RPSDP and WAAPP have a unified monitoring and evaluation (M&E) capacity, which has a mechanism in place to collect all data required to measure all outcome indicators in a timely manner. No indicator has been dropped, and all indicators are updated to December 2013.	**Projects:** FY07 Rural & Priv. Sector Dev. Project. FY10 GEF Biodiversity Conservation Project. FY11 GEF Wetlands Conservation Project. FY 12 West Africa Agriculture Productivity Project. **ASA**: FY13 Sierra Leone Agricultural Sector Review. ***Partners**: EU, FAO, GIZ, IFAD, JICA, KfW, WFP.*
Framework established for maintaining sustainable fish stocks.	6.3. Territorial Use Rights Fisheries legally established for coastal fisheries increased from none in 2008 to 4 by 2013. 6.4. Meet EU phyto-sanitary standard for fish exports by 2013. *Governance/Gender Indicator* 6.5. Fishing vessels observed committing a serious infraction reduced	Outcome Indicator 6.3 on Territorial Use Rights Fisheries (TURFs) was not achieved. However, 33 Community Management Associations were legally established along with their by-laws which are important steps to the establishment of TURFs. Outcome Indicator 6.5: This was removed from the WARFP project by agreement with the government as the private sector company PRECON recruited to support this activity failed to deliver. Outcome Indicator 6.5: Through the WARFP Global Environment Facility (GEF) AF (P156759) which started implementation in 2010 and continued through the CAS period, good progress was made in the fight against Illegal, Unreported, and Unregulated (IUU) fishing. Through WARFP investments in a vessel tracking system VMS) and patrol exercises, trawlers were kept out of an established 6 mile inshore exclusion zone and fined for their illegal fishing practices and arrests were made. In line with WARFP objectives foreign industrial trawling decreased from over 90 vessels	**Projects**: FY10 West Africa Regional Fisheries Project. ***Partners**: USAID DFID EU AfDB UNDP FAO.*

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
	from 88 percent in 2009 to 66 percent by 2013. 6.6. Public disclosure of all fishing licenses and revenues by Ministry of Fisheries and Marine Resources.	in 2009 to 32 by 2012 and national artisanal fish catches were seen to increase by 30% in some locations. During this period WARFP objectives were supported by senior levels of government, but from 2013 a different minister was appointed who did not share WARFP objectives, trawler numbers increased as did the size of trawlers back to pre WARFP levels so that fish stocks are now being overfished and in decline. Outcome Indicator 6.6: The public disclosure of fishing licenses, linked to the West Africa Regional Fisheries Program (WARFP, P106063) was partly achieved within the CAS cycle, license lists were released from 2011 however publication on web site was not regular until 2013.	
7. Improve Standing of Sierra Leone as Investment Destination and job creation.	7. Improved investment climate. 7.1. Reduction in time taken to register a business from 26 days in 2007 to 10 days by 2013. 7.2. Reduction in time of export transactions from 31 days in 2007 to 22 days by 2013. 7.3. Number of bank accounts increased to 300,000 in 2013 from 160,000 in 2005. 7.4. Volume and market penetration of leasing equipment financed increased from US$6.8 mil in 2009 to US$35 million in 2013. *Governance/Gender Indicator* 7.5. Achieve EITI validation standards by 2013.	Highlights under Outcome 7 include achievement of EITI validation, establishment of Financial Intelligence Unit and an increase of bank accounts to 300,000. The Financial Intelligence Unit has been established through the Anti-money Laundering and Combating of Financing of Terrorism (AML/CFT) Act, 2012. The Act was amended in 2019 to strengthen the Bank of Sierra Leone's (BSL's) capacity to monitor AML/CFT issues. The BSL's Act was also amended in 2019 to bolster the institution's independence. Sierra Leone registered tangible progress, albeit from a low level, in Doing Business rankings over the CAS cycle. The Doing Business Report 2012 notes Sierra Leone as one of the economies that improved the most in the ease of doing business in 2010/11 with improvements in 3 or more areas of regulation. In the 2013 Doing Business Report Sierra Leone is mentioned as one of ten countries, which narrowed the distance to frontier in registering property and paying taxes the most since 2005 and 2004 respectively. Sierra Leone is also mentioned as one of two countries, which created a new credit registry or bureau. These achievements can in part be linked to IFC's support to a better business environment through targeted technical assistance. Notwithstanding the above, progress towards Outcome 7 was lower than the general improvements of Sierra Leone's investment climate during the CAS cycle and this deteriorated after the CAS period. For example, in recent years, Sierra Leone has meeting the EITI requirement on time. The most recent case is the 2016 report which published in 2018 and with a lot of issues. In this report, the International Secretariat of EITI identified 14 *corrective actions* that Sierra Leone should undertake to address shortcomings in meeting EITI requirements, as well as 24 *strategic recommendations* for strengthening EITI implementation and transparency.	**Projects:** FY11 Financial Sector Support Project. FY10 Youth Employment and Skills. FY10 Mineral Sector Technical Assistance. FY12 Extractive Industries Technical Advisory Project. FY11 Capacity building for the BSL on monitoring compliance of trade finance facility (IFC). FY09 Integrated Financial Public Financial Management Project. FY11 West Africa Regional Communications Infrastructure Project. **ASA**: FY12 Policy Note : Revenue AdministrationFY12 Policy Note: Road Map to Prepare for Petroleum. ***Partners***: *GIZ DFID UNDP UNCDF.*

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
	7.6. AML/CFT regime strengthened by amendment of AML law and establishment of FIU at BSL by 2013.		
8. Broaden electricity supply throughout the country.	8. Improved access to sustainable electricity infrastructure services. 8.1. Households in Freetown with access to electricity increased from 20,000 in 2009 to 40,000 by 2013. 8.2. Average collection rates increased from 76 percent to 80 percent. *Governance/Gender Indicator* 8.3. Regulatory framework for independent power production established by 2013 (WB)	The 2013 Doing Business report lists Sierra Leone as one of the ten most difficult countries in the world to get electricity and in the top ten of countries with most procedures for getting electricity. The modest progress towards improved access to electricity took place during the period in which the Bumbuna Hydroelectric Environment and Social Management Project closed. Furthermore, Sierra Leoneans paid three times as much for power as did residents of African countries that relied on hydropower, even after the completion of the Bumbuna plant.[72] The 2010 Country Assistance Strategy Completion Report (CASCR) description of issues in infrastructure development including entrenched vested interests and complicated governance reforms in power and roads remained valid. On energy, World Bank have had to develop its own approach to address challenges in the energy sector, including conditioning DPO support to tangible governance improvements. This has resulted to improved access to electricity from a target of 40,000 in 2013 to 200,000 in 2019 and a slight increase in average collection rate from 80 percent in 2013 to 82.7 percent in 2019. Limitations to this approach include the degree to which the World Bank is able to persuade development partners to follow the World Bank's approach. 8.3 Various reforms have been put in place to improve governance and regulation and to encourage private sector participation and investment. These are legislated for in the National Electricity Act and the Electricity and Water Regulatory Commission Act, both of which were introduced in 2011	**Projects:** FY05 Bumbuna Hydroelectric Project. FY13 Energy Access Project. Infrastructure (Energy) (WB/SL.IDF) FY11 Infrastructure (Energy). **ASA:** FY12 Policy Note; Revenue Administration. FY11 Technical Assistance. Tariff Analysis and Integrated Resource Planning Project (Energy). (WB/SL.IDF). FY11 Public Expenditure Review. FY12 Country Economic Memorandum. ***Partners**: China, DFID, EU, JICA*
9. Develop the national transportation network.	9. Maintain and extend key transport infrastructure 9.1. 1,400km of feeder roads rehabilitated by 2013 (AfDB/WB) 9.2. Port container handling performance improved from 8 TEUs/hr in 2007 to 12 TEUs/hr by 2013.	Under Outcome 9 two Outcome Indicators were met: Lungi airport to remain an international airport and the rehabilitation of 1,400 km of feeder roads. While these are important achievements, these were not of major significance to the outcome, namely to maintain and extend key transport infrastructure. Through the Infrastructure Development Project (P078389), major port reforms were undertaken resulting in improved operational efficiency at the port. Container handling capacity increased by 50 percent from 8.2TEUs/hr in 2007 to 12TEUs/hr by 2013; At the same time port break-bulk ships handling increased by 35 percent increase from 850 tons/day to 1150 ton/day. These achievements were made with reduction in the institution's staff strength. The Road Maintenance Fund Road maintenance funding	**Projects:** FY08 Infrastructure Development Project. FY07 Rural and Private Sector Development Project. FY12 Mototoka-Sefadu Road (AfDB). FY10 Lungi-Port Loko Upgrading (AfDB). **ASA:** Transport Sector Strategy- Pro Growth Pro Poor Transport Sector Review (P130377). Airport PSP Options Study (P112977).

