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COMMISSION DECISION

of 2008

on the Annual Action Programme 2008 in favour of Sierra Leone to be financed from the 10th European Development Fund

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000¹, revised by the Agreement of 25 June 2005 signed in Luxemburg², and in particular Article 18.2 and article 34 of Annex IV thereof,

Having regard to the Internal Agreement of 17 July 2006 between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies³, and in particular Article 11.1 thereof,

Having regard to the Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement⁴, and in particular Article 7 thereof.

Having regard to the Council Regulation (EC) No 215/2008 of 18 February 2008 on Financial Regulation applicable to the 10th European Development Fund⁵ and in particular Articles 21 to 24, 25(1) and 29 thereof,

Whereas:

- (1) The Commission has adopted the Country Strategy Paper for Sierra Leone and the Multiannual Indicative Programme for the period 2008-2013⁶, point 1.2.1 of which mentions the following priorities: Good governance and institutional support; Rehabilitation of priority infrastructure; General Budget support; and as non-focal sectors: EPA support, Agriculture, Regional Programmes, Technical Cooperation Facility, others.

¹ OJ L 317, 15.12.2000, p. 3

² OJ L 287, 28.10.2005, p. 5

³ OJ L 247, 9.9.2006, p. 32

⁴ OJ L 152, 13.6.2007, p. 1

⁵ OJ L 78, 19.03.2008, p. 1

⁶ C(2007) 5788. The CSP/NIP was signed on 9/12/07

- (2) The objectives pursued by the Annual Action Programme are to confront the causes of the civil war which still exist and to support sustainable economic growth. Sierra Leone is a fragile state, emerging from an 11 year long civil war. The UN Human Development Index puts Sierra Leone on the bottom of its ranking of 177 countries. Sierra Leone faces financial crisis, and its budget is highly dependant on foreign aid (+- 50%). MDGs are thus unlikely to be reached by 2015. The EC interventions support pro-poor policies of the Government's Poverty Reduction Strategy Paper (PRSP) and address the current inability of the state to deliver basic services, confront widespread corruption and marginalization and disempowerment of the rural and urban communities (especially the youth).
- (3) The Annual Action Plan will: (i) support the macroeconomic stability and provide additional resources to the Government of Sierra Leone for implementing the policy agenda outlined in its new PRSP through budget support; (ii) strengthen the office capacity of the National Authorising Officer (NAO office) to efficiently execute its mandate as stated in the Cotonou Partnership Agreement; (iii) support the essential identification, preparation and formulation of programmes and sector studies for interventions financed from the European Development Fund through the Technical cooperation facility; (iv) build human capacity and support the definition and implementation of a road sector policy; (v) support the rehabilitation of priority infrastructures, specially through the further completion of the highway connection Conakry-Freetown-Monrovia and (vi) seek to ensure the maximum contribution of the Special Court to the rule of law and the respect for Human Rights in Sierra Leone and in the sub region.
- (4) In addition, € 8 Million Euros from the 10th EDF A Envelope will be dedicated to increase the budget of the road infrastructure programme already supported under the Financing Agreement n°9066/SL with a view to reinforce the works component of the programme in order to face costs increase.
- (5) The measures covered by this Decision are in conformity with the objectives of development finance co-operation as defined in Article 55 of the ACP-EC Partnership Agreement.
- (6) This decision constitutes a financing decision within the meaning of Article 16 of Annex IV to the ACP-EC Partnership Agreement and Article 67 of the Financial Regulation applicable to the 10th European Development Fund. The present decision authorises the relevant authorising officer to sign the agreements by which the Commission acknowledge and accepts the contribution from other donors to the present 2008 Action Programme pursuant to article 9(2) of the Council Regulation (EC) No 617/2007].
- (7) It is appropriate to define the term "substantial change" within the meaning of Article 7 of the Regulation (EC) N° 617/2007 to ensure that any substantial change in this decision shall follow the same procedure as the initial decision.
- (8) The measures provided for in this Decision are in accordance with the opinion of the European Development Fund Committee set up by article 8 of the Internal Agreement of 17 July 2006.

HAS DECIDED AS FOLLOWS:

Article 1

The Annual Action Programme in favour of Sierra Leone constituted by the actions “Multi Donor Budget Support (MDBS) for Sierra Leone”; “Support to an improved functioning of the NAO Office in Ministry of Finance and Economic Development”, “Technical Cooperation Facility III”, "Institutional Support to Sierra Leone Roads Authority 2009 –2012”, "Legacy project-Special Court Sierra Leone", and "Road infrastructure programme – Addendum N° 2 to the Financing agreement SL 9066/SL" the text of which is set out in the attached Annexes, is approved.

Article 2

The maximum contribution of the Community to the 2008 Action Programme is set at EUR 70.170.000 to be financed from the 10th European Development Fund.

Article 3

Within the global indicative budget of all the specific actions, cumulated changes not exceeding 20% of the maximum contribution of the Community and not representing more than EUR 10 million shall not be considered substantial provided that they do not significantly affect the nature and objectives of the Annual Action Programme.

The authorising officer may adopt such changes in accordance with the principles of sound financial management.

Done at Brussels, [date]

For the Commission

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[Member of the Commission]

ANNEXES

Sierra Leone 2008 Annual Action programme

Annex 1: Action Fiche Multi donor Budget Support for Macroeconomic Stabilisation

Annex 2. Support for the improved functioning of the office of the National Authorising officer (NAO) in the Ministry of Finance and Economic Development

Annex 3. Action Fiche SL Technical cooperation Facility III

Annex 4. Action Fiche institutional support to the Sierra Leone Roads Authority (SLRA)

Annex 5. Action Fiche Legacy project-Special Court Sierra Leone

Annex 6 Action Fiche "Road infrastructure programme" – Addendum N° 2 to the Financing agreement SL 9066/SL

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ANNEX 1

1. IDENTIFICATION

Title/Number	Support to an improved functioning of the NAO Office in Ministry of Finance and Economic Development. 2008 - 019/991		
Total cost	<i>EUR 5,000,000 as EC contribution, with EUR 300,000 as GoSL contribution.</i>		
Aid method / Method of implementation	Project approach <i>Partially decentralised management</i>		
DAC-code	99810	Sector	Not specified (ex 51010)

2. RATIONALE

2.1. Sector context

Sierra Leone's 10th EDF CSP/NIP identifies Good Governance and Institutional Support within the First Focal Sector, and 37.0 €million of the total envelope A of 242 €million was allocated to this sector. An amount of 5 €Million (2% of Envelope A) has been reserved for the Support to the National Authorising Office Project.

The Minister of Finance and Economic Development is Sierra Leone's National Authorising Officer (NAO), who is responsible for the joint management of European Commission assistance in accordance with the Cotonou Partnership Agreement (2000-2020). The National Authorising Officer is assisted by an NAO Office, which currently contains seven professionals, including the NAO Director and ancillary support staff. Over the last three years the NAO office has been supported by a three person technical assistance (TA) team, which was recruited on a three year service contract in October 2005. The TA was given the responsibility for strengthening NAO office staff capacity by introducing appropriate office management procedures and effective project management systems.

The recent consolidation of the Ministry of Finance and the Ministry of Economic and Development Planning into a single Ministry, and the absorption of DACO¹ into that Ministry, mean that the NAO is now positioned in the Ministry that is directly involved in aid management and co-ordination. This should help to integrate EU assistance into the government's planning and implementation cycles and to harmonize EU aid with aid provided by other donors.

¹ DACO is the Development Assistance Co-ordination Office responsible for coordinating the monitoring all programmes included in the PRSP. It is also responsible for the coordination of all development assistance and for facilitating donor and GoSL dialogue.

2.2. Lessons learnt

The evaluation of the Support to the NAO project recently undertaken confirmed that the NAO Office has limited professional staff to work effectively and efficiently. It currently operates well below 50% of its required capacity to function effectively as a “decentralized” manager of EDF resources as stipulated by the Cotonou Agreement. It is clear that, due to this situation, all TA supports over time ended up having to perform substitution function rather than advisory and capacity building functions, which in turn limited considerably the value-for-money of the traditional supports to NAO based primarily on technical assistants inputs.

Moreover, the NAO Office has over the decades been unable to recruit skilled personnel due to the poor and unattractive remuneration package offered by GoSL. The morale of those in employment is understandably low.

Whilst in certain areas existing staff capacities have been improved by the last NAO Support, the TA did not introduce a comprehensive project monitoring and management system. Moreover, the 9th EDF Support to the NAO Office has not provided sufficient training and support to line ministries, implementing agencies or project staff.

In terms of office facilities, there is a general shortage of space for staff and the office is indeed dilapidated and needs serious rehabilitation to provide for a decent and safe working environment for its staff.

2.3. Complementary actions

Training and technical assistance for project preparation and programme development financed through The 10th EDF 7.5 M€ Technical Cooperation Facility (TCF), should complement the capacity building activities of the Support to the NAO project. The specific projects that provide technical assistance to address the severe capacity constraints in line ministries, departments and agencies (MDA's), will also complement the capacity building activities of this project, specifically the 10 Million EUR earmarked for Civil Service Reform under 10th EDF.

There is also complementarity between all EC interventions and this project, as it will result in improvements in the implementation capacities of MDA's, which in turn will lead to improvements in the levels of commitments and disbursements.

2.4. Donor coordination

The day to day coordination of development assistance information sharing and consultation between GoSL and donors is carried out by DACO, who is also responsible for ensuring that all development assistance is incorporated into the national annual budget. It organises regular working groups and quarterly meetings to assess progress in PRS implementation.

The EC holds regular coordination meetings with donors with the aim of enhancing information exchange and coordination.

