

Government of Sierra Leone – European Union



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

Draft Joint Annual Report 2006

Freetown, 31 May 2007

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Acronyms

ACC	Anti Corruption Commission	IFMIS	Integrated Financial Management Information System
ACP	Africa, Caribbean, Pacific		
AIDCO	EuropeAid Cooperation Office		
AfDB	African Development Bank	IMF	International Monetary Fund
AU	African Union	INGO	International Non-Government Organisation
BADEA	Banque Arabe de Développement Economique Afrique	IRCBP	Institutional Reform & Capacity Building Programme
CG	Consultative Group	JICA	Japan International Cooperation Agency
CMP	Core Mineral Policy	LCs	Local Councils
CSP	Country Strategy Paper	LTA	Local Technical Assistance
DACO	Development Assistance Coordination Office	LRRD	Linking Relief, Rehabilitation and Development
DEPAC	Development Partnership Committee	MDA	Ministry Departments & Agencies
DFID	Department for International Development (UK)	MDBS	Multi Donor Budget Support
EC	European Commission	MDG	Millennium Development Goal
ECCAS	Economic Community of Central African States	MDRI	Multi Depth Relief Initiative
ECD	EC Delegation	MoF	Ministry of Finance
ECHO	European Commission Humanitarian Office	MoHS	Ministry of Health and Sanitation
ECOWAS	Economic Community of West African States	MoTI	Ministry of Trade & Industry
EDF	European Development Fund	MTEF	Medium Term Expenditure Framework
EIB	European Investment Bank	MTR	Medium Term Review
EIDHR	European Initiative for Democracy and Human Rights	NACEF	National Commission for Environment and Forestry
ENCISS	Enhancing Civil Society State project	NACs	National Anti Corruption Strategy
EPA	Economic Partnership Agreement	NaCSA	National Commission for Social Action
ETR	End-of-Term Review	NAO	National Authorising Office
EU	European Union	NEC	National Electoral Council
FGM	Female Genital Mutilation	NIP	National Indicative Programme
FMO	Framework of Mutual Obligations	NGO	Non-governmental Organisation
PRSP	Poverty Reduction Strategy Paper	NSA	Non State Actors
GDP	Gross Domestic Product	OPEC	Organisation of Petroleum Exporting Countries
GER	Gross Enrolment Rate	PBF	Peace Building Fund
GNI	Gross National Income	PEFA	Public Expenditure & Financial Account
GoSL	Government of Sierra Leone	PFM	Public Finance Management
GTZ	Gesellschaft für Technische Zusammenarbeit	PMU	Project Management Unit
HIPC	Highly Indebted Poor Countries	PHU	Public Health Unit
HSSP	Health Sector Support Project	PPRC	Political Parties Registration Commission
ICRC	International Committee of the Red Cross	PRSP	Poverty Reduction Strategy Paper
IDA	International Development Association	RRP	Resettlement and Rehabilitation Programme
IDPs	Internally Displaced People	SES	Senior Executive Service
		SLRA	Sierra Leone Roads Authority
		SSL	Statistics of Sierra Leone
		UEMOA	Union Economique et Monétaire de l'Afrique de l'Ouest
		UN	United Nations

1 Executive Summary

Some 5 years after the end of the conflict Sierra Leone is no longer considered a Low Income Country Under Stress (LICUS), but it still remains an extremely 'fragile state', with a poorly resourced civil service that lacks capacity and operates inefficiently. With support from the international community, some progress has been made towards rebuilding state institutions, reconstruction, improved school enrolment rates and revenue generation and collection. However, democratic and effective governance remains elusive, and effective oversight mechanisms do not yet exist. Parliament and the judiciary are weak.

In 2006, a major success was the arrest of Charles Taylor, illustrating at the same time that the political situation of Sierra Leone has to be seen and analysed in a regional context. Whereas the situation in Liberia has improved, as symbolised by the successful elections and Charles Taylor's transfer to the Special Court, prospects are more uncertain in Guinea and Ivory Coast. ECOWAS and its new conflict prevention instruments have been instrumental for the peace processes of the region, but the sub-regional mechanisms for co-operation are weak.

Civil Service Reform currently suffers from lack of capacity and severe resource constraints. While security sector reform is critical, it should go hand in hand with wider civil service reform from the beginning to use the window of opportunity provided in the immediate post conflict period. *Decentralisation* is the major governance reform process in the country, but will take several years to complete. Citizen awareness of local government affairs is very limited. It is now widely acknowledged that decentralization will not succeed without clarifying and harmonizing the relationship between LCs and Chiefdom Administrations.

Since the end of conflict, Sierra Leone's economy has recovered, with real annual GDP growth consistently over 7%. However, with GNI per capita estimated at US \$200, Sierra Leone remains one of the poorest countries in the world. Sierra Leone ranks second to bottom on UNDP Human Development Report. Income inequality is relatively high, with a Gini coefficient of 0.39. Sustained high rates of broad-based economic growth are essential if Sierra Leone is going to succeed in reducing poverty. The medium term economic outlook depends on continued export growth and further debt relief after the HIPC completion point.