[72] Fritz, Levy, and Ort (2014) "Problem-driven Political Economy Analysis", Directions in Development, World Bank.

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
	9.3. Lungi Airport to remain as international airport according to ICAO safety regulations. *Governance/Gender Indicator* 9.4 Independent road fund established by 2013.	and management of works have been separated and expected to lead to more effective management of sector expenditures. An independent road fund, known as Road Maintenance Fund Administration, was established through an Act of Parliament. Majority of staff of RMFA and its Board Chairman are appointed by the President. This system leaves substantial room for presidential control over the road fund. The Lungi International airport now meets the ICAO safety and security standards. The improvement of the airport through IDP investment leads to attraction of airlines from different regions of the world. The runway rehabilitation works, widening of the turning loops & taxiways accesses, relocation of aircraft holding positions and provision of an illuminated wind sock, installation of navigational aids, supply of pipe water and electricity from generators (the latter two were funded by the Government) have improved safety and security at the airport. There has been increase in air traffic at the Freetown airport. Seven Airlines have regular flight to and from Freetown, while there is now direct fight to over 12 countries in two continents. In 2011, about 99,181 passengers had entered the country of which 53 percent or 52,442 were tourists/visitors.	FY12 Country Economic Memorandum. FY10 Political Economy Study with focus on Transport and Energy. FY10 Freetown Ring Road Study (AfDB). FY06 IDP Transport Project. FY07 Rural & Private Sector Development Project. FY12 Pro-poor Transport Sector Strategy FY12 Country Economic Memorandum. ***Partners:*** *EU, GIZ, Islamic Development Bank, Kuwait Fund.*
Pillar III: Extractive Boom			
Economic Development, Trade and Finance - macroeconomic management.	10.1. Key regulations related to mining submitted to Cabinet after extensive consultations: Environmental and Social Sustainability E&S regulations, Precious Minerals Trading Act, Resettlement Regulations, Health and Safety Regulations. 10.2. Establishment of National Minerals Agency. *Governance/Gender Indicator* 10.3. Prioritized vacancies for critical staffing requirements identified	Progress, as indicated by the indicators under Pillar 3, was strong and uniform. Several regulations have been approved after extensive consultations. These include environment and social regulations, the Precious Minerals Trading Act, Resettlement Regulations, Health and Safety Regulations, as well as the establishment of the National Minerals Agency, Petroleum and Gas Law, and the Extractives Revenue Act. On-line repository has been launched but full disclosure of key information remained a challenge; key staff including mining engineers have been recruited and NMA regional offices established to improve monitoring. These achievements have resulted to an increase in revenues from US$15.1m in 2012 to US$34.3m in 2013, and then US$39m in 2014 translated to between 10 and 16% of GDP. However, due to the eventual closure in 2015 of the two largest mines, Africa Minerals and London Mining the economy growth contracted by 21.5 percent. With the just completed Geophysical survey through the Extractives Industry Technical Assistance (P160719) and ongoing reforms through the Third Productivity and Transparency Grant (P169498) supported by the Bank, Sierra Leone's mineral potential is expected yield positive results. One lesson learned in relation to Pillar 3 is that undertaking an Extractive Industries Value Chain analysis creates the foundation for strategic and effective provision of aid related to natural resources extraction.	**Projects:** FY10 Mineral Sector Technical Assistance. FY12 Artisanal Mining Community Development and Sustainable Livelihoods. FY12 Extractive Industries Technical Assistance Project. FY11 Artisanal Mining Community Development and Sustainable Livelihoods Project. Good Governance Partnership Facility. **ASA:** FY12 Public Expenditure Reviews. FY12 Policy Note: Road Map to prepare for Petroleum FY12 Good Governance Initiative. ***Partners***: *DFID. Japan.*

Pillar and Outcome	CAS Outcomes and Indicators	Progress toward Development Goals	World Bank Group Program
	within the Ministry of Mines and Minerals Resources completed and job descriptions and recruitment plans approved by HRMO/PSC and recruitment underway. 1.4. DFGG Strategy for Sierra Leone completed, with priority social accountability instruments and approaches laid out.		

Annex 3. IDA Portfolio and Pipeline

Table 6. Active IDA Portfolio

Resp Dept	Resp Unit	Proj ID	Project Name	Board Approval Date	Rev Closing Date	Proj Age in Yrs	Lst DO	Lst IP	Por t Stat	Net Comm Amt (US$m)	Tot Disb (US$m)	Tot Undisb Bal (US$m)	% Disb
National													
Agriculture and Food													
SAFD1	SAFA1	P153437	Agribusiness Development Support Project	02/18/2016	11/30/2021	4.2	S	MS	A	40.00	20.50	19.30	51.3
Education													
HAFD2	HAFE3	P133070	Revitalizing Education Development	07/31/2014	12/31/2019	5.7	S	S	A	10.00	10.00	0.00	100.0
HAFD2	HAFE3	P163723	Skills Development Project	09/25/2018	10/31/2023	1.6	MS	MS	A	20.00	1.16	18.59	5.8
Energy and Extractives													
IAFDR	IAFE4	P120304	Energy Sector Utility Reform	12/18/2013	12/31/2022	6.3	MS	MS	A	90.00	28.97	56.83	32.2
IEEDR	IEEXI	P160719	Extractives Industries TA Project II	11/22/2017	12/31/2022	2.4	MU	S	A	20.00	10.75	8.80	53.8
Governance													
EA1DR	EA1G2	P133424	PFM Improvement and Consolidation	11/27/2013	03/31/2021	6.4	S	S	A	22.00	15.30	5.96	69.5
Health, Nutrition & Population													
HAFD2	HAFH3	P153064	Health Service Delivery & System Support	06/23/2016	06/30/2021	3.8	MS	MS	A	10.00	5.19	4.66	51.9
HAFD2	HAFH3	P173803	COVID-19 Emergency Preparedness and Response Project	04/02/2020	03/31/2022	0.0			A	7.50	2.50	4.99	33.3
Social Protection and Jobs													
HAFD2	HAFS3	P143588	Safety Nets Project	03/25/2014	06/30/2023	6.1	S	MS	A	47.00	14.39	32.04	30.6
Transport													
IAFDR	IAFT3	P164353	Integrated and Resilient Urban Mobility Project	06/13/2019	06/30/2024	0.8	S	S	A	50.00	1.99	47.36	4.0
Urban, Resilience and Land													
SAFD1	SAFU1	P166075	Freetown Emergency Recovery Project	02/22/2018	02/28/2021	2.1	MS	MU	A	10.00	4.86	5.09	48.6
Finance, Competitiveness and Innovation													
EA1DR	EA1F2	P160295	Agro-Processing Competitiveness Project	07/09/2018	12/31/2023	1.8	S	S	A	10.00	1.15	8.67	11.5
EA1DR	EA1F2	P166601	Financial Inclusion	01/17/2019	06/30/2025	1.2	MS	MS	A	12.00	0.42	11.58	3.5
Total National (13 Projects)										**348.50**	**117.19**	**223.87**	**33.6**

Table 6. IDA Portfolio (contd)

Resp Dept	Resp Unit	Proj ID	Project Name	Board Approval Date	Rev Closing Date	Proj Age in Yrs	Lst DO	Lst IP	Por t Stat	Net Comm Amt (US$m)	Tot Disb (US$m)	Tot Undisb Bal (US$m)	% Disb
Regional													
Energy and Extractives													
IAFDR	IAFE2	P113266	West Africa Power Pool AF - Côte d'Ivoire, Sierra Leone, Liberia, and Guinea Power System Re-development	05/31/2012	12/15/2020	7.9	S	S	A	59.57	30.24	29.33	50.8
Health, Nutrition & Population													
HAFD2	HAFH2	P154807	Regional Disease Surveillance Systems Enhancement (REDISSE)	06/28/2016	01/31/2023	3.8	MS	MS	A	30.00	14.36	14.94	48.6
HAFD2	HAFH3	P152359	Ebola Emergency Response Project	09/16/2014	03/31/2021	5.6	S	S	A	126.00	120.81	0.03	100.0
Poverty													
EA2DR	EA2PV	P169265	Harmonizing and Improving Statistics in West Africa	03/26/2020	12/31/2025	0.0			A	30.00	0.00	29.53	0.0
Total Regional (4 Projects)										**245.57**	**165.41**	**73.83**	**67.4**
Grand Total: 17										**594.07**	**282.60**	**297.70**	**47.6**