3. DESCRIPTION

3.1. Objectives

The overall objective of the project is to contribute towards increasing the relevance and impact of EC development cooperation on poverty reduction in Sierra Leone. The specific objective is to strengthen the capacity of the National Authorising Office to efficiently execute its mandate as stated in the Cotonou Partnership Agreement.

3.2. Expected results and main activities

Intensive training in relevant areas of EC procedures and on the job support and mentoring for NAO staff will ensure the achievement of greater understanding and improved utilisation of the rules, regulations and procedures applicable to the delivery of EC development assistance by the staff of the NAO office, MDA's and relevant stakeholders. The training effort will reach beyond the boundaries of the NAO Office to target primarily the Ministries which act as Coordinators and Supervisors of EDF projects.

To ensure an efficient NAO office, information management systems and an effective tracking and monitoring system, the project will support the formulation of an appropriate office management system, together with a tracking and monitoring system for projects, programme estimates and contract. On the job training in their use to regularly track and review performance will be provided as well.

Technical support will be provided to strengthen the general capacity of the NAO to participate proactively on strategic issues such as programming, coordination, reviews and dialogue.

The coordination between the NAO and MDA's, and other relevant stakeholders, including Non-state Actors will be improved by establishing coordination mechanisms with the various stakeholders and maintaining regular meetings to review project progress.

The staffing levels and NAO office facilities will be improved. The project will address the problem of the critical understaffing of the NAO Office and will contribute financially – as an interim measure - - to paying the salaries of additional local staff to be contracted under successive programme estimates. Moreover, the remuneration package of existing staff provided by GoSL will be topped up with programme estimate resources. This will allow the creation of a similar pay level for newly recruited additional and for already existing staff and will avoid creation of friction or resentment between staff. Office reconstruction and refurbishing will equally be undertaken to improve the physical infrastructure of the office working environment.

Visibility of EDF interventions and results is assured by awareness raising activities to be financed by the programme estimates.

3.3. Risks and assumptions

There is the risk that technical assistance will be used to undertake line functions and handle procedural issues, as in the previous EDF 9 NAO Support Project, rather than share knowledge and build capacity. This risk will be mitigated by ensuring that TA is used more strategically to strengthen the general capacity of the NAO to fulfil its mandate, and by ensuring that the NAO Office recruits sufficient additional local staff.

GoSL will create the needed additional positions in the organigramme of the NAO Office and the expanded organigramme will be formally approved under Government administrative procedure.

Job descriptions, pay scales and rates for additional allowances will be defined by GoSL in collaboration with ECD before the project starts. ECD will participate in the selection process of the recruitment of the additional staff paid by the project before they are contracted.

GoSL will make available adequate additional office space for the additional staff whilst waiting for the completion of the office rehabilitation and reconstruction.

A visible budget line is created in the national budget to pay and retain the services of all staff at the NAO Office (existing and additional) one year before the end of the final programme estimate.

3.4. Crosscutting Issues

All environmental issues will be given full consideration when undertaking the reconstruction and rehabilitation of the office facilities. Improved sanitary conditions in the offices will have a positive impact on health and welfare. An equal opportunities policy will be applied during the recruitment of staff and technical assistance, and good governance aspects will be taken into consideration by ensuring transparency in procurement practices.

3.5. Stakeholders

As the NAO Office is the conduit of the EC/EDF Support to Sierra Leone, this implies there is a myriad of stakeholders. The key stakeholders include the Ministry of Finance and Economic Development (MOED), Line Ministries Departments and Agencies (MDAs), Non-State Actors (NSA), the EC Delegation and other donors functioning in Sierra Leone. The target groups are staff at the NAO office, MDA's, and other stakeholders involved in the implementation of EC interventions.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Partly decentralised management through the signature of a financing agreement with the Government of Sierra Leone. The contracting authority for the project shall be the EDF National Authorising Officer

The Commission controls ex ante all the procurement contracts except for procurement contracts under Programme Estimates where the Commission controls ex ante procurement contracts >50.000 euro and ex post procurement contracts \leq 50.000 euro. All grant contracts, whether being under Programme Estimates or not, are subject to ex ante controls.

Through the direct decentralised programme estimates, payments are decentralised for operating costs and contracts up to the ceilings indicated in the table below:

The Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective,

so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

Works	Supplies	Services	Grants
< 300.000 EUR	≤ 150.000 EUR (EDF)	< 200.000 EUR	≤ 100.000 EUR

An imprest administrator and an imprest accounting officer shall be assigned to the management and implementation of the project by the National Authorising Officer, in agreement with the Head of Delegation. Programme Estimates will be managed by direct decentralized labour, with the imprest administrator and the imprest accounting officer being senior staff in the office of the NAO.

A Technical Assistance Team (TAT) will assist the Beneficiary in the implementation of the project. The TAT will work under terms of reference agreed by both the NAO and the ECD, and will consist of:

- expertise to provide general technical support, training and guidance on re-organizational/management issues,
- expertise to provide on the job training and capacity building,
- A start-up short term TA will be also recruited.

4.2. Procurement and programme estimates procedures

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the Cotonou Agreement. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 20 of Annex IV of the Cotonou Agreement.

The design (financed from the TCF) and supervision (financed from this project) for the reconstruction of the NAO office building will be combined in one tender. A suspensive clause will be used for the supervision part of this tender in order to allow a timely reconstruction.

2) Specific rules on programme estimates

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

4.3. Budget and calendar

The total project cost is estimated at € 5.3 million, of which € 0.3 million shall be financed by the Government of Sierra Leone.

Categories	EC	Government	Total
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	contribution	contribution	
	EUR	EUR	EUR
Activities			
Training (PE)	280,000		280,000
Technical Assistance	1,370,000		1,370,000
Staff Costs (PE)	1,000,000	150,000	1,150,000
Office Running Costs	500,000	150,000	650,000
Reconstruction and Refurnishing of NAO Office	750,000		750,000
Office space renting during relocation (only if needed)	200,000		200,000
Vehicles, Equipment and furniture	400,000		400,000
Contingencies	300,000		300,000
External evaluation	120,000		120,000
Audit	80,000		80,000
TOTAL	5,000,000	300,000	5,300,000

The execution period of the Agreement will be 72 months. This execution period will comprise 2 phases,

1. Operational implementation phase that starts from the entry into force of the financing agreement and will have a duration of 48 months as from the signature of the financing agreement
2. Closure phase of a duration of 24 months that starts from the expiry date of the operational implementation phase.

4.4. Performance monitoring

The Beneficiary shall establish a permanent internal, technical and financial, monitoring system to the project, which will be used to elaborate the progress reports. Independent consultants recruited directly by the Commission will carry out Resulted Oriented monitoring.

4.5. Evaluation and audit

Independent consultants will be recruited directly by the Commission to carry out a mid-term evaluation mission and a final evaluation, at the beginning of the closing phase.

The EC shall appoint, in accordance with EC procurement rules, a reputable external auditor/accountant to monitor the project's expenditure and the segregation of duties between the Authorising Officer and the Accounting Officer.

4.6. Communication and visibility

The programme estimates will include financial provision for activities to raise the visibility of all EC interventions in Sierra Leone.

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ANNEX 2

1. IDENTIFICATION

Title/Number	SL Multi Donor Budget Support for Macroeconomic Stabilisation		
Total cost	EUR 46,400,000: EUR 39,000,000 (GBS) + EUR 7,400,000 (complementary support PFM) 2008/020-456		
Aid method / Management mode	GBS – centralised management Complementary support – partially decentralised management Complementary support – joint management with the World Bank		
DAC-code	51010	Sector	General Budget Support

2. RATIONALE AND COUNTRY CONTEXT

As programmed in the EC/DfID joint 10th EDF CSP/NIP for Sierra Leone, budget support operation aims to consolidate peace and State institutions by contributing to the macro-economic stabilisation, strengthening core Public Finance Management (PFM) functions and generate an improvement in the delivery of basic social services. It follows past budget support operations (8th - 9th EDF), which supported recovery from the conflict and the move to development. The EC is providing GBS to the GoSL in conjunction with other MDBS partners (AfDB, DfID, World Bank). In such a fragile environment, the EC attaches a great importance in consolidating the macroeconomic framework, in deepening coordination with MDBS and the IMF and deepening dialogue with Government (GoSL).

2.1 Country Context and National Policy and Strategy

2.1.1. Economic and social situation and poverty analysis

As a result of several years of civil war, Sierra Leone ranks last in HDI¹ rating with 51% of undernourishment (2005), 70% of the population living below the poverty line (2006), US\$ 240 GNI per capita (2006) and life expectancy 41 years (2006). The country is still in a phase of economic and social stabilisation. Despite a robust GDP growth², the economy remains fragile with a tiny private sector, weak domestic revenue, high dependence on oil imports, lack of major economic infrastructures and a looming energy crisis. Following a steady improvement up until the beginning of 2007 the reverse international context of rising food and oil prices is reinforcing the fragility of the macro-economic framework. Significant revenue shortfalls, exacerbated by delayed external assistance had complicated budget execution, already weakened in the context of national elections. Since end 2007, efforts are being made to restore fiscal discipline and pursue structural reform. Donors' support appears crucial in the current context.

2.1.2. National Development/ Cooperation Policy and Strategy

National policy and strategy: The Government of Sierra Leone (GoSL) has adopted a Poverty Reduction Strategy Paper (2005-2007) which has been extended until the adoption of a new PRSP (II)³ that will be finalised in October 2008. The 2005-2007 PRSP report IMF-WB (June 2008) confirmed that the PRSP process is established in Sierra Leone. The draft of the new PRSP II presented to Development Partners (DPs) in July 2008 indicates the GoSL's intention to redirect its development strategy towards a

¹ Human Development Index, 2007, UNDP.