The Commission co-operation strategy with Sierra Leone, and its implementation over the past 10 years was evaluated in 2006 and lessons learned assisted the preparation of the 10th EDF JCSP. The strategy will this time be jointly elaborated and agreed by EC, DfID and GoSL. The EC has committed substantive funding to capacity building assistance through co-ordinated programmes and use of multi-donor arrangements. Cooperation between the EC and GoSL remains largely on good terms. Political dialogue between Sierra Leone and donors is constructive and includes regular engagement with the President and Vice President.

In 2006, annual targets for Individual commitments and Payments were reached. Global commitments were lower than planned due to problems in the implementation of phase I of the Freetown-Conakry road project. The Multi Donor Budget Support Framework was officially signed in the December 2006 by AfDB, DfID, EC and WB. An intensive 10th EDF programming exercise was conducted together with DfID and other EU Member States present in Sierra Leone participated as observers in the process.

The ETR was finalised by December 2006 and appraises the country's financial performance at the highest rank, good, the sectoral and governance performances average, agreeing to no revision of the country allocation (Envelope-A) and transfer of balance of funds from Envelope B (M€ 5.7) to the reserve.

2 Update of political, economic, social and environmental situation

2.1 Update of the political situation

Presidential and Parliamentary elections, announced for August 2007, will be the next major milestone on the path to consolidating democracy in Sierra Leone. These elections will represent a critical turning point in Sierra Leone being the first elections held following the withdrawal of UNAMSIL in December 2005 and under a fledgling National Electoral Commission (NEC). Sierra Leone will also be making the transition to a constituency-based 'first past the post' electoral system. Civil society and the media will need to play an important role in providing accurate information on how the electoral system will work, in overseeing elections and reducing potential opportunities for electoral malpractices.

The preparation of the 2007 Elections is made possible by the cooperation between the GoSL and the donor's community that provided the needed support to the restructuring process of the electoral institutions in the country. The donors support is mainly channelled through a basket fund managed by UNDP mainly focusing on the institutional support to the electoral institutions and providing logistical support. Alongside the basket fund other activities are funded to support the local civil society and the media in ensuring free and fair elections.

The Political Parties Registration Commission became operational during the year; however, its activities were severely limited by a lack of funding and staff. The PPRC issued a code of conduct for political parties and established a Monitoring Committee of the Code of Conduct. The Code was signed by all the 8 registered parties in November 2006. All political parties intensified their election-related activities well in advance of the 2007 elections. The participation of paramount chiefs in partisan politics has become the focus of national debate.

The Special Court for Sierra Leone continues the legal processes against a number of suspected war criminals but the visibility and "reconciliation effects" on the general public remains to be seen. Three years after the original indictment Charles Taylor has finally been brought into the custody of the court on the 29th of March 2006. The trial is expected to start on the 4th of June 2007 in The Hague where he was transferred for security reasons as his continued presence in the West African sub region is considered to constitute a threat to the peace of Liberia and of Sierra Leone.

Civil Service Reform. A number of civil service reforms are under discussion. Lack of accountability allows, indeed encourages, poor levels of individual and corporate responsibility. The Office of National Security facilitated Security Sector Review (2005) highlighted the dangers of internal instability as a result of these factors. The introduction of merit-based recruitment scheme for a Senior Executive Service (SES) is considered for funding by DfID. Reforming state institutions to become more capable or effective - both at the central and local government levels - will be a major focus for the years ahead.

Decentralisation is the major governance reform process in the country. It has started in 2004 with the Local Government Act and will still take several years to complete. Starting from a low base, in 2006 significant progress has been made, but massive challenges remain. While the Ministry of Finance established a formula-based grants system emphasizing the principles of equity and transparency, its implementation was significantly hampered by poor budget execution by MoF. There is a lot of tension between LCs and chiefdom administrations regarding revenue issues. Despite legal requirement for chiefdom budget to be approved by LCs, most local councils are not fully informed of chiefdom finance. It is now widely acknowledged that decentralization will not succeed without clarifying and harmonizing the

relationship between LCs and Chiefdom Administrations. The support of the EU and the DfID through the Multi Donor Trust Fund (MDTF) is very timely, as a new sub-component Chiefdom Governance Reform will address this issue.

Financing for the Decentralization and Empowerment Program is adequate, including US\$14.2 million out of \$25.1 million from IDA IRCBP, US \$24.9 million from a DfID-EC Trust Fund managed by IDA. This harmonized approach by the three largest donors of the Decentralization and Empowerment Program is a major step forward in donor harmonization and aid effectiveness. Other donors, however, still run parallel activities without respecting the coordination role of the Decentralization Secretariat.