Table 7. IDA18 Portfolio

	Project Name	Instrument	Approval Date	Use of Window	Total	National	Regional	CRW
Total					349	292	50	8
P160295	Sierra Leone Agro-Processing Competitiveness Project	IPF	07/09/18		10	10	0	0
P160719	Extractive Industries Technical Assistance Project Phase 2	IPF	11/22/17		20	20	0	0
P163033	WAPP-APL4 (Phase 1): Côte d'Ivoire Liberia Sierra Leone and Guinea Regional Interconnector- Additional Financing	IPF	11/17/17	Regional	60	30	30	0
P163723	Sierra Leone Skills Development Project	IPF	09/25/18		20	20	0	0
P164353	Integrated and Resilient Urban Mobility Project	IPF	06/13/19		50	50	0	0
P165639	Sierra Leone Supplemental Financing for the PTSC-I	DPF	11/30/17		10	10	0	0
P166075	Freetown Emergency Recovery Project	IPF	02/22/18		10	10	0	0
P166390	Sierra Leone Energy Sector Utility Reform Project Additional Financing	IPF	05/17/19		50	50	0	0
P166601	Sierra Leone Financial Inclusion Project	IPF	01/17/19		12	12	0	0
P167757	Sierra Leone SSN Project Second Additional Financing	IPF	07/01/19		30	30	0	0
P168259	Sierra Leone - Second Productivity and Transparency Support Grant	DPF	03/19/19		40	40	0	0
P169265	Harmonizing and Improving Statistics in West Africa	IPF	03/26/20	Regional	30	10	20	0
P173803	Sierra Leone COVID-19 Emergency Preparedness and Response Project	IPF	04/02/20	CRW	7.5	2.5	0	5

Note: As of April 17, 2020. For the COVID-19 Emergency Preparedness and Response Project, US$5 million is from the CRW and US$2.5 million came from the IDA19 national allocation, as allowed by the guidelines for the COVID-19 Fast Track Facility.

Table 8. Selected Indicators of IDA Portfolio Performance and Management

Data as of	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20 @ Mar 31
Portfolio and Disbursements								
Active Projects #	12	14	15	12	11	9	13	12
Net Commitments Amt $m	227.85	275.09	287.49	254.64	253.31	220.31	372.07	362.07
Total Disbursements US$m	138.55	139.92	166.74	111.46	95.05	102.56	146.81	135.22
Total Undisbursed Balance US$m	74.47	136.66	105.69	134.46	148.74	118.12	219.44	219.76
Disbursements in FY US$m	38.99	57.03	70.60	29.49	29.31	58.11	75.18	28.07
Disbursement Ratio for IPF only %	34.4	29.1	32.3	28.4	21.3	23.6	31.2	12.8
IBRD/IDA Disb Ratio	35.0	31.8	26.3	25.8	13.0	18.6	29.6	11.9
Slow Disbursements %	16.7	14.3	13.3	8.3	0.0	11.1	0.0	0.0
Portfolio Riskiness								
Actual Problem Project #	1	1	5	2	1	0	0	2
Problem Project %	8.3	7.1	33.3	16.7	9.1	0.0	0.0	16.7
Potential Problem Project #	1	0	1	1	0	2	2	0
Projects At Risk #	2	1	6	3	1	2	2	2
Projects At Risk %	16.7	7.1	40.0	25.0	9.1	22.2	15.4	16.7
Commitments At Risk US$m	9.80	4.00	59.16	56.00	4.00	62.00	20.00	30.00
Commitments at Risk %	4.3	1.5	20.6	22.0	1.6	28.1	5.4	8.3
Proactivity %	100	100.0	0.0	80.0	100.0	100.0		
IEG Ratings (FY11 - FY18)								
# of Exits	2	1	3	4	2	4		
No. of Projects Evaluated by IEG	2	1	3	4	2	4		
IEG MS+ Outcome Sat %	50.0	100.0	66.7	100.0	100.0	50.0		
ICR Quality Sat %	100.0	100.0	0.0	0.0	0.0	0.0		
Net Disconnect %	0.0	0.0	0.0	0.0	0.0	0.0		
Bank Perf. MS+ @ Entry (%)	0.0	100.0	66.7	75.0	100.0	50.0		
Bank Perf. MS+ @ SPN (%)	50.0	100.0	66.7	100.0	50.0	50.0		
M&E Quality %	50.0	0.0	33.3	50.0	50.0	0.0		
Borrower Overall Performance % Sat	50.0	100.0	66.7	100.0	0.0	0.0		

Table 9. Trust Funds Portfolio

Grant No.	Grant Name	Grant Approval Date	Grant Closing	End Disbursement Date	Grant Approval Amt. (US$m)	Undisbursed Amt. (US$m)	Cumulative Disburseme nt (US$m)
TF0B1190	Energy Sector Subsidy Reform Program	9/25/2019	12/31/2021	4/30/2022	0.10	0.09	0.01
TF0B0480	Expand electricity access in a financially sustainable manner	5/29/2019	12/31/2021	4/30/2022	0.35	0.15	0.20
TF0A9091	Early Works: Building Core Capacities for ECCE Workforce Development (Phase II)	11/9/2018	6/30/2020	10/31/2020	0.20	0.05	0.15
TF0A8642	REACH for Reading KLI 5: Putting Books (and teachers) to work for Better Learning	9/26/2018	12/31/2020	4/30/2021	0.49	0.10	0.34
TF0B0964	TA: Climate, Disaster, and Crisis-Risk Financing for Shock-Responsive Safety Net	8/13/2019	6/30/2022	10/31/2022	1.50	1.21	0.29
TF015725	Adolescent Empowerment and Livelihoods	10/1/2013	6/30/2020	10/31/2020	1.07	0.01	1.07
TF0A7690	Smallholder Commercialization and Agribusiness Development Project	4/17/2019	5/30/2019	11/30/2019	1.84	0.00	1.84
TF0A5251	Strengthening Community Mobilization and Local Council Service Delivery in the Post-Ebola Context	7/6/2017	10/27/2020	2/27/2021	0.25	0.00	0.25
TF0A4737	Strengthening Community Mobilization and Local Council Service Delivery in the Post-Ebola Context	7/12/2017	12/27/2020	6/27/2021	2.75	0.97	1.78
TF0A8495	Monitoring Post Ebola Recovery Funds: A Focus on Service Delivery	9/3/2019	8/31/2021	2/28/2022	0.68	0.27	0.27
TF0A6133	PHRD UHC Sierra Leone	12/1/2017	9/30/2020	1/31/2021	1.00	0.29	0.71
TF0A9867	Optimizing high impact nutrition interventions for the first 1,000 days of life	3/6/2019	12/31/2020	4/30/2021	0.28	0.16	0.13
TF0A7684	Designing public spaces as productive economic assets through tourism	5/23/2018	6/30/2021	10/31/2021	0.75	0.15	0.60
TF0B2570	2.2.-SL-Sustainable Coastal Tourism and a Circular Economy for Plastic Waste in Sierra Leone.	4/5/2020	6/30/2023	10/31/2023	0.22	0.00	0.00
TF0B2575	3.2.-SL- Sustainable Coastal Tourism and a Circular Economy for Plastic Waste in Sierra Leone.	4/6/2020	6/30/2023	10/31/2023	0.23	0.04	0.00
TF0A8877	Enhancing efficiency and private sector participation in Sierra Leone Road Transport Corporation (SLRTC	10/24/2018	3/31/2020	7/31/2020	0.15	0.01	0.14
TF0A7109	Building transport resilience in Freetown	3/8/2018	8/31/2020	12/31/2020	0.36	0.00	0.36
TF0B0669	Quantifying the Road Safety Challenge in fragile cities in Africa – from theory to solutions	6/26/2019	6/30/2021	10/31/2021	0.19	0.17	0.02
TF0A8933	Informing Resilient Recovery Policy, Planning and Investments in Freetown, Sierra Leone	10/29/2018	7/31/2020	11/30/2020	0.45	0.10	0.35
TF0A8187	Unlock the Potential for Grid Connected Solar PV through Private Sector	7/26/2018	12/31/2019	4/30/2020	0.31	0.02	0.29
TF0B2592	Early warning and preparedness planning for Sierra Leone	4/9/2020	12/31/2022	4/30/2023	0.73	0.00	0.00
TF0B0645	Medium Term Debt Management Strategy	6/24/2019	6/30/2020	10/31/2020	0.07	0.00	0.07
TF0B0567	RSR 15: Supporting Youth Employment and Social Innovations	6/14/2019	1/31/2021	5/31/2021	0.11	0.05	0.03
TF0B2291	GFF Preparation – Sierra Leone	2/25/2020	12/31/2020	4/30/2021	0.05	0.05	0.00