² GDP growth is largely led by solid agriculture and mining production as well as buoyant activities in the constructions and service sectors.

³ The document will probably be called Growth Revitalisation and Alleviation of Poverty Plan (GRAP). Therefore, when quoting PRSP II we are referring to the above mentioned document.

strengthening of the productive sector and ensuring an environment conducive of economic growth as a way to reduce poverty. It intends to strengthen political and macro-economic stability and increase revenue to free fiscal space and prioritize poverty spending, and then consequently reduce the relative share of donor funding and the external aid dependency. The GoSL development strategy is in line with the current context.

National Budget and medium term financial perspectives: Estimated GoSL budget for the year 2008 amounts to €229,8 millions including grants. This is expected to increase to €266 millions and €299 millions in 2009 and 2010. However, national budget remains highly dependant on external aid (45%). The objective of the GoSL is to restore budget credibility, to clear arrears accumulated in 2007 and ensure a macroeconomic framework and the PFM capacity of the GoSL. Domestic revenue is projected at 11.9% of GDP, up from 10.8 in 2007. New revenue-enhancing measures have been introduced and are being implemented to make the National Revenue Authority (NRA) more efficient and reduce the relative share of grants in the total revenues⁴. Poverty-reducing expenditures will increase significantly from 3% of GDP in 2007 to 5.6% of GDP in 2008. MDRI will contribute 1.7% to this;

Performance Measurement: Performance measurement is done through close dialogue with the IMF for the macroeconomic situation, and the IMF-WB for the PRSP review (Annual Progress Report process). The MDDBS partners have agreed to assess jointly a Performance Assessment Framework (PAF). The selected indicators for the draft PAF 2009 are coherent with the Millennium Development Goals (service delivery: education, health) and EC priorities in terms of fostering transparency in budget management (PFM reform) and good governance (civil service reform, economic reforms, accountability, etc.). They are also in line with the Government's PRSP priorities. GoSL and DPs have agreed to hold regular budget execution monitoring meetings.

2.2. Eligibility for budget support

2.2.1. National Development or Cooperation Policy and Strategy

The GoSL has done some institutional arrangements within MoFED to strengthen the PRSP preparation process and the aid coordination. The Development Aid Coordinating Office (DACO) is likely to be dissolved and its current functions split into different institutions later in 2008. The PRS monitoring function will probably be under the Statistics Sierra Leone (SSL) and general aid policy may go back to the President's office, while aid coordination will remain under the remit of the MoFED. The Annual Progress Report (APR 2007) has been approved in July 2008 and the PRSP II is under preparation (foreseen to be ready 3rd quarter 2008). The need to go deeper into sectoral policies has been underlined recently (PCB) and may be a challenge in the coming years. The eligibility criterion is met.

2.2.2. Macroeconomic situation

Sierra Leone's GDP growth rate is expected to reach 6% in 2008 and 2009. Reverse impact on food and oil surging world prices will impede inflation to go below 10% in the medium term (2010) and put pressure on GoSL to either lower indirect taxes or rise spending on subsidies to vulnerable groups, in a context of tiny revenue basis. Given this negative global context, donor support appears to be more critical in the following two years. In 2007, Sierra Leone qualified for the HIPC debt relief and additional debt relief under the Multilateral Debt Relief Initiative (MDRI). GoSL has adopted a prudent debt policy to maintain debt sustainability. The 2007 deterioration in the macroeconomic situation and a weak budget management (weak expenditure commitment control, arrears accumulation) has caused the IMF to delay the completion of its 2nd PRGF review. However, the latter review was approved by IMF Board on 7th July 2008. The PRGF was extended one year (until 2010) to give more time to reach PRGF objectives (increase revenue, PFM strengthening, financial sector reform. The current PRGF aims to achieve a stable macroeconomic environment for 2009 and 2010. A Debt sustainability analysis was done in June 2008. The authorities are committed to success in implementing the PRGF and then the EC eligibility is met.

⁴ According to the Government MTEF, major increases in revenue collection for 2008 and 2009 are expected to come from royalties paid on minerals, from road users' charges and vehicle licenses as well as from the income tax department.

2.2.3. Public Financial Management

A PFM-PEFA Performance Assessment Report was carried out in December 2007 and published in May 2008. This report draws a number of conclusions emphasising the improvement in aggregate financial discipline. The report also points at some fiscal management failures but also at weaknesses as regards donor practices (predictability of budget support, financial information provided by donors for budgeting and reporting on project and program aid).

Sierra Leone has made progress in PFM reforms in the last few years monitored in the wider context of the MDDBS. A PFM National Action Plan (NAP) was implemented in 2006-2007, and delivered reforms in a number of areas. The PFM legal framework is in place and the new financial regulations (FMR) were adopted in 2007. However, there is still a need for improvement of budget execution and strengthening of national procurement systems, domestic accountability and of internal/external audit. The key issue is strengthening local staff and institutional capacities. In order to consolidate the improvements made and coordinate donor interventions the GoSL has prepared an Integrated PFM Reform Programme (IPFMRP) supported by donors which is addressing persisting weaknesses in Sierra Leone's PFM system. It comprises a comprehensive set of activities and indicators aiming at promoting efficiency and accountability in the use of public resources. There is strong political commitment on the GoSL side though further prioritisation and sequencing of the programme is needed. The EC delegation is engaging further in policy dialogue with GoSL, MDDBS partners and the IMF in order to achieve this goal. The progress made under the NAP, its following reform and the joint approach of PFM in Sierra Leone contribute to meet this eligibility criteria.

2.3. Sector Policies

Budget support operations and PFM are closely linked to other ongoing and planned sector policies such as the civil services reform, the fight against corruption and the new private sector/productive approach and interventions in agriculture. Besides, social sector policies need to be further developed.

2.4. Lessons learnt

The 9th EDF budget support has been focused on poverty reduction but recent macroeconomic slippages (late 2006) lead MDDBS donors to focus on macro-economic stability and monitoring of the framework PFM reform as it is essential to give the State the means to deliver results in the fight against poverty. Performance assessment (PAF 2009) has been adapted to this new approach.. The MDDBS annual review in July 2008 decided to modify some aspects of the joint system to ensure better predictability (timing of disbursement) and ease budget execution that will improve quality of poverty expenditure. MDDBS partners have agreed to align their strategies and support the IPFMRP. The idea is to increase the effectiveness, coherence and ownership of PFM reform activities and to reduce transaction costs in line with the Paris Declaration and the Aid Effectiveness Agenda. The EC will ensure complementarity with actions from other MDDBS partners.

2.5. Complementary actions

Other donors are providing budget support (WB, DfID) and are currently involved in PFM interventions. A substantial project to support the NRA is being implemented by DfID (£16 million for 3-5 years). Donors' support to social sectors is mainly provided through project approach. Close cooperation with DfID and other DPs will be needed.

2.6. Donor coordination

Donor coordination is organized within the MDDBS framework. MDDBS do have regular and ad-hoc meetings to address budget support, macroeconomic and PFM issues. A stronger coordination with the IMF is needed to monitor the macro-economic situation, budget execution and structural reforms (PFM, economic governance, financial sector). This is in line with the EC communication for fragile states, the Conclusion of the Council (16 Nov 2007) and Paris Declaration. On the GoSL side, MoFED is expected to play a significant role in improving donor coordination.

3. DESCRIPTION

3.1. Objectives

GBS will be focused on maintaining a stable macro-economic/PFM framework in the country to enable the implementation of the PRSP.. Besides, it will ensure continuous support to the GoSL's PFM reform

programme that will contribute to a more efficient, transparent and effective management of public resources in Sierra Leone.

3.2. Expected results and main activities

In the short term, GBS is supposed to ease budget execution, avoid arrears accumulation and strengthen structural PFM reforms. Sierra Leone's macroeconomic framework is expected to be further strengthened (decreasing fiscal deficit, improved current account balance) and budget credibility improved. GBS will support the implementation of the Poverty Reduction Strategy through basic service delivery (monitored with MDDBS indicators). As regards support to PFM reforms, IPFMRP will allow for a more transparent, efficient and effective management of public resources and will reinforce budget support's objectives and results. IPFMRP is fully in line with GoSL objective to restore budget credibility and domestic accountability.

3.3. Stakeholders

The main stakeholders of GBS/PFM will be the GoSL and primarily the MoFED. Provision of financial resources is expected to be allocated to various ministries, in accordance with the GoSL's policy agenda. Ultimately, the population of Sierra Leone will benefit from this budget support operation and related PFM reform, thanks to a stable macro-economic environment and more efficient, transparent and effective management of public finance. Other DPs (and IMF) are also stakeholders.

3.4. Risks and assumptions

The IMF PRGF going off-track is a major risk due to the country's high dependence on external factors, on external financing aid (including budget support) and to the weak domestic revenue basis (highly dependant on mining export resources). In this context, strengthening PFM and budget execution is a key issue. Additionally, the GoSL's lack of resources to implement its commitment with the PFM reform may also be a risk, albeit a minor one given the strong commitment of the current government towards good governance and IPFMRP, in particular. For the time being (July 2008) the country is on track with the IMF PRGF. Global food crises issues could not be divorced from national and local factors. Sierra Leone remains vulnerable to the increase of prices in food and energy (double exogenous shock). The country is facing lost of revenues resulting from the recently reduced tariffs on food and fuel imports. High and volatile prices could have a negative impact on the poor and in terms of fiscal balance, macroeconomic and political stability. Finally, economic governance issues or corruption remains a risk

3.5. Crosscutting issues

The EC budget support should generate positive results at political, economic and social levels. In particular, the IPFMRP should foster transparency and accountability in the use of public funds and thus improve good governance practices. GBS will have a positive impact in gender issues and environment in the framework of the PRSP implementation. There is a specific "gender oriented" indicator in the PAF 2009.

4. IMPLEMENTATION ISSUES

4.1. Budget and calendar

As provided in the National Indicative Programme (2009-2014), budget support amounts to € 90 million. The present Action Fiche covers a three-year direct and untargeted operation (2009-2011). It will be organised on an annual basis with a fixed (FT) and a variable tranche (VT) assessed and disbursed annually at the same time and on the basis of the n-1 and n+1 principle. The first disbursement (fixed tranche) should take place the first semester 2009 Operational duration will be 40 months as from signature of the Financing Agreement. The undisbursed funds of the VTs, if any, could be switched into additional support to the IPFMRP, if needed.

Indicative timetable and amounts (in million Euros) for the Programme:

	2009	2010	2011	Total (M€)
GBS				
Fixed tranches	10	9	9	28
Variable tranches	3	4	4	11
<i>Subtotal Annual tranches</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>39</i>
Complementary support				
IPFMRP – Trust Fund to World Bank	2	2	2	6
Technical Assistance – FWC	0.9	-	-	0.9
<i>Subtotal complementary support</i>	<i>2.9</i>	<i>2</i>	<i>2</i>	<i>6.9</i>
Evaluation		0.25		0.25
Audit			0.15	0.15
Communication and visibility	0.1			0.1
Total	16.4	15	15	46.4

In addition to GBS, the EC will support the implementation of the IPFMRP with € 6 million over the period 2009-2011. This support will be channelled through a contribution to a multi-donor trust fund (MDTF) mechanism administered by the World Bank. The contribution to the TF should be done not only regarding the provisional budget but also taking into account the management of the TF as such. Besides, € 1.4 million will be used to cover specific needs mainly through Framework Contracts as well as evaluation, audit and visibility activities over the duration of the programme.

4.2 Budget support modalities

General, direct and non-targeted budget support.

4.3 Procurement and grants award procedures

For complementary support not provided under joint management with the World Bank, but under partially decentralised management, all contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the revised Cotonou partnership agreement. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 20 of Annex IV of the Cotonou Agreement.

All contracts implementing the action in co-financing with the World Bank must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

4.4 Performance monitoring and criteria for disbursement

4.4.1 Description of performance monitoring arrangements

The MDBS PAF is a key tool for measuring government's performance on the implementation of its PRSP and provides for an opportunity to have high level and in-depth dialogue on progress made and changes needed.

In the area of PFM, monitoring of the PFM performance will be carried out by the EC delegation once a year. The PFM reform will be monitored through a set of agreed indicators on the IPFMRP implementation. The oversight and monitoring of reforms will be undertaken by a "PFM Oversight Committee" which is chaired by the Financial Secretary (FS) and to which DPs participate. The PFM Oversight Committee will meet quarterly. Donors have agreed to ask GoSL to held regular MDBS meetings on budget execution (July 2008). Additionally, an annual review on this GBS will be undertaken to scrutinize the execution of the programme. The aim is to: i) assess the relevance in pursuing the program and possible modifications to specific

conditions and indicators, ii) confirm indicators to be used in the following variable tranche, and iii) decide on possible modifications of the programme, if needed. This review will be carried out by the EC and the GoSL within the framework of the MDDBS donors.

4.4.2 General conditions for disbursement of all tranches

For every disbursement (Fixed and variable tranches) the three general eligibility conditions for budget support operations. So that the EC can evaluate the fulfilment of general conditions, the National Authorising Officer (NAO) shall communicate at the due time information on the following: i) satisfactory progress in the implementation of the Sierra Leone national development strategy, the Poverty Reduction Strategy Paper (PRSP) as evidenced in the Annual Progress Report (APR) or similar; ii) satisfactory progress in the maintenance of a stability-oriented macroeconomic policy as evidenced by fulfilment of the IMF-Poverty Reduction Growth Facility (PRGF) or similar program; iii) satisfactory progress in the implementation of its program to improve PFM. The GoSL shall use its best efforts to supply the EC in a timely manner with all the necessary information needed to formulate an assessment based on the above mentioned i) ii) and iii) points, as well as ensure dialogue around the objectives supported by this GBS program. The EC will decide to disburse on the basis of the assessment of the GoSL requests.

4.4.3 Areas in which specific conditions for disbursement of individual tranches will be defined.

Each year a variable tranche (VT) will be disbursed if specific conditions are fulfilled. The variable tranches 2010 and 2011 and will be disbursed against selected indicators in the areas of PFM reform, Civil service reform, service delivery education and health, aid coordination and any other provided in agreement between the EC and the GoSL from the respective PAFs of those years and disburse according to the rule n-1 and n+1 in order to improve predictability. The 2009 VT will be disbursed against a set of specific indicators linked to PFM. Indicators have been streamlined and their relevance improved in order to better capture progress in PRSP implementation.

4.5 Evaluation and audit

Specific external evaluations will be carried out by the EC Delegation to undertake an independent review of the provision of the EC budget support operation, linked to the MDDBS framework at mid and end term of this GBS respectively in 2010 and after the last disbursement in 2011. These assessments will use the EC format (Evaluation for framework for BS operations). The conclusions will be used in the annual review and to prepare the next GBS/PFM program for the rest of the period (2012-2014). Evaluation reports will be presented to the GoSL and to the MDDBS.

4.6 Communication and visibility

Information seminars to civil society organisations could be organised and documentation in the area of budget support and PFM will be promoted to offer visibility to EC operations in these fields. Contacts with and support activities to Parliamentarians, especially in respect of DPs support to PFM reforms and budget execution will equally provide visibility to EC actions. Press articles in the local press will be produced to highlight EC budgetary support.

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ANNEX 3

1. IDENTIFICATION

Title/Number	Legacy Project – Special Court for Sierra Leone CRIS 2008/020332		
Total cost	EUR 1,100,000 EC Contribution: EUR 1,000,000 SCSL Contribution: EUR 100,000		
Aid method / Method of implementation	Project approach .Centralised management		
DAC-code	15130	Sector	Legal and Judicial Development

2. RATIONALE

2.1. Sector context

Sierra Leone's 10th EDF CSP/NIP identifies Good Governance and Institutional Support within the First Focal Sector, and 37.0M€ of the total envelope A (242M€) was allocated to this sector. An amount of 1M€ has been reserved for the Support to the Special Court for Sierra Leone.

The Special Court for Sierra Leone is the first example of an international tribunal established in the country where the crimes under its jurisdiction were committed. The success of the Court is thus strictly connected to the Court's capacity to convey to the people of Sierra Leone how justice was pursued by the international community and the Government of Sierra Leone through the establishment of the Court, and to ensure that this investment will have a lasting impact. During the course of 2009, judgments will be rendered that deal with specific issues in international justice such as the recruitment of child soldiers and forced marriage. Additionally, the trial of Charles Taylor will continue. The precedent setting work of the Court must be effectively communicated to the people of Sierra Leone and the sub-region. As the Special Court for Sierra Leone (SCSL) nears completion, it seeks to leave a lasting legacy in Sierra Leone. The Court seeks to communicate to the people of Sierra Leone and the sub-region about the work of the Court and its broader objectives of promoting the rule of law, international humanitarian law and human rights. This is of particular importance given the trial of Charles Taylor in The Hague and the need to communicate information regarding the trial and its broader objectives to the people of the region.

2.2. Lessons learnt

The past experience clearly proved that it is vital for the people of Sierra Leone to understand the purpose and operations of the Special Court and the principles by which it operates. Lessons learnt identified that the people of Sierra Leone should be left with a legacy of the court's work that goes beyond the decisions it issues.

A nation-wide survey conducted by Fourah Bay College in Sierra Leone, and funded by the European Commission, reported that of the 10,000 people interviewed, 91% strongly agreed the SCSL contributed to peace building in Sierra Leone and 88% stated that the establishment of the SCSL was the best way to address the crimes committed during the war.

Since 2002 the EU Member States have financed more than 56 percent of the Court's entire expenditures. In addition, since 2003 the EU Commission has been funding activities of the Court through the European Initiative for Democracy and Human Right and the new European Instrument for Democracy and Human Rights (EIDHR). Since 2003 a total of 2,689,952 EUR has been committed directly to the SCSL through three "Victims Justice and Legacy" Projects and in 2007 through "Communicating Justice and Capacity Building" project. The main objectives of the latter are: 1. to communicate the importance of the Court's work and its broader objectives of promoting the rule of law, international humanitarian law and human rights in Sierra Leone and the sub-region; 2. to build the capacity of Sierra Leonean professionals in the justice sector; 3. to inform the people of Sierra Leone and the sub-region about the trial of Charles Taylor in The Hague.

In 2006 and 2007 the ROM (Result Oriented Monitoring) exercise showed that the EC funded activities were successfully implemented by the SCSL. Nevertheless the SCSL encountered significant problems to meet its reporting requirements. Since 2006, in order to insist on and facilitate a timely reporting that would meet minimum requirements, the EC Delegation held several meetings with the SCSL. In 2007 it was agreed that the SCSL will submit quarterly implementation reports for the EC funded projects. The combined system of meetings and quarterly reports will be applied to the EDF project.

After the consultations between the EC and the Government of Sierra Leone during preparations of the 10th EDF strategy it was agreed to earmark 1 MEUR from the National indicative programme for 2008-2013 to cover the outreach activities of the Court in 2009.