Table 10. ASA Portfolio

Task ID	Task Name	Concept Note Approval	AIN Sign-Off	Concept Note Actual	ACS FY	ACS Original/ Revised Date	Age (Months)
P147923	Adolescent Empowerment and Livelihoods in Sierra Leone	5-Mar-2014	Y	15-Apr-2014	2020	31-Oct-2019	73.3
P153009	Can Legal Aid Make Investment in Mining and Agriculture Work for the Local Poor?	2-Oct-2014	Y	28-Sep-2018	2020	30-Jun-2020	66.4
P162502	Sierra Leone Boost	8-Dec-2016	N		2020	10-Apr-2020	40.2
P163519	Sustainable and Efficient Health Financing and Service Delivery in Sierra Leone	22-Mar-2017	Y	12-Sep-2017	2021	31-Dec-2020	36.8
P169035	Sierra Leone- Report on the Observance of Standards and Codes- Accounting and Auditing	31-Oct-2018	Y	9-May-2019	2020	31-May-2020	17.4
P170904	Sierra Leone: Supporting Youth Employment through Social Innovations and Productive Inclusion	22-Apr-2019	Y	25-Sep-2019	2021	30-Apr-2021	11.8
P171128	Sierra Leone- Debt Management Performance Assessment	18-Jun-2019	N		2020	30-Jun-2020	9.9
P172045	State Owned Bank Technical Assistance	23-Aug-2019	Y	16-Jan-2020	2020	29-May-2020	7.7
P172093	Sierra Leone Economic Update	19-Aug-2019	Y	30-Jan-2020	2020	1-Jun-2020	7.8
P172094	Sierra Leone Programmatic Public Expenditure Review	22-Aug-2019	Y	19-Dec-2019	2021	30-Jun-2021	7.8
P172293	DE4A- Country Diagnostic for Sierra Leone	9-Sep-2019	N		2020	26-Jun-2020	7.2
173656	Sierra Leone FSAP Development Module	4-Mar-2020	Y	1-May-2020	2021	30-Oct-2020	1.4

Annex 4. IFC Portfolio

1. **IFC has maintained a team in Freetown for the past 10 years through its Conflict-affected States in Africa (CASA) Initiative, allowing IFC to work closely with public and private sector partners in Sierra Leone and to identify sectors with potential for investment.** CASA's support to investment projects has been instrumental, enabling the initial stages of project development such as key due diligence activities.

Investment Services

2. **Between FY12 and FY18 IFC's investments in Sierra Leone amounted to 12 projects worth US$77 million in own account and US$168 million in mobilization.**[73] By Industry, FY19 commitments are concentrated in Infrastructure, which accounts for 89 percent of total investment volume. Financial Institutions Group (FIG) accounts for 11 percent of the remaining committed portfolio. During the period of FY12 and FY18 IFC's Manufacturing, Agribusiness and Services (MAS) invested in two projects: a project in the manufacturing sector (Vitafoam Sierra Leone), committed FY12 and a hotel project committed in 2016 (FCS RE Teyliom F, Chain Hotel Freetown).

Advisory Services

Between FY12 and FY18, IFC approved advisory services worth US$1.7 million in the areas of Cross-Cutting Advisory Services Public Private Partnership (CAS-PPP) and the FCI Global Practice. Project examples include the Sierra Leone Credit Bureau Project, which was completed in FY14 and aimed to support the establishment of a robust and viable credit decisions. The Sierra Leone Secured Transactions and Collateral Registry (STCR) Project, which aims to increase access to finance for SMEs, micro-enterprises, and women entrepreneurs was approved in FY14 and officially launched with the BSL in FY18. The current FY19 Advisory Services portfolio of US$4.07 million includes: (i) Crop Value Chain Finance (US$0.11 million); (ii) Gas-to-power Market Creation in Sub-Saharan Africa (US$1.96 million); (iii) Sierra Rutile Advisory Program (US$2.0 million).

Box 7. IFC Portfolio Highlights

Africa Leasing Facility II (Mar 2014 - June 2018): IFC facilitated the introduction of finance leasing products through two major microfinance institutions. Cooperation agreements to provide in-depth technical assistance for the microfinance institutions were signed. In collaboration with the Central Bank and the Sierra Leone Investment and Export Promotion Agency (SLIEPA), IFC organized a Leasing Finance Forum to attract local and regional investors to the leasing industry. IFC released a leasing handbook, along with a position paper which was presented to the Ministry of Finance in support of establishing a legal framework for leasing in the country.

SME Business Linkages Program (January 2015-February 2017): The aim of the SME Business Linkages Project was to focus on economic linkages that have the potential to strengthen the capacity of SMEs to successfully engage in procurement opportunities within specific supply-chains in the major sectors in the economy. This was a regional post-Ebola response program. In Sierra Leone the program successfully delivered training to 120 SMEs focusing on the mining, tourism, construction, telecommunication, manufacturing and agribusiness sectors, which are known to have the greatest potential for economic transformation of the country beyond the Ebola crisis.

Sierra Leone Secure Lending Movable Collateral Registry Project (February 2015—March 2018): The project's objective is to increase access to finance for MSMEs. It helped to successfully enact a modern best-practice secured transactions and collateral registry law and a relevant implementing regulation. An electronic collateral notice registry for security interests in movable property was launched in June 2017. The project is expected to generate $80 million in financing to firms, and to benefit 1,400 SMEs and 100 micro enterprises. As of August 2018, 23 financial institutions including 14 commercial banks have registered with the registry with over 100 total number of security interests registered with a value of more than $70 million.

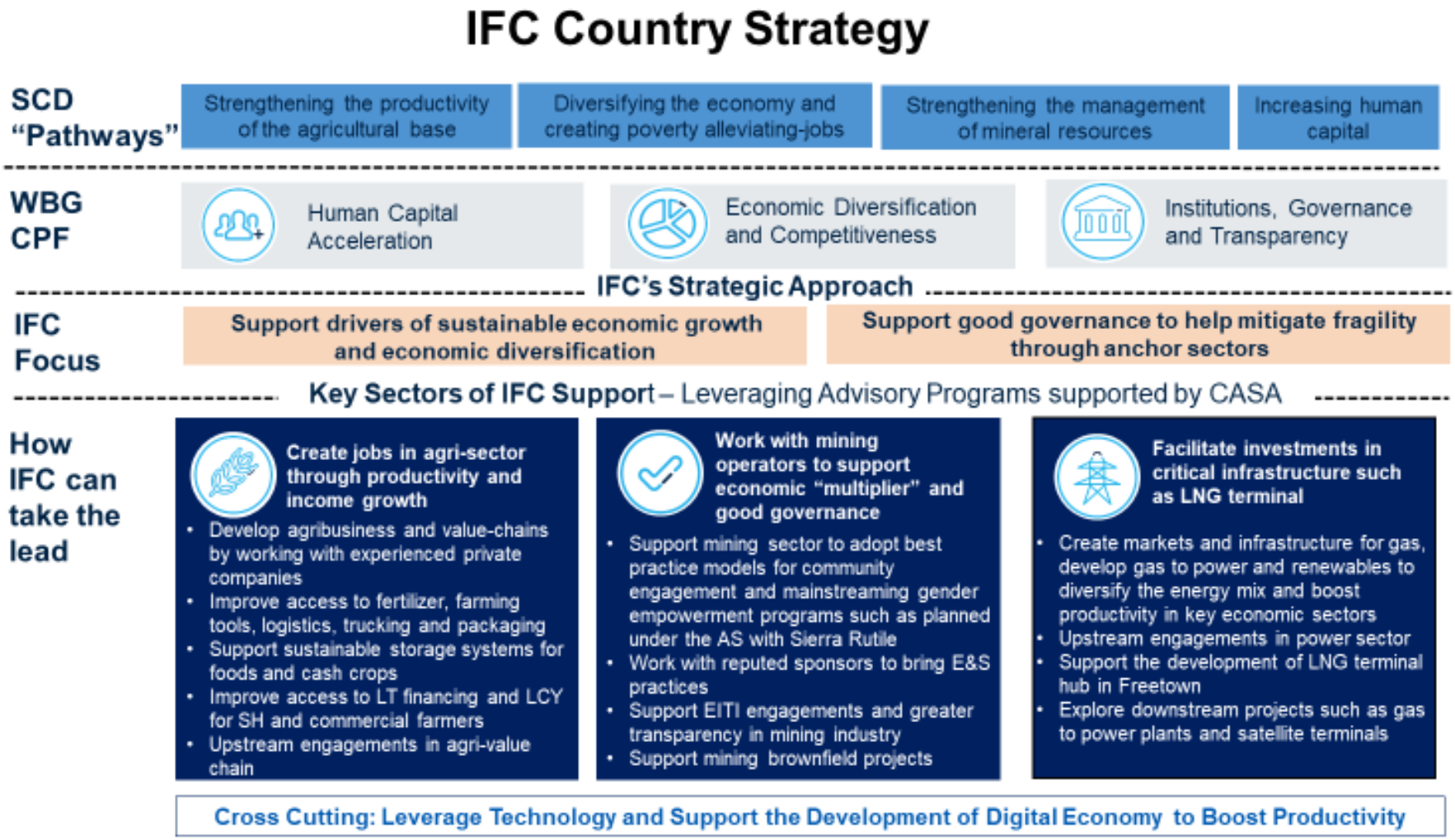
Source: IFC Sierra Leone Country Note, December 2018; IFC Country Strategy, 2019.