2.3. Complementary actions

The project constitutes a continuation of the 4 projects funded by the European Commission under the budget line in support of Democracy and Human Rights. The new EDF project seeks to continue to build on some of the activities of the previous EC support in order to ensure a lasting legacy as well as sustainability in Sierra Leone and the region. The EC support to the Special Court for Sierra Leone responds to the financial needs of the Special Court which relies mostly on voluntary contributions from the international community. Capacity building and institutional strengthening are priority areas identified by the Sierra Leone Government at the presidential policy retreat in February 2008. In line with the identified priorities, the project will primarily focus on activities meant to prepare the road to a long-lasting legacy to Sierra Leone after the end of the judicial activities of the Special Court in 2012. Particularly capacity building of local legal professionals and institutional strengthening of the different sectors of the judiciary system are identified as key areas of intervention.

Areas of complementarity and cooperation with other organisations include the UK Department for International Development (DFID)-funded Justice Sector Development Programme, the UNDP Peace Building Fund's allocation to Sierra Leone for its capacity building for the judiciary in order to reduce the backlog of cases and the Peacebuilding Commission, through its coordination with the newly established UN Integrated Peacebuilding Office in Sierra Leone (UNIPSIL), who will monitor and promote the rule of law and governance reforms for which the policy/strategy is still evolving. The Special Court

will work with each of the above named stakeholders to identify areas of complementarity. A principal forum for collaboration is the Special Court Legacy Working Group (attended by representatives of each of the above-named bodies), and the technical fora of the four sub-working groups on capacity-building, archiving, victims legacy and infrastructure.

This project complements the one-off support provided through the Instrument for Stability. The IfS released emergency funds to be allocated to core costs (mainly staff salaries) of the SCSL while the EDF project will support the implementation of long term activities. In both cases the EC support replies to the financial needs of the Special Court which relies mostly on voluntary contributions from the international community and often faces cash flow problems which put at risk the Court's operations.

The requested EC contribution amounts to €2.5million to be allocated to core activities.

2.4. Donor coordination

An internal Management Committee has been established to assist the Secretary General in obtaining adequate funding and to provide advice and policy direction on all non-judicial aspects of the operation of the Court including the question of efficiency and to perform other functions as agreed by interested states. The Management Committee consists of important contributors to the Special Court. The Government of Sierra Leone and the Secretary General also participate in the management committee. Members on the Committee were appointed by the Group of Interested States (GIS) on the basis of an expression of interest by consensus.

The Special Court controls the objectives, activity plan and outputs of all legacy projects, and aligns these with supervision of all donor contributions. In addition to the current submission to the EDF, the Special Court supervises project-indexed contributions from the following organisations: the MacArthur Foundation, the Oak Foundation, the Rockefeller Philanthropy Advisors, and the Canadian government. In every project submission, the Special Court ensures that full complementarity between project objectives and outputs are achieved.

3. DESCRIPTION

3.1. Objectives

The overall objective of the Legacy Project is to ensure the maximum contribution of the Special Court to the rule of law and the respect for Human Rights in Sierra Leone and in the sub region

The specific objective is to promote a greater understanding of its work throughout the country, facilitate academic research in the areas of international law, international humanitarian law and international criminal law and procedure, to help to protect and support witnesses who have testified for the Special Court and to enhance the capacities of national institutions to manage the justice sector development.

3.2. Expected results and main activities

Expected results:

- Sierra Leonean population is properly and timely informed about the processes and the dynamics of the Court, particularly the trial of Charles Taylor, Increased understanding by the population of the role of the Court and its part in the peace process. Reinforced security situation in the entire region.

- The contribution of the Special Court to transitional justice in Sierra Leone and Liberia is documented and Records of the Court are made accessible to the people Sierra Leone, researchers and practitioners to broaden the understanding of the Court's work beyond the lifespan of the Court.
- Witnesses Protection programmes are started within the national justice system.
- Reinforced capacities of national institutions to support the national justice sector, through an intensive capacity-building programme targeted at maximising skills transfer from the Special Court.

Activities:

1) The Grassroots Awareness Campaign will conduct a number of activities in Sierra Leone, and to some extent, in Liberia. Activities include:

- Town hall meetings and roundtable discussions.
- Strengthening Accountability Now Clubs in secondary and tertiary institutions in Sierra Leone and Liberia.
- Training sessions for of the Sierra Leonean and sub-regional population, aimed at women, children, religious groups, the military, victims groups, ex-combatant groups, etc on topics pertaining to international humanitarian law.
- An assessment of the legacy of the Special Court for the people of Sierra Leone and Liberia, and its contribution to transitional justice.
- Video screening in all provinces of Sierra Leone and Liberia of the trial proceedings.
- Television and radio broadcasting with district outreach officers, civil society participants and target beneficiary groups.
- Building up and maintaining relationships with civil society organizations.
- Facilitating the participation of civil society groups in observing proceedings in the Hague.
- Building partnerships with civil society groups to facilitate national ownership of the outreach programme.

2) The Archive Development Programme will provide training to staff in digital and hardcopy records management. It will also support the records management of the Taylor trial, and will implement a plan for the long-term accessibility of the public records. The Programme will also work to develop the capacity for records management within national institutions, such as the Human Rights Commission.

3) The Interns and Legal Associates Project

Interns and pro-bono professionals will provide support to the Chambers, the Office of the Prosecutor and the Defence Office through legal research (e.g. rights of the accused, rights of the victims, in particular, children and gender equality rights), drafting of decisions and orders, motions, and other legal documents.

Interns will participate to the compilation and distribution of the daily news-clippings from national and international press sources.

Interns will assist the library of the court in cataloguing books and articles and assisting in the electronic record keeping of the library as well as assisting users of the library in particular Sierra Leone users.

Given the decrease in human resource demands of the Court in 2009, the Project will be smaller in comparison to previous years.

- 4) **The Witness Evaluation and Legacy Project** will establish a witness protection and support unit for witnesses within the national criminal justice system of Sierra Leone, with the aim of developing the capacities of national support and protection officers. The structure and the mandate of the unit will be in accordance with the recommendations of the feasibility assessment written by the SCSL in 2008, and submitted for approval to the Government. (The Attorney-General and the Inspector General of Police indicated their support for the feasibility assessment.) The structure will include a resource-heavy protection unit based in Freetown for the protection of witnesses involved in high-level cases. In addition, a witness assistance scheme will be piloted for one year in the district of Moyamba, intended to support (but not overtly protect) witnesses in their lower-level cases. All monies from the EDF for 2009 will go towards the implementation of the first start-up year of the unit, which will be co-funded by donors who have already expressed an interest.
- 5) **The Professional Development Project** will work with the national judiciary, police force, prison service and other justice sector related institutions to provide trainings and secondments with Special Court staff. Courses will be offered in court records management (utilising the expertise developed by the Archive Development Programme), the handling of juvenile cases, and human rights training for prison officers. Where possible, existing Special Court staff will be used, but occasionally external expertise will be used to supplement and enrich courses.
- 6) **The Site Project** will begin to implement the recommendations for the future use of the Special Court site and facilities, building on a thorough consultative analysis of the options submitted to the Government of Sierra Leone in 2008. The assessment of the options was conducted between March and July 2008, and involved meeting with the Government of Sierra Leone, national and international civil society actors, the UN and interested member states. Options include: use as a sub-regional or international court, provision of a memorial site for the civil war, maintenance of a library, or hosting of other UN agencies. The project will continue to lobby donors and interested parties for financial and political capital in support of those recommendations endorsed by the Government of Sierra Leone.

3.3. Risks and assumptions

The main assumption of the project is that the overall mandate of the court is achieved: prosecuting those who bear the greatest responsibility for the crimes committed.

Risks include:

- 1) The inability to reach isolated sections of the population.
- 2) Creation of blockages to the activities of the SCSL by some of the political actors in the region. Strong partnerships will be developed with civil society members.
- 3) Lack of political support for the recommendations on the use of the Special Court site
- 4) The national witness protection unit does not have the necessary political backing to ensure that its resources will not be used for other purposes. This is mitigated by the SCSL's existing relationships with strong governmental supporters of the projects.

3.4. Crosscutting Issues

The Project seeks to promote gender equality, good governance and human rights. The Project will communicate the work of the Court and its broader objectives of promoting the rule of

law and human rights in Sierra Leone and the sub-region. Additionally, the Outreach Section will work very closely with women's organizations. Gender equality will be promoted in all activities.

3.5. Stakeholders

The Project is aimed at civil society in Sierra Leone, and to a limited extent in the sub-region, and includes victims, amputees, ex-combatants (including the military), women and children. The programme will also directly involve NGO representatives, government representatives, traditional leaders and religious leaders across the provinces. Building and maintaining relationships with all sectors of Sierra Leonean and Liberian civil society will ensure the sustainability of the activities. National staff within the SCSL will also benefit from the project activities through focussed training efforts. The following sections will train staff during the implementation period: Detention, Security, Office of the Prosecutor, Communication and Information Technology, and Court Management. The beneficiaries will also include those witnesses and victims who will be supported by the national witness and victims unit that is seeking support under this submission.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project is to be implemented under centralised management. With the signature of the Financing Agreement, the NAO will give full mandate for its execution to the European Commission.

The project will be jointly elaborated by the European Commission Delegation in Sierra Leone and the SCSL by assessing the feasibility and defining the implementation agreements. The actions to be financed will be chosen in an objective and transparent manner.

The EC financial contribution will be implemented following the signature, between the EC Delegation in Sierra Leone and the SCSL, of a Grant Contract. EC audit, control and procurement procedures will be applied.

Each of the integrated components of the Legacy Project will be led by one or more focal points (Programme Officers) within the Sections. The programme officers will regularly consult each other to guarantee that the implementation of their activities is harmonised and that the results are maximised by the synergy of the activities foreseen.

Where additional human resources positions are proposed for funding under the grant agreement, those positions will be supervised by the international staff provided under the Court's own budget.

Overall co-ordination and strategic guidance will be provided by the Project Co-ordinator in the Registrar's Office, under the supervision of the Deputy Registrar, to ensure that the different components complement each other towards the overall objectives outlined above. Close consultation with the Administrative Support Section and the Budget Office will provide integrated administrative and financial guidance to the individual programme officers.

4.2. Procurement and grant award procedures

Following the signature of the Grant Contract, the project will be implemented by the Special Court of Sierra Leone according to EC audit, control and procurement procedures. .

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80% [if full financing provide the justifications for it]. Full financing may only be applied in the cases provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund. .

- derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

4.3. Budget and calendar

The EC maximum contribution is € 1,000,000. The SCSL will contribute € 100,000. The activities will start in 2009 and are foreseen to end in 2010. The execution period of the Agreement will be 48 months as from the signature of the financing agreement. The project will have an indicative implementation period of maximum 24 months as from the signature of the Financing Agreement.

The Project Budget will clearly indicate the amounts set aside for audit, evaluation and EC visibility actions.

Indicative Budget

Categories	EC contribution	SCSL contribution	Total
	EUR	EUR	EUR
Contribution Agreement/ Grant Contract with SCSL	900.000	90.000	990.000
Communication/ Visibility	10.000	10.000
Monitoring, External	50.000	50.000

Evaluation			
Audit	50.000		50.000
TOTAL
	1.000.000	100.000	1.100.000

4.4. Performance monitoring

Day-to-day technical and financial monitoring will be a continuous process as part of the Beneficiary responsibilities. To this aim, the Beneficiary shall establish a permanent internal, technical and financial, monitoring system to the project, which will be used to elaborate the progress reports. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out external monitoring in the framework of the ROM system.

The SCSL will, in their accounting, audit, internal control and procurement procedures, apply EC procedures. Moreover, the European Commission Delegation will ensure monitoring and ex post control of the implementation by the SCSL of actions financed from 10th EDF resources.

4.5. Evaluation and audit

The SCSL will contract an external evaluation to carry out a mid-term evaluation of the project aiming at determining the fulfilment of objectives, the impact and sustainability of the project, and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out a final external evaluation at the beginning of the closing phase. A final external evaluation will be carried out by the Beneficiary as well.

An audit of the accounts of the Court will be conducted by both internal and external auditors.

At the end of the implementation period the SCSL will submit an audit report alongside with the final report and the request of final payment. The ECD reserves the right to perform an external audit by using the specific framework contract for auditing programmes and projects of external aid for development financed by the EDF and the EC Budget. The audits can also cover contributions of the EC to international organisations in the context of development aid.

4.6. Communication and visibility

The Special Court will ensure that all EC funded activities are made visible and are publicized in all activities and publications. A visibility action plan will be agreed with the EC Delegation within one month after the signature of the Contribution Agreement.

The SCSL agreed that specific measures and initiatives shall be undertaken to ensure participation and adequate perception of the EC efforts among all the stakeholders of the project. These shall be further discussed and agreed upon by the Delegation and SCSL.

ANNEX 4

1. IDENTIFICATION

Title/Number	Institutional Support to Sierra Leone Roads Authority 2009 – 2012 Decision number FED/2008 / 020-000		
Total cost	EUR 3,000,000 as EC contribution		
Aid method / Method of implementation	Project approach – partially decentralised management		
DAC-code	21010	Sector	Transport Policy and administrative management

2. RATIONALE

2.1. Sector context

The public road network of Sierra Leone totals about 11,000 km of which about 8,000 km is classified in the National Road Systems (NRS) and the remaining 3,000 km is made up of local networks and unclassified roads and tracks.

Management of all public roads in Sierra Leone has been the responsibility of SLRA since its creation by an Act of Parliament in 1992. The Act makes provision for SLRA to delegate its responsibilities for certain roads to local government bodies. The sector study prepared by the World Bank in 2004 highlighted the need for SLRA to undergo a restructuring process. The Government's Letter of Sector Policy of October 2005 recognizes that the existing institutional framework and capacities are not adequate to sustain the road network. The Government, with the support of the donors, is committed to pursue the restructuring and reform of the road sector. However, the progress is slow and encounters several problems.

Given the present financial constraints of the Government, the institutional restructuring faces the challenge of recruiting qualified senior staff and defining compensation for retrenched staff. The new appointments are essential to address a number of key actions, as initiating the process of amending the legislation, creating the independent Road Fund or privatising the Mechanical Services Unit. These difficulties are being addressed by the World Bank project, with the establishment of the Road Sector Restructuring Committee that is under the leadership of the National Commission for Privatisation.

The insufficient staff capacity to manage roads projects, both road fund financed maintenance programmes and donor financed road rehabilitation projects, is limiting SLRA's possibilities to implement the much needed road improvements. A continued support to enhance the SLRA institutional capacity to plan, develop, manage and maintain the classified road network is indispensable to reinforce the ongoing restructuring process.

The Government needs to develop an overall Transport Policy and prepare a National Transport Strategy for the period beyond 2007. In particular, the road sector requires a coherent and consistently applied policy linked to a projection of resources and their planned use. The establishment of a result-oriented road sector policy is significantly constrained because of the limitations of the Road Maintenance Management Unit at SLRA, the heart of the future sector Performance Monitoring System. For instance, there is not reliable geographical data on the location and condition of most of the feeder roads. A poor framework for co-ordination among Government agencies, Government-donor and intra-donor relations is also an obstacle for a sector-wide approach.

The density of the Sierra Leone road network and high proportion of feeder and local roads (around 60% of the total network) entail a need for a decentralisation of the road management. The reform of the road sector will need to be accompanied with devolution of the urban and feeder roads to the councils. Up to now, despite the persistent demand from the councils, very little action has been taken to strengthen the capacity of the local authorities and to establish a system for transferring resources from the Road Fund.

2.2. Lessons learnt

Main lesson learned by the EC and its partner donors as based on best practice in previous interventions in Sierra Leone, including the 7th EDF and 9th EDF SLRA support programmes, is that it is essential to ensure "ownership" of programmes by the recipient body. In the past donors through their TA supports have often tended to develop their own implementation mechanisms in order to by-pass perceived administrative obstacles.

2.3. Complementary actions

Although it is not considered a co-financing, the Institutional Support activities from the IDA-World Bank project, aiming to reform and restructure the road sector, are incorporated in the formulation of this EC project. The budget of the IDA project activities is 1M US\$. The purpose of this approach is to reflect the sector donor coordination and to give more coherency and a better understanding of the formulation process.

In parallel to the present institutional project, the EC intends to contribute with 75M € from the 10th EDF to the rehabilitation and/or reconstruction of the road network. The priority roads to be included are still under identification.

2.4. Donor coordination

The achievements in the sector are reviewed in the monthly tripartite meetings NAO/SLRA/EC. These monthly meetings NAO/SLRA/EC will in the future be extended to the other donors (WB, AfDB...) and representatives from the relevant Ministries (MoTA, MoWHI and MoFD) and the NCP. These extended joint coordination meetings will be held about four times per year and in connection with missions from the WB and AfDB. In parallel, SLRA, assisted by the NAO and the EC, organises on a regular basis bilateral meetings with the different stakeholders for the EDF funded projects.

3. DESCRIPTION

3.1. Objectives

The overall objective to which the project contributes is to enhance socially and economically sustainable development of the population by the elimination of constraints to road transport and consequent reduction in costs.

The project purpose is to enhance the domestic capacity and to support the definition and implementation of the road sector policy.

The present action maintains the EC institutional long-term assistance to SLRA but having an innovative and wider approach. It will contribute to deepen the reforms initiated with the support of the World Bank, focusing on the preparation of the sector to be eligible for a sector policy support programme. The institutional capacity of SLRA to rehabilitate and maintain the classified road network remains the main challenge. However, the purpose of the action is to move further and to give a medium-term perspective to the sector in terms of policy-making, financing and expenditure, monitoring and harmonisation of project management.

3.2. Expected results and main activities

The expected results and the indicative main activities related to each result are:

1. SLRA institutional capacity to plan, develop, manage and maintain the classified road network strengthened.

1.1. On-the-job training and support for SLRA staff at Headquarters and in the regions.

1.2. Specific training (Contract management, Claims and disputes, road sector SPSP, ESIA...).

1.3. Short-term technical assistances for urgent studies and assessment of claims and disputes.

1.4. Supply of equipment and vehicles to face the budgetary and logistical constraints during the restructuring.

1.5 Rehabilitation of SLRA Headquarters building and rehabilitation/construction of Regional offices.

2. Road sector eligible to benefit from a multi-donor Sector Policy Support Programme (SPSP).

2.1. Redefinition of the Roads Sector Policy for the future National Transport Strategy.

2.2. Development of the performance monitoring system of the road sector (RMMS).

2.3. Continuous support to SLRA in financial management and accounting procedures including building capacity to formulate a Medium Term Expenditure Framework for the road sector.

2.4. Strengthen government-led donor coordination to harmonise systems for reporting, budgeting, financial management and procurement.

2.5. Improve coordination within national agencies involved in the road sector.

3. Decision-makers are provided with information on the possibility to transfer the responsibilities of the Urban and Feeder Roads to the District and Local Councils.