[73] FY17 recorded the largest commitment volume due to a $27 million Infrastructure and Natural Resources (INFRA)Project in the electric power sector (Western Area Power Generation Project, which was cancelled after approval due to due diligence issues.

Table 11. IFC Portfolio and Pipeline (December 31, 2019)

Project Name	Sector	Gross Exposure (US$m)
Investment Portfolio		
Sierra Rutile 2	Infrastructure	60.0
GTFP Guaranty Bank Sierra Leone	Financial Markets	3.2
FCS RE CEC Africa	Infrastructure	27.0
Total (3 projects)		90.2
Advisory Portfolio		
Crop Value Chain Finance 4	Financial Institutions Group	0.11
Gas-to-power Market Creation in Sub-Saharan Africa	Infrastructure	1.96
Sierra Rutile Advisory Program	Infrastructure	2.0
Total (3 projects)		4.07
Investment Pipeline		
LNG Freetown Terminal	Infrastructure	28
Total (1 project)		28.0
Advisory Pipeline		
Sub-Saharan Africa Distributed Energy Services Companies (DESCO) Project	Infrastructure and Natural Resources	2.48
Sub-Saharan Africa Lighting Expansion Program	Financial Institutions Group	4.83
Total (2 projects)		7.3

Figure 11. IFC Country Strategy (FY20-FY24)



Annex 5. MIGA Portfolio

1. **Sierra Leone is a priority country for MIGA in the Africa region, in particular given the prevailing fragilities[74] alongside increased interest in foreign investment in the country.** Examples of MIGA's commitment to deepening its engagement in Sierra Leone include (i) a US$94 million MIGA guarantee to support Sonatel's partial acquisition of Orange Sierra Leone, which will help to further strengthen the country's Information and Communications (ICT) sector, and (ii) the Sierra Tropical transaction (US$36 million guarantee) to support Dole's investment in a 4,000-hectare vertically integrated greenfield agro-industrial facility. Both transactions were approved for Private Sector Window utilization.

2. **MIGA is actively exploring opportunities to support private investment in Sierra Leone, especially in the telecoms, commercial agriculture, and power sectors—in particular supporting independent power projects and off-grid power solutions.** MIGA will seek to utilize the IDA PSW in these sectors as well as in other potential transactions, as appropriate.

Table 12. MIGA Portfolio (March 2020)

Project Name	Sector	Investor	Gross Exposure (US$m)
Portfolio			
Cargo Services Freetown International Airport	Services	Groupe Europe Handling SAS	4.1
Orange Sierra Leone	Infrastructure	Sonatel	93.7
Sierra Tropical	Agriculture	Dole Asia Holding	36.0
Total (3 projects)			**133.8**

[74] Sierra Leone last appeared on the WBG's list of Fragile and Conflict-affected situations in FY18, but fragility risks remain.

Annex 6. Consultations and the Country Opinion Survey

Consultations

1. **Private sector**: Private sector participants highlighted concerns about the prolonged impact on business and growth slowdown following the 2018 elections and the absence of sustained public-private dialogue. They also pointed to challenges surrounding high energy costs, gaps in access to finance, the need for local currency financing, skills gaps and uncertain business environment. The Economic Diversification Project will provide support to private-public dialogue, and at the highest level. Calls for transparency and good governance are being addressed in the Extractives Industry Technical Assistance Project as well as in development policy lending (e.g., transparency is one of two key pillars in the Productivity and Transparency Support Grant). The need for a one-stop shop for G2B transactions is being implemented in the Economic Diversification Project.

2. **Government**: National government officials welcomed the alignment with the NDP, and various themes resonated strongly, including the themes focused on human capital, jobs, economic diversification, innovation and technology. Local government and CSOs pointed to the gaps left by discontinued World Bank projects on decentralization and service delivery. These gaps will be addressed in the new governance operation (Accountable Governance for Basic Service Delivery Results Project). Under the Resilient Urban SL Project services to business by local governments are being strengthened.

3. **Journalists, CSOs and Parliament**: The emphasis on citizen engagement resonated with CSOs, parliamentarians and media editors who all stressed the need for stronger accountability and citizen engagement, and the unique ability of the World Bank to nudge government in this area. Parliamentarians and journalists also called for capacity building in technical areas to enable effective budget oversight and monitoring as well as the need for empowering women in these roles. In response to calls for more systematic and regular interaction with the media, quarterly meetings with Media Editors are planned. Dissemination activities of Advisory Services and Analytics (ASA) products will be improved, especially the Sierra Leone Economic Updates, and more generally across other ASAs.[75] Furthermore, through the Global Partnership on Social Accountability,[76] the World Bank will support the capacity of selected parliamentary committees to improve their oversight capacity.

4. **Development partners**: Feedback from bilateral partners through their embassies and development agencies included the need for better coordination especially in areas where partners have strong engagement, especially on PFM, Education, Energy and Private Sector Development), and the World Bank is stepping up its participation and leadership in these areas at a technical and head of agency level. The UN agency officials highlighted entry points for better collaboration on ASA (e.g., PERs) and areas where there is already strong collaboration (e.g., UNICEF on education, FAO on agriculture and land issues).

Country Opinion Survey

3. A Country Opinion Survey was conducted in 2019 (May to June) and solicited feedback from 396 stakeholders from government, civil society, academia and the private sector. A third of respondents were from outside Freetown. Stakeholders identified education (59 percent), job creation/employment (48 percent), agriculture and rural development (32 percent), and health (31 percent) as top development

[75] CSOs such as the Budget Advocacy Network have been particularly vocal about better information sharing with CSOs.
[76] See https://www.thegpsa.org/.

priorities for Sierra Leone. Compared to the previous Country Survey (FY16) the most significant shift in priorities was food security (from 52 percent to 14 percent), while education (51 percent) remained the top priority. Priorities that significantly increased are: job creation/employment has (from 18 to 48 percent in FY19) and agriculture and rural development (from 19 to 32 percent). The main obstacles to economic/social reform that stakeholders identified were: corruption (68 percent) and characteristics of Sierra Leone as a fragile state (27 percent).

- **Poverty reduction**: Respondents identified the following as the greatest contributors to poverty reduction in Sierra Leone: agriculture and rural development (56 percent), job creation/employment (39 percent), education (35 percent), and economic growth and diversification (34 percent).
- **Future engagement:** Aligned with the identified development priorities, stakeholders would like to see the World Bank's emphasis on: education (56 percent), agriculture and rural development (42 percent), and job creation/employment (31 percent).
- **Bringing value to the country**: Stakeholders indicated that the World Bank should "engage more directly with beneficiaries" (27 percent) and "engage more effectively with private sector" (23 percent) to make itself of greater value in Sierra Leone. Respondents also suggested that the World Bank should "reduce the complexity of obtaining WBG financing" (20 percent), "increase the level of capacity development in the country" (19 percent), and "collaborate more effectively with government clients" (18 percent).
- **Engagement**: Stakeholders believe that the World Bank currently plays a relevant role in development in Sierra Leone. Some of the highest ratings in the survey include perceptions of the WBG as a long-term partner, its respectful approach with stakeholders, straightforwardness and honesty, and the manner in which it collaborates with the government and the UN and other development partners. Ratings of the World Bank staff accessibility and flexibility in terms of institution's products and services are relatively lower. In terms of the WBG instruments, Technical assistance (36 percent) and Financial resources (33 percent) are considered the greatest values of the World Bank to the country.
- **Collaboration**: Respondents indicated that in addition to the regular relations with the national government, the WBG should collaborate more closely with local government (33 percent), CSOs (32 percent), and beneficiaries (29 percent) to ensure better development results.

Annex 7. Applying the CPF Selectivity Filters

1. **Consistency with the SCD:** The CPF directly addresses each of the three key binding constraints identified in the SCD that hinder from achieving the twin goals: Instability in macroeconomic climate and poor business environment; limited physical infrastructure and human capital; lack of efficiency and accountability in the public sector. Furthermore, the CPF exploits the opportunities identified in the SCD (highly advantageous geography, abundant renewable and nonrenewable natural resources, young, diverse, and urbanizing population) and the CPF's Focus Areas and Objectives are closely aligned with the priorities SCD pathways and foundational areas.

2. **Alignment with the NDP**. Figure 4 illustrates that the CPF is fully aligned with the NDP. It embraces the government's Human Capital agenda. Other themes that resonate strongly are economic diversification, women's empowerment, employment and governance.

3. **WBG Comparative Advantage:**

- ***Convening power***: The Bank will continue to play an important convening role for leveraging development partners' support around key priorities (energy and human capital) and raise awareness on sensitive topics undermining women's economic participation (adolescent pregnancy and child marriage). Using its convening power relative to the private sector, IFC will leverage private capital in key investment priorities.
- ***De-risking***: The role of the WBG especially in de-risking complex and fragile environments such as Sierra Leone has been increasingly important in crowding-in FDI (MIGA's and IFC's use of the PSW).
- ***Knowledge***: Officials and development partners as well as the CLR acknowledged the analytical support and the quality of the WBG knowledge products. The knowledge is not only to inform operations downstream, but also to bring cutting edge development thinking from our regional and global knowledge products to the country discourse.
- ***Social and environmental safeguards***: With the launch of the new Environmental and Social Framework there has been rising awareness among our clients, partners and private sector. Partnership with the WBG is increasingly being sought because of our track-record with environmental and social safeguards in large FDI operations (IFC's participation in Sierra Rutile (Iluka Resources) and MIGA participation in Sierra Tropical (Dole Asia Holding).

4. **Addressing fragility drivers:**

- ***Implementation risks:*** Complexity of project design and implementation arrangements are major implementation risks. The FCV Unit will be engaged to provide upstream guidance to project teams and advise the CMU at Concept and Decision Review stage to ensure that project design and implementation arrangements are simplified and adjusted for the country context.
- ***Spatial issues*** are also linked to many sources of fragility. Interventions in the North-South will be balanced to mitigate political economy risks associated with the electoral, ethnic, and political considerations. Examples include: the district capitals covered in the Urban Resilience Project and the energy projects. Similarly, interventions targeting Freetown and other district capitals will be balanced to mitigate the historic focus on7 development in the capital. Lastly, the targeting methodology under the Social Safety Net Program will be augmented to cover more extreme poor households in districts with the highest levels of poverty.
- ***Frustrated youth*****:** Youth are targeted in several operations in the portfolio and pipeline related to skills building (Skills Development Project), an employment platform linking underemployed youth with

opportunities, youth trained and paid for maintenance of feeder roads constructed (SCADEP Project) and technical assistance on public works programs as vehicle for youth employment.

- ***Conflict-inducing effects of concessions*:** In large FDI operations land is often a source of conflict with local communities. Special attention is being paid to land acquisition in FDI operations (e.g., IFC's participation in Sierra Rutile (Iluka Resources), and MIGA participation in Sierra Tropical (Dole Asia Holding).
- ***Pandemic risks:*** Due to COVID-19 the economy is likely to experience direct health system-related fiscal impacts, and indirect effects associated with the collapse of global and domestic supply chains and the impacts on businesses. Short-term and medium-term COVID-19 responses will be frontloaded: surveillance, isolation centers, and mass mobilization; cash transfers and food assistance to extreme poor and affected households. Medium-term: support to agriculture for continued food production; grant mechanisms to businesses to maintain supply chains; maintaining energy security and contingent financing to government for immediate liquidity. Long-term needs. Needs: accelerating recovery through building human capital, supporting diversified growth and strong macro-fiscal management. Given the uncertainties related to COVID-19, there will be a need for flexibility allowing resources to shift with the changing country context of the COVID-19 pandemic.

Annex 8. Energy in Sierra Leone

1. **Sierra Leone has one of the lowest electricity access rates in SSA.** Electricity access rate is about 16 percent, limited essentially to Freetown. Only five of the 16 district capitals are partially electrified with a combination of small diesel units and mini hydro plants, while access rates in the vast rural parts of the country are almost zero. About 90 percent of the 172,000 customers are in the urban parts of Freetown. The connected customers (households and businesses) in Freetown suffer from frequent outages, long power cuts, and load shedding. The government has set an ambitious target to increase the electricity access rate to over 30 percent by 2023, through both grid extension, mini-grid and off-grid solutions.

2. **Sierra Leone has a costly mix of generation options.** Sierra Leone has little fossil fuel resources such as oil, gas, and coal but is endowed with abundant renewable energy resources, particularly hydropower and solar energy (Table 13). While liquid fuel-fired power plants generally have lower capital requirements and short implementation periods, they have very high operating costs because of their dependency on imported fuel, which constitutes a foreign exchange drain for the country. In the absence of more efficient options, the reliance on heavy fuel oil (HFO) and diesel generation plants has increased the percentage of fossil fuel-based generation in the energy mix and the cost of power generation.

3. **Operating and commercial losses, and revenue gaps makes the energy sector financial viability is unsustainable and severely impacts the government's fiscal position.** Currently, the over 70 percent of the electricity supplied to consumers is from the Bumbuna hydropower which was publicly financed and does not recoup its capital investments. The sector barely breaks even due to high operating costs and high technical and commercial losses (over 38 percent, much higher than the average of 20 percent for SSA), despite the average consumer tariff of over US$0.18 per kWh (excluding general sales tax, GST). The purchase of each kWh of electricity from privately owned liquid-fuel plants will require subsidy by the government as demonstrated by the 20-MW diesel rental in the dry season in recent years. If the amount of electricity purchased continues to increase, the amount of required government subsidy could be significant, with significant impact on the country's fiscal position.

Table 13. Active Current and Projected and Supply and Distribution Capacity

	Current (MW)	Planned for 2020/21 (MW)
Distribution capacity	73	91
Available generation (rainy)	109 (48 percent hydro, 52 percent HFO)	136
Available generation (dry)	89 (17 percent hydro, 83 percent HFO)	111
Distribution constraint	45 percent	45 percent

4. **The sector's sustainable development could be achieved only by improving EDSA and EGTC's operational and financial performance and developing low-cost generation.** Over time with the introduction of low-cost power such as Côte d'Ivoire-Liberia-Sierra Leone-Guinea (CLSG) interconnection project scheduled to be commissioned in 2020 and the reduction of losses in the grid, the cost of electricity is expected to decrease, and tariffs will cover the cost of service. At the same time, it is critical for EDSA to significantly reduce technical and commercial losses to around 15-20 percent. The collection rate needs to be improved substantially by substituting postpaid meters for the remaining large customers with

prepaid meters, particularly for government entities which account for about 65 percent of the total receivables.

5. **Relative to the needs, development partner support has been modest but growing.** During the last five years, the modest investment in the distribution network under the Sierra Leone Energy Access Project (EAP, P126180), funded by a grant from DFID and administered by World Bank (Figure 12). Coupled with funds from the Japan International Cooperation Agency (JICA) and the Islamic Development Bank (IsDB) development partner investments helped increase the distribution network's maximum capacity in Freetown from around 40 MW to about 75 MW. The World Bank-financed Electricity Sector Utility Reform Project (ESURP, P120304/P166390) is supporting the rehabilitation and extension of the distribution network and would help increase the wheeling capacity of the network to about 130 MW (Table 13) and improve both the reliability and efficiency of electricity supply once it is completed. In addition, there is a great need for more investment to upgrade and strengthen the existing network to improve service quality provided to existing customers and to expand the network to supply electricity to new customers.

6. **The success in attracting private sector participation in generation will critically depend on the ability of the government to build a distribution company as a credible off-taker for the power generated.** The government has also recently embarked on a process to encourage private sector investments to address the inadequate generation capacity. Despite the intention and efforts to promote private investment in the sector, the basic institutional structure and policy framework and procedures as well as staff capacity are not yet in place. As a result, any effort by private sector is characterized by lengthy process, opaque procedures, high cost and unpredictable outcomes. There are many projects on the table with many memoranda of understanding (MOUs) signed, but none has reached implementation stage at competitive price. The current unattractive environment for private sector participation and the prevalence of unsolicited and negotiated power generation deals have led to high transaction costs which reflect in the high cost of potential power generation projects.

7. **Overall, there is inadequate capacity to carry out sector planning, develop and implement sector strategies and policies, and procure, evaluate and implement private-sector generation projects.** Over-reliance on funding interventions from government is expected to diminish over time as the utilities become financially self-sustainable.

8. **Electricity access rate increases, and supply reliability improvements, require investments in new generation capacity and network expansion which need to be well-coordinated**. It takes the effective functioning of the entire power industry chain to generate, transmit and deliver electricity to consumers. Government must coordinate the planning of the power industry chain and implementation of generation, transmission and distribution investments as well as development of consumers. This could help ensure that limited amounts of financing available to the country are prioritized and well-targeted on the key constraints of the power chain so that no assets are stranded, and electricity is delivered to consumers.

9. **Adopting a least-cost development approach is critical to sustainable growth of the energy sector.** International fuel prices are subject to significant fluctuation as witnessed in the recent past. If capital and operating costs are added, liquid fuel-fired power plants are much more expensive than renewable energy plants. Internationally very few countries are developing large numbers of liquid fuel-fired power plants to meet electricity needs. Therefore, Sierra Leone needs to develop and implement the least-cost sector expansion plan which would identify the least-cost electricity to the economy and move the sector toward a sustainable development path.