3.1. Study to assess district and local capacities and action plan to initiate the process

3.2. Study to assess the capacity and the interest of the domestic construction industry

3.3. Risks and assumptions

Assumptions related to the achievement of the results, once the activities are implemented, are: (a) Restructuring of the institutional framework of the road sector progressively completed: (a.1) Amendment of 1992 SLRA Act; (a.2) Restructuring of the SLRA including recruitment of the new senior management; (a.3) Establishment of an independent Road Maintenance Fund, appointment of the Board and recruitment of the senior management; (a.4) Privatisation of the Mechanical Service Unit; (b) In the framework of the civil service reform, salary levels at SLRA increase in order to attract and maintain qualified staff; (b) Procurement process identifies properly qualified contractors; (c) Government commitment to pursue decentralisation continues.

Assumptions related to the accomplishment of the project purpose, once the results are achieved, are: (a) A stability-oriented macro-economic policy is under implementation; (b) A credible and relevant programme to improve Public Financial Management is under implementation; (c) The fuel levy is progressively increased to adequately cover the full and periodic maintenance of the classified network; (d) Domestic contractors increase in number and in capability to perform.

Assumptions related to the contribution to the overall objective, once the project purpose is accomplished, are: (a) Political stability continues; (b) World oil prices stabilize; (c) Global economy remains stable.

Assumptions related to the capacity of the contractors will be carefully monitored during the implementation of the project. A very relevant 9th EDF project for rehabilitation of feeder roads using local contractors will start in the second semester of 2008 (9-ACP SL-16). At the procurement stage, the EC Delegation will actively help the SLRA in identifying potential incompetent contractors or consulting firms.

Achievements and/or delays in the Sierra Leone decentralisation process and possible impacts on the devolution of feeder and urban roads will be monitored in close cooperation with Decentralisation Secretariat that receives support under the 9th EDF through the Decentralised Capacity Building Programme (9-ACP SL-18).

3.4. Crosscutting Issues

Although there are no immediate major socio-cultural or gender issues presently identified on the sustainability of the project, activities include specific training on environmental and social monitoring to ensure that anticipated social and environmental benefits are being achieved and that appropriate mitigations are in place to avoid negative environmental or social impact, especially on vulnerable groups as women traders, schoolchildren and disabled/old people.

3.5. Stakeholders

The Ministry of Transport and Aviation (MoTA) has the overall responsibility for policy-making and definition of implementation strategies in the Transport sector in Sierra Leone. The role of the Ministry in the reform process is central and requires a robust capacity in terms of leadership and responses to parliamentary queries on the present state of the ongoing restructuring when it comes to proposed legislation. According to the 1992 SLRA Act, the Roads Authority is under the supervision of the Ministry of Works, Housing and Infrastructure (MoWHI), in particular in matters

relating to infrastructure works. Furthermore, the Ministry of Finance and Development (MoFD) is a key actor, particularly with regard to the reform of the Road Fund and the allocation of budget resources to the transport sector. The Road Sector Restructuring Committee (RSRC), established under the leadership of the National Commission for Privatisation (NCP), and with membership drawn from NCP, SLRA, MoFD and MoWHI, has the mandate to lead and oversee the road sector restructuring process and make recommendations to the Chairman of NCP.

The road transport sector comprises the Sierra Leone Roads Authority (SLRA), the Sierra Leone Road Transport Authority (SLRTA), and the Sierra Leone Road Transport Corporation (SLRTC). Its goals and development objectives are to ensure physical access to basic social services and markets through an improved and sustainable maintained road network and an efficient road transport industry.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The implementation will be done as partially decentralised management through the signature of a financing agreement with the Government of Sierra Leone.

The Commission controls ex ante all the procurement contracts except for procurement contracts under Programme Estimates where the Commission controls ex ante procurement contracts >50.000 euro and ex post procurement contracts ≤ 50.000 euro. All grant contracts, whether being under Programme Estimates or not, are subject to ex ante controls.

The Government of Sierra Leone represented by the NAO will be the Contracting Authority. The SLRA and the Ministries involved in the transport sector will be the main beneficiaries. The contracts financed will be supervised by the SLRA. In principle, the project will be assisted by one service contract, two supply contracts and one works contract. The service contract will provide a long-term technical assistance team, a provision for several multi-discipline short-term experts and training of permanent staff of SLRA and of the relevant Ministries. The procurement of vehicles & equipment and the rehabilitation/construction of HQs/Regional offices will give SLRA the means to carry out its responsibility during the reform process. The project also includes provisions for evaluations and audits. Contingency funds are foreseen to cover for additional inputs as required during implementation. Tender procedures and contracts will follow the normal EDF procurement rules and procedures.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the 10th EDF. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 20 of Annex IV of the Cotonou Agreement.

4.3. Budget and calendar

The operational duration of the project is 48 months, starting in 2009 and finishing in 2012. The total contribution from EC is limited to €3 million from the 10th EDF NIP. In addition Sierra Leone's own input to the project is primarily human resources for procurement, contract administration, co-ordination and follow-up, in addition to certain logistics, office facilities etc. The overall cost of €3 million is broken down as follows:

A)	Service contract:		
	A.1	Technical Assistance to SLRA	1,00 M€
	A.2	Short-term experts incl. supervision of the work's contract	0,40 M€
	A.3	Training	<u>0,30 M€</u>
B)	Supply contract		1,70 M€
C)	Works contract		0,45 M€
D)	Evaluations		0,50 M€
E)	Audit		0,05 M€
F)	Contingencies		0,05 M€
			<u>0,25 M€</u>
		Total:	3,00 M€

The service contract should be launched immediately after signing of the Financing Agreement. The consultant should be in place by the second half of 2009 for a period of 24 months spread over the operational period of the FA.

4.4. Performance monitoring

The monthly NAO/SLRA/EC meetings will analyse the achievements in the sector according to the monitoring performance indicators and propose consequent action. The performance monitoring system of the sector is still to be developed by the project. A set of indicators already pre-identified are included in the Logical Framework:

1a) Administrative delays (number of days) in the management of the contracts according to the contract conditions, particularly: in preparation of technical specifications for works contracts, in preparation of terms of reference for services contracts, in technical evaluation of tenders, in sending administrative orders, in certifying works and approving payments, in assessing contractors' claims, in replying to contractors' correspondence

1b) % of the SLRA staff having benefited from capacity building actions

1c) Headquarters and Regional offices rehabilitated/constructed

2a) Sector policy defined at the target date

2b) Sector performance monitoring system operational at the target date

2c) Sector MTEF formulated and yearly updated

2d) Number, nature and frequency of government-led forums for intra-government, government-donor and donor-donor coordination

3) Devolution strategy to Districts and local Councils is proposed

4.5. Evaluation and audit

Independent mid-term and final evaluations will be carried out.

An Audit provision is foreseen in the budget for an independent audit of expenditure under the project.

4.6. Communication and visibility

The TA will be monitoring the implementation of the visibility guidelines by the consultants/contractors in the EDF funded projects.

Vehicles and equipment purchased under the project will be marked with appropriate labels.

ANNEX 5

1. IDENTIFICATION

Title/Number	Technical Cooperation Facility (TCF) III. Cris Number: 019-998		
Total cost	<i>EC contribution</i> = EUR 6,770,000		
Aid method / Management mode	Project approach – partially decentralised management		
DAC-code	15010	Sector	Institutional Capacity Building/Good Governance

2. RATIONALE

2.1. Sector context

In various regions of the world, the European Commission uses a facility for the provision of short-term consultancies to assist in identifying, preparing, evaluating, monitoring and auditing projects under the EC Programme of development co-operation. These consultancy projects enable a number of studies to be conducted, which assist in delineating EU interventions in various development sectors, assist in the preparation of specific programme proposals and allow the EC to undertake a number of evaluation exercises.

A particular emphasis in this Technical Cooperation Facility III is to provide support to the implementation of the 10th EDF National Indicative Programme, through consultancies aimed at defining specific actions under the NIP and ensuring the effective implementation of development programmes. This will simplify the preparation of programmes. Other components, financially less important, involve training support and participation to conferences and seminars.

This project is consistent with 10th EDF NIP, where a total of 2.5 M EUR are foreseen for the Technical and Cooperation Facility under Non focal sectors of the A Envelop of the NIP. An additional 5 M EUR complements the TFC earmarked funds to cover the specific needs for infrastructure detailed design studies (2 M EUR from main and feeder roads programme, 1 M EUR from energy sector support programme and 2 M EUR from Freetown Master Plan)

2.2. Lessons learnt

Lessons learnt from previous technical cooperation and training projects in Sierra Leone include the difficulties in sustaining progress in a country that is at a low level of development. The difficulties are numerous and varied: a lack of capacity in the public and private sector, unemployment, the rural-urban drift with restricted access to social services in rural areas and political exclusion of a large part of the population.

The TCF III will build on the successful implementation of the following two projects:

- TCF I (9 ACP SL 11 for a total of 1 872 200 EUR), and

- TCF II (9 ACP SL 25 for a total of 2 000 000 EUR)

These two projects have met the needs of the Delegation in terms technical assistance and training needed to support the implementation of the 9th EDF and the initial stages of preparation of the 10th EDF.

The need for a larger budget (6 770 000 EUR) is caused mainly by the extensive need of the 10th EDF design studies in the area of infrastructure, which is one of the two focal sectors of the 10th EDF National Indicative Programme. From the 6.4M€ of the technical assistance facility budget line of the TCF III, 2.5M€ are allocated to the infrastructure section for the Freetown development plan. These needs could not be covered properly by TCF II, which is mainly used to bridge the gap between the 9th EDF and the 10th EDF.

From an operational point of view, lessons learnt from previous TCF are that the largest needs are within the Technical Assistance Facility (TAF) of the TCF. The Training Support for Projects and Programmes (TSPP) and the Conferences and Seminars (CF) components, while useful, were in less heavy demand and less financially demanding than the TAF. This is reflected in the estimated TCF III proposed budget.

2.3. Complementary actions

This project will have direct bearing on all 10th EDF-funded projects, through enhanced project identification, implementation, evaluation and audit. This project will also be complementary to the 10th EDF “Support to an improved functioning of the NAO Office in MoFED”.

2.4. Donor coordination

The joint EC/DFID programming exercise covering years 2008-2013 is an important step forward in terms of donors’ coordination in Sierra Leone. Interventions have been mapped between EC/DFID to ensure complementarity and consistency. The proposed project will follow the same principles.

Coordination is also on-going, even if less formalized with the World Bank, UNDP, EU Member States and other donor agencies in Sierra Leone.

3. DESCRIPTION

3.1. Objectives

The overall objectives of the Programme are:

- The implementation of the Government’s Development Strategy through support to sound development programmes financed from the European Development Fund (EDF).
- The fostering of a more coherent and informed approach to development and trade issues.

The project purpose is the support to identification and implementation of actions under the NIP and other EDF funds together with improved awareness among key actors in Sierra Leone of general development and trade issues and of EC policies in these areas.

3.2. Expected results and main activities

Expected Results:

The project is expected to focus on producing the following results:

- i) Identification of programmes and sector studies to be financed from the EDF.
- ii) Preparation and formulation of programmes to be supported from the EDF.
- iii) The NAO Office, ministries and/or agencies will be enabled to maintain satisfactory implementation and monitoring of – and tendering procedures for – ongoing projects – where this cannot be provided for in the projects themselves or other projects.
- iv) Audits and evaluations of other projects will be financed through this initiative whenever they cannot be financed out of the project itself or when it is convenient or efficient to combine a number of audits/evaluations of related interventions.
- v) Increased understanding of project management, development and trade issues by key actors including non-state actors.
- vi) enhanced visibility of EDF actions

Results will be achieved through the following activities/Components:

- **TAF – Technical Assistance Facility** – to hire short and medium term consultants to contribute to the main stages of the project cycle, including audits and evaluations and programme related training activities. An important part of short-term studies and technical assistance will be devoted to infrastructure detailed design studies (specifically of main and feeder roads programmes, Energy sector support programme, Freetown Development Plan). Studies could also be contracted on visibility issues. It is proposed that these services be provided by consultants recruited by the NAO or by the Commission on behalf of the NAO according to EDF procedures in particular Article 23.6 of Annex IV to the Cotonou Agreement.
- **TSPP – Training Support for Projects and Programmes** – this activity will finance the organization and/or participation to various training, conferences, seminars and sensitisation activities in Sierra Leone, ACP Countries or OCTs as well as financially supporting conferences of high interest for both Sierra Leone and EC (e.g. through grants). Visibility actions can also be financed under this component.
- **CS – Conferences and Seminars** – this activity will cover the participation of Sierra Leonean officials or Non State Actors in international meetings, seminars or training activities normally organized by other bodies than the Commission.

3.3. Risks and assumptions

Based on experience from the implementation of previous 9 EDF Technical and Cooperation Facilities, and in view of the fact that the TCF is a well tested facility, no risk can be foreseen at the moment as directly or indirectly affecting the project. The sub-component focusing on organizing trainings in Sierra Leone (TSPP) is the one requesting a higher level of logistical organization.

3.4. Crosscutting Issues

Considering the horizontal approach of the TCF potentially touching on all the sectoral intervention of the NIP, the project will have a direct impact on the cross-cutting issues addressed by the NIP: good governance, democracy, human rights, gender and Environment.

3.5. Stakeholders

The immediate beneficiaries are the staff of the National Authorising Office, the line ministries, MDAs and NSAs.

The ultimate beneficiary is the population of Sierra Leone as a result of a more efficient, effective and rapid use of EC resources made available to Sierra Leone.

4. IMPLEMENTATION ISSUES

4.1. Implementation method

Partly decentralised management through the signature of a financing agreement with the Government of Sierra Leone. The contracting authority for the project shall be the EDF National Authorising Officer (Ministry of Finance and Economic Development).

The Commission controls ex ante all the procurement contracts except for procurement contracts under Programme Estimates where the Commission controls ex ante procurement contracts >50.000 euro and ex post procurement contracts \leq 50.000 euro. All grant contracts, whether being under Programme Estimates or not, are subject to ex ante controls.

Through the programme estimates, payments are decentralised for operating costs and contracts up to the ceilings indicated in the table below.

The Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

Works	Supplies	Services	Grants
< 300.000 EUR	\leq 150.000 EUR (EDF)	< 200.000 EUR	\leq 100.000 EUR

An imprest administrator and an imprest accounting officer shall be assigned to the management and implementation of the project by the National Authorising Officer, in agreement with the Head of Delegation. Programme Estimates will be managed by direct decentralized labour, with the imprest administrator and the imprest accounting officer being senior staff in the office of the NAO.

The National Authorizing Officer may request the Commission to implement technical assistance contracts under Article 23.6 of Annex IV of the Cotonou Agreement.

4.2. Procurement and programme estimates procedures

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the Revised Cotonou Agreement. Further extensions of this

participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 20 of Annex IV of the Cotonou Agreement.

2) Specific rules of grant

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities and in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

- derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

3) Specific rules on programme estimates

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

4.3. Budget and calendar

The estimated cost of these activities is 6.77M EUR, including provisions for contingencies. No contributions from other donors or the Government of Sierra Leone are foreseen.

ACTIVITY	COST (EUR)
TAF - TECHNICAL ASSISTANCE FACILITY - (EXPERTISE REQUIRED INCLUDING: FEES, LIVING ALLOWANCES AND REIMBURSABLE EXPENSES)	6 000 000
TSPP - TRAINING SUPPORT FOR PROJECTS AND PROGRAMMES (INCLUDING SUPPLIES AND EQUIPMENT, RENTAL OF PREMISES AND INCIDENTAL EXPENDITURES)	120 000
CS – CONFERENCE AND SEMINARS - (INCLUDING INCIDENTAL EXPENDITURES, FLIGHTS, REGISTRATION, PER DIEM)	150 000
AUDIT	100 000
EVALUATION	50 000
CONTINGENCIES	350 000
TOTAL	6 770 000

The execution period of the Agreement will be 84 months. This execution period will comprise 2 phases,

- Operational implementation phase that starts from the entry into force of the financing agreement and will have duration of 60 months.
- Closure phase of a duration of 24 months that starts from the expiry date of the operational implementation phase.

An additional 10th EDF TCF might be financed with the remaining 730 000 EUR set aside in the NIP for the Technical and Cooperation Facility to accommodate for possible additional needs arising in the last 2 years of implementation of the 10th EDF NIP (2012 – 2013).

4.4. Performance monitoring

Progress in the implementation of the studies will be monitored by the NAO, Line ministries of the Government of Sierra Leone and the European Commission Delegation in Sierra Leone. The day-to-day technical and financial monitoring will be a continuous process as part

of the Beneficiary responsibilities. To this aim, the Beneficiary shall establish a permanent internal, technical and financial, monitoring system to the project, which will be used to elaborate the progress reports

4.5. Evaluation and audit

An end of term evaluation of this technical cooperation and training facility will be conducted at the end of the programme, possibly a mid-term evaluation will be carried out.

The EC shall appoint, in accordance with EC procurement rules, a reputable external auditor/accountant to audit the project's expenditure and the segregation of duties between the Authorising Officer and the Accounting Officer. A provision for audit is included in the budget of this action fiche. The Commission can use this provision to organise an independent audit of expenditure under this agreement.

4.6. Communication and visibility

The project will ensure that EC Visibility guidelines are followed and applied whenever relevant, specifically for the component related to the organization of conferences and seminars where EC visibility can be enhanced.

ANNEX 6

1. IDENTIFICATION

Title/Number	Road infrastructure programme – 9 ACP SL 05. Rider N°2 <i>Increase of the financial ceiling and extension of the time limit for execution</i>		
Total cost	<i>10th EDF EC contribution</i> = EUR 8,000,000		
Aid method / Management mode	Project approach – Decentralised management		
DAC-code	21020	Sector	Road transport

General overview

The rehabilitation of the Masiaka to Bo highway is financed under Financing Agreement n° 9066, signed by the beneficiary the 12 December 2003.

The overall objective of this project is to improve the access to the northern, eastern and southern parts of the country, to increase the stock of all weather roads and to promote the economic and social development in programme area's of influence.

A first rider to the financing agreement was approved the 16 January 2006 in order to proceed to a budget reallocation with no additional cost implication.

Rider request

This second rider makes a request for increasing the financial ceiling of the financing agreement N° 9066/SL with € 8M from 10th EDF funds and to extend the time limit for execution (18 months).

Considering the difficulties encountered on the mechanical stabilisation section, additional works need to be implemented in order to ensure that the technical requirements are met. These additional works will cause an increase on the period of execution of the sub-base layer and delay the subsequent base course and asphalt paving works and finally the time of completion of the roadworks.

Indeed the requested new time limit for the operational phase is 31/12/2010 (30/06/2009) and the new period of execution is 31/12/2012 (30/06/2011).

In parallel, the requested €8M increasing of the financial ceiling allocated to the existing works contract will allow to cover the additional quantities of the extra works and the contractor's costs during the extension of time of the Financing Agreement N° 9066/SL.