10. **A competitively procured independent power producer (IPP) framework plus sub-regional imports could help mitigate supply costs.** The institutional framework and procedures for developing and implementing private power projects need to be streamlined and made more transparent, predictable, and genuinely competitive. The capacity of the key government agencies in promoting, evaluating, selecting, and negotiating private sector IPPs should be enhanced.

11. **Off-grid solutions for sparsely populated areas with low income should be considered.** Access to electricity is predominantly in the capital Western area and the development of electrification projects in most provincial towns is a recent phenomenon. In view of the sparse population of the country with very high poverty rates, it would be very costly to extend grid electricity to most of the population, with low affordability. The cost reduction of renewable energy like photovoltaic (PV)/solar provides a new opportunity to provide rural areas with affordable electricity. While the public utility is struggling with electricity supply in Freetown, there are no institutional and policy mechanisms to incentivize private sector and local communities to provide electricity services through the development of renewable energy resources for businesses and households in small towns and rural areas. Innovative institutional and implementation modalities need to be explored to address energy needs in these areas.

Figure 12. Sierra Leone's transmission and distribution network

Existing: 161KV Bumbuna to Freetown

In Progress: 225 kV CLSG (completion 2020)

In Progress: 33kV Bo-Kenema (completion 2021)

In Progress: 225kV India Exim funded Bumbuna II to Freetown (completion 2021)

Proposed: 225vK Waterloo-Bo-Kailahun-Moyamba-Lanti-Pujehun (unfunded)

Source: Ministry of Energy, 2019.

Annex 9. Land Issues in Sierra Leone

1. Land administration in Sierra Leone is a complex dual land-tenure system that is a political compromise between competing interests of elites supporting freehold versus customary tenure.

1. **Freehold land**: Land in the Western Area (which includes Freetown) is administered under freehold but the current process of registration is ineffective and disorganized, resulting in a worsening of the credibility of the cadaster and registry. The weakness of the land administration system has contributed to an environment where: collection of taxes remains difficult; land markets are distorted; and urban planning and the disaster risk management is undermined as evidenced by the destruction caused by the September 2017 mudslides in Freetown.

2. **Customary Land**: Land held under customary tenure in the provinces is the property of indigenous land-owning families, and traditional leaders are not landowners but serve as trustees of such family property which is further complicated by variations in customary land practices among different ethnicities. There is also limited strategic coordination between the traditional conflict-resolution institutions, civil society initiatives and the statutory courts. Increases in population and the advent of new rural investment trends have increased the demand for leaseholds and public infrastructure. Although a legal framework exists that affirms that customary land in the provinces cannot be bought or sold, it does not provide any safeguard mechanisms, no protective oversight and no redress complaint mechanisms for dealing with violations. Most of the confusion and contradictions emanate from the general absence of well-established cadastral boundaries, and situations where community land rights as well as property rights of men and women claimants are in conflict. This is often complicated by corruption, mismanagement and gender-based discrimination.

3. **Gender aspects**: Nearly all ethnic groups practice patrilineal decent, with respect to succession, marriage and other family matters that severely discriminates against women. Legal reform in 2007 removed the customary prohibition against women owning property and made men and women equal in the distribution of estates, but the law is seldom implemented. In many cases, women are denied the right to own land and inherit land upon her husband's death, with the latter being dependent on whether she bore children with the husband or willingness to remarry the male relations of her deceased husband.

4. **Private sector aspects**: Unresolved land-related issues pose a significant risk to foreign direct investment, evidenced by the experiences of IFC (e.g., Sierra Rutile (Iluka Resources)). Regarding MIGA's agribusiness client Sierra Tropical (Dole Asia Holding), the Project is following a robust land acquisition process and this process is being documented in a formal land acquisition plan. MIGA is supporting Dole, the guarantee holders, as they prepare the Plan.

Annex 10. Youth in Sierra Leone

1. **The high levels of poverty and underemployment among the youth—the 15–35 age-group—remain one of the highest risks to sustainable peace, social stability, and development in Sierra Leone**. A frustrated youth demographic is an important source of fragility identified in the RRA (Box 1) and can weaken state-society relations. The youth's access to social media further exacerbates volatility risks.

2. **Youth under 35 years of age account for 75 percent of the population but much of this cohort spent their formative years in the decade-long war.** The youth bulge is therefore associated, in part, with low skills and some frustration around unmet expectations. The youth's low education status and constrained employment opportunities are accompanied by a power asymmetry that may contribute to intergenerational tensions.

3. **While youth represent most of the working-age population, they participate less in the labor market, and fare worse in terms of employment.** Youth represent the largest share of the overall population (66 percent) and more than half the employed population (56 percent). About 70 percent of youth are structurally underemployed.[77] In recent years youth have increasingly moved to urban centers especially Freetown where male youths are largely employed as motorcycle taxi drivers. Furthermore, the complex dual land-tenure system has a general absence of established cadastral boundaries and systematic biases against women and youth affecting land ownership and is at the root of some of the frustrations youth experience.

4. **Sierra Leone's burgeoning youth population further compounds the jobs challenge while younger youth cohorts offer some opportunities.** At current rates of population growth (2.2 percent), the economy will need to create 70,000 new jobs per year to maintain current employment rates and keep up with population growth. A falling dependency ratio offers an opportunity for Sierra Leone, but the realization of the demographic dividend working-aged adults need to be employable—in terms of health, cognitive abilities and skills, a gap especially in older youth cohorts. Younger youth cohorts offer hope as they are more likely to have completed secondary education, and every year more and more girls complete their education (albeit starting at a low base). This holds some promise for delivering on the demographic dividend.

5. **The NDP highlights the "marginalization and exclusion of Sierra Leone's burgeoning youth population from fully participating in the economy of the state" under the policy cluster on diversifying the economy and promoting economic growth.** The 2014 National Youth policy identifies the lack of a mechanism to access labor market information and unreliable data on youth employment as key barriers to inform programming of youth programs. Despite recognition of the importance of more sustained and productive jobs for youth, design of policies and interventions to promote these opportunities suffers from a limited knowledge base in addition to constrained capacity.

6. **There is limited availability of platforms where information on jobs and opportunities that exist in the labor market are regularly posted and updated.** Job seekers mostly and informally access information on available jobs and employment opportunities through friends, relatives, and acquaintances. There is a gap when it comes to providing information that would direct youth to existing programs, services, and employment opportunities. The Sierra Leone Labor Force Survey show that close to ten percent of job seekers stopped searching for jobs because of being discouraged with a perceived

[77] Sierra Leone national youth program, 2014-2018. A blue print for youth development

lack of available jobs as they did not know where to get information on the jobs. Therefore, limited information is a contributing factor to low participation of youth in the labor market.

WBG response: Operations, ASA and Dialogue

- In the **Smallholder Commercialization and Agribusiness Development Support Project (SCADEP)** 40 percent of the 50,000 smallholder beneficiaries are women and youth farmers. At least 50 percent of matching funds are allocated to women and youth producer organizations.
- The **Skills Development Fund** targets largely youth and encourages women's participation of (as students and instructors). The project supports expanding access to private sector demand-led skills training in critical areas (agriculture, fisheries, tourism, mining and construction). Vocational and technical training and apprenticeships will be financed through a competitive Skills Development Fund, with special emphasis on youth, women and persons with disabilities, and prioritize industries where critical (e.g., fisheries, tourism and trading). This will complement investments in entrepreneurship and business incubators (see Economic Diversification Project). The World Bank will explore opportunities for engagement in regional operations on higher education aimed at reducing higher-level skills gaps in priority sectors (e.g., digital skills, health sciences, science and engineering).
- Under the **SCADEP Project**, public works interventions for youth (including disabled youth) will employ semi-skilled youth for construction and maintenance of feeder roads. In addition, support to the Agriculture sector will help scale-up the capacity of the districts to undertake maintenance for the rehabilitated feeder roads using performance-based labor-intensive methods targeting youth.
- Under the **Economic Diversification Project** interventions will build on existing business accelerators, offering SME solution centers, and business incubators will include technical assistance for SMEs and start-ups to stimulate entrepreneurship, especially among women and youth.
- The ASA, **Supporting Youth Employment through Social Innovations and Productive Inclusion** will support the Government's aim to improve jobs matching platforms and highlight opportunities and challenges for youth in accessing productive income earning opportunities in Sierra Leone.
- A **Jobs-related Portfolio Analysis** of World Bank projects in Sierra Leone will be conducted and tracked. The proposed analysis will conduct a review of World Bank and IFC projects that have been financed through WBG resources and the extent to which these interventions are targeted toward addressing specific types of jobs challenges, such as the creation of jobs in the formal private sector, improvement in the quality of informal jobs, and the expansion of access to jobs for vulnerable population groups such as youth and women. These analyses will inform the proposed operation: Productive Safety Net Youth Employment Project (FY22/23)[78] which will include interventions are targeted toward vulnerable population groups such as women, youth and the disabled.

[78] The Youth Employment project may be fast tracked in consultation with the Ministry of Finance.

Annex 11. Regional Integration

As a member of ECOWAS, the Mano River Union and the Community of Sahel-Saharan States (CEN-SAD),[79] Sierra Leone can benefit from a stronger regional perspective in its development planning:

- Regional infrastructure: In addressing the diseconomies of scale facing small countries, positive externalities can be realized from Sierra Leone's participation in regional energy infrastructure, logistics, digital networks and higher education.
- Vulnerability to disease epidemics: Sierra Leone, Liberia and Guinea have porous borders and a high level of population movement that was a source of vulnerability during the Ebola epidemic. Collective action is needed as governments tend to under-invest in disease surveillance.
- Common coastline with Sierra Leone, Liberia and Guinea: Host to the deepest natural harbor in Africa, and within one of the world's most productive marine ecosystems offer opportunities but there are also negative externalities (trawlers escaping regulation by crossing countries' fishing zones) that could be addressed through joint interventions. The deep port in Freetown is furthermore a -sub-regional asset where ships can dock and transshipments (in the form of LNG) being transferred to smaller vessels that can land in the ports of Liberia, Guinea, and Gambia.
- Bringing the country in compliance with regional policy and legal frameworks: The present government is aiming to position the country on a regional and global stage. A key ingredient for this is consistency with ECOWAS laws (such as the Fertilizer Law, Mining Legal Framework) and Common External Tariff (for rice) and Climate-Smart Agriculture.

Promising areas of regional engagement include:

- Energy: In the medium-to-long term, access to the cross-border West Africa Power Pool (WAPP) via the CLSG regional electricity transmission line will allow Sierra Leone to import cheaper electricity (inexpensive hydropower), thereby reducing its reliance on thermal-based generation.
- Logistics: The ECOWAS Trans–West Africa Coastal Highway runs through Sierra Leone and could generate important connectivity opportunities; however, this highway is 80 percent completed, and much of the remaining sections are in Sierra Leone. This will be further explored.
- Digital development: The CPF will support improved digital connectivity through the cascade approach, inter-country fiber optic links and missing segments of national backbones to create a seamless digital infrastructure across the Mano River Union countries.
- Disease surveillance: Regional coordination on disease surveillance will build on existing gains to enhance resilience to communicable diseases and other public health risks. This is all the more important and relevant in the wake of the current COVID-19 pandemic.
- Data and Statistics: A regional statistics project will contribute to enhanced capacity of statisticians at regional centers of excellence. A Citizen Engagement diagnostic will help to formulate action plans and recommendations to strengthen citizen engagement in the WBG program.
- In the areas of Fisheries and Higher Education further engagement with the regional program is needed. Sierra Leone can, for example, participate in the Africa Centers of Excellence for Development Impact Regional Higher Education Project (ACE Impact). Through the ACE Impact, Sierra Leone institutions can be supported to deliver quality and relevant training and applied research within key priority disciplines including health, engineering and agriculture sciences.
- Climate-smart Agriculture and Food Security: Being part of a regional operation will allow for benchmarking, sharing policy, legal and regulatory frameworks, and investments that amplify the impact of national efforts with mutual accountabilities.

[79] See: https://www.integrate-africa.org/rankings/country-profiles/sierra-leone/ Note, this is different from the Sahel

Annex 12. Climate Change

Climate projections in Sierra Leone include increases in temperature, more extreme weather, including more intense precipitation and rising sea levels. In addition to the structural fragilities that Sierra Leone face, there are significant climate change risks as that threaten food security and the livelihoods of most of the population.

Development Challenge	WBG response: Operations, ASA and Dialogue
Rising sea level: With the second most intensive rainfalls in Africa, extreme precipitation and sea level rise are significant threats for coastal flooding and erosion, especially given the concentration of population and economic activity in Freetown as well as deforestation of hills and informal settlement on floodplains. **Risks from high and variabile in rainfall:** Floods account for 85 percent of disaster-related mortality, followed by landslides and storms. Recurrent flash flooding in urban areas and coastal flooding occur every year (June to August). The intensity of rainfall could damage to critical service and transport infrastructure. Floods and waterlogging cause yield reductions and crop failures, as well as post-harvest losses due to infrastructure damage and impassable roads. Variability in rainfall patterns brings vulnerabilities as most of the country's installed energy capacity comes from hydropower. **Heath risks**: Higher variability in rainfall and higher average temperatures are bringing additional health risks (diarrheal diseases and toxic algae blooms leading to seafood poisoning; expanded breeding sites and seasons for mosquitos carrying malaria and dengue. In addition, flooding increases the risk of cholera and other water-borne diseases. **Vulnerability to climate extremes**: Rice, which accounts for the largest share of agricultural GDP is highly sensitive to increased humidity and rainfall intensity and is vulnerable to pests that thrive in higher temperatures. Fish, which accounts for more than 75 percent of animal protein intake, are vulnerable to rising temperatures, which alter nutrient dynamics and water quality in inland fish farms and the Atlantic Ocean.[80] **Deforestation**: Oil palm and other tree crops, like cocoa, have expanded their cultivation	The country's track record on environment managing is not encouraging. It ranked 173 out of 178 countries on the Environment Policy Index, a measure of human health impacts from biological impacts and the protection of ecosystems. Environmental management is hindered by numerous institutional obstacles, including weak technical capacity, poor coordination and monitoring, and little oversight and enforcement capacity. Institutional impediments are rife across the range of state institutions involved in managing the environment. **Targeted disaster risk reducing interventions**: (i) Revision of planning and construction codes for buildings and infrastructure for resilience to disaster risks; (ii) Creating, demarcating, and communicating no-build zones; and (iii) Developing early warning systems, so that weather forecasts are reliable and provide useful services for citizens and for all sectors. Institutions will be strengthened to shift natural disaster management practices from a reactive to a preventive approach, which entails: (i) The development of a comprehensive Disaster Risk Management Framework, legislation and institutional capacity to enforce regulatory compliance; and (ii) Operationalization of the National Disaster Management Policy for preparedness and response to disasters, many of which are consequences of climate change. **Adaptive Scalable Safety Nets**: The expanded safety net system is being developed to also enable rapid and targeted transfer of support to affected, vulnerable households. The availability of this cash-based support will be a critical ingredient in supporting a beneficiary households' ability to cope when faced with the closely intertwined and significant disaster and climate risks in the country. Building the systems for and prepositioning financing to enable the Safety Net Program to scale-up in response to shocks in this manner is a central feature of adaptive social protection and thus will contribute directly towards the IDA19 commitments on climate change. **Reduced fossil fuel risk:** Options for clean energy (solar energy and LNG) are being explored in ASAs, and will be followed with investment projects, as appropriate, while leveraging private capital. LNG has the potential to lower power costs and is the cleanest fossil fuel and represents an excellent alternative to reduce greenhouse gas emissions. To address the **interconnectedness of urban, disaster risk and climate change**, a package of interventions that will be implemented in Freetown and the largest secondary cities.[81] This package of interventions will include urban planning and enforcement; solid waste management. **Climate-smart Agriculture and Food Security**: More work wil be done here. There is very little commitment to address climate change vulnerabilities and being part of a regional operation will allow for the country to benefit from regional momentum for the issue, benchmarking, sharing policy, legal and

[80] Sierra Leone Climate Action Report 2016.

[81] The first round of cities includes: Freetown, Bo, Kenema, Makeni and Koidu.

area and are contributing to deforestation and increasing the sector's CO_2 emissions from inputs and effluents. **Disaster risks**: Sierra Leone is prone to natural disasters, mainly in the form of recurrent floods, drought, and landslides, which are likely to be exacerbated by climate change. **Urbanization and climate change**: The environmental risks facing Freetown are of particular concern due to rising sea levels.	regulatory frameworks, and investments that amplify the impact of national efforts with mutual accountabilities. **Operational** **Design Measures**: CERCs are being included in project design that can be activated for quick-disbursing support to disaster response. **Choice of financial instruments**: CAT-DDO to support the efforts to quickly mobilize resources in the aftermath of a natural catastrophe and to strengthen the disaster and climate-related risk management systems in the country.). Currently seven projects have or plan to include CRECs and a CAT-DDO project is in the pipeline. The existing **portfolio** only weakly addresses climate change risks with the exception of a few projects and pipeline projects will be strengthened to address climate vulnerabilities and build resilience, while also strengthening government's ability to integrate resilience into its investments choices. To this end, the share of projects with climate co-benefits will be increased.

Selected Operations:
Smallholder Commercialization Agribusiness Development Support Project; Safety Nets Project and AF; West Africa Food Security Project; New Energy Project; Freetown Emergency Recovery Project; Integrated Resilient Urban Mobility Project; Resilient Urban SL Project; CAT-DDO; Freetown LNG Terminal (IFC).

Annex 13. Map of Sierra Leone