The *fight against corruption* continued to be supported during 2006 with DfID being the lead donor. However, prosecution remained an issue with the ACC not having the required independence to carry out its mandate. A nine point “benchmark evaluation” of ACC was carried out in March 2006 and discussed with donors shortly. The need for a *broad based* approach on corruption, with an operational and effective Anti Corruption Commission being only one element of a nation’s overall strategic approach is envisaged. Strengthening the capacity of other public oversight bodies such as the Office of the Auditor General and the Parliament, engaging civil society and promoting greater accountability of government to citizens through access to information is crucial in the future.

The Truth and Reconciliation Commission recommendations cover issues such as Human Rights including specifically children and women, judiciary, governance, fight against corruption, reconciliation and basic service delivery. However, most of its key recommendations still need to be fully implemented. The implementation process should benefit by the activities of the National Commission for Human Rights that just started. The Government nominated the National Commission for Social Action as leading agency in the implementation of the reparations fund for amputees and war-wounded and communities seriously affected by the war.

The National Commission for Human Rights was established in 2004 but only in December 2006 the newly appointed Commissioners were sworn in by the President. Since then the Commission held several meetings to develop a plan of action. The Commission has the mandate to implement recommendations of the Truth and Reconciliation Commission, monitor the Human Rights situation in the country, to act upon individual complaints concerning human rights violations, encourage ratification and implementation of international human rights instruments and promote awareness of human rights through information, education and research.

Human rights situation: During the year the Parliamentary Human Rights Committee operated without external interference and it enjoyed government cooperation. The child rights bill has been approved by the Cabinet and the Parliament is expected to pass it by the end of the legislature. Child labour remains a problem due to strong tradition and high levels of extreme poverty.

The Government prepared its report on the Convention on the Elimination of All Forms of Discrimination against Women. In order to address pervasive practices that violate the rights of women and girls, the Parliament passed laws on trafficking, inheritance and property rights. The Law Reform Commission is considering the elimination of laws that discriminate against women, including some customary laws. Domestic violence against women, especially wife beating, is still common and prevalent throughout the country.

In December 2005 Sierra Leone adopted the Dakar Declaration which calls for the development of legislation to outlaw FGM, and a national action plan with sufficient resources allocated to help implement it. During the year the government took no action to this regard. A number of NGOs reached good results in working to eradicate FGM and to sensitise the public about its harmful health effects. In July the minister of Social Welfare signed an ECOWAS/ECCAS plan of action and multilateral cooperation agreement against trafficking in persons.

The Judiciary system continues to suffer from capacity constraints. Prolonged pre-trial detentions, large case backlogs and excessive remand of cases continue in courts around the country. The corrections system still suffers from poor conditions, which seriously undermine prisoners' human rights.

Civil society remains Freetown-centric, with limited ability to hold those in power to account. While there are some 49 newspapers, mostly small scale enterprises, and of highly variable quality, all are Freetown-based and given the very low literacy rates and poor transportation networks, the print media has limited impact beyond Freetown. Radio is the most dynamic and accessible form of media.

Regional Cooperation: Sierra Leone is a member of the Mano River Union (MRU) (with Liberia and Guinea), the Economic Community of West African States (ECOWAS), but the sub regional cooperation has not developed to its potential. Sierra Leone is a member of the African Union (AU). It is also one of only two countries, along with Burundi, selected for support from the UN Peace Building Commission. Transport links between Sierra Leone and countries in the region are weak and the regional trunk road network passing through the country will remain a constraint for transport of persons and goods in the short- to medium-term perspective. Air-connections in the region are also limited.

2.2 Update of the economic situation

Macro Economic Situation and prospects: Since the end of conflict, Sierra Leone's economy has recovered strongly, with real annual GDP growth consistently over 7%. The impressive economic recovery from the very low base after the war is explained to a large extent by a return to normality - the rehabilitation of agricultural lands and increased private investment. However, sustained economic growth will only be possible if private investment (11% of GDP in 2005) and savings (-3% of GDP in 2005) are increased, and productivity, especially in agriculture, can be boosted and Sierra Leone's considerable mineral deposits can continue to be exploited. However, with diamond exports at \$142m in 2005, mining contributes over 90% of exports. Rutile and bauxite mines have also received significant investment and are now in production. Agricultural production is increasing and has significant potential for sustained economic growth and job creation throughout the country.

While economic growth has been impressive, Sierra Leone has struggled to control inflation, which climbed to 14% in 2005. The main challenges to economic growth include poor infrastructure, including the lack of access to energy supplies¹, a poorly skilled and trained labour force, and a regulatory environment for business and the private sector which ranks among the worst in the world. According to the World Bank's latest country index for ease of doing business Sierra Leone ranks 168 out of 175 countries.

¹ Less than 10% of Sierra Leone's population has access to electricity; lack of supply and extremely high electricity prices hamper private investment.

Domestic revenue mobilisation has remained relatively constant at around 12% of GDP, with nearly 60% of domestic revenue gained from customs and excise. The introduction of VAT in 2008 will have a positive impact over time. Further effort will also be needed to maximise revenues from the mineral sector, widen the tax base, regularise tax exemptions and strengthen collection. However, with Government expenditure at 22% of GDP in 2005, Sierra Leone remains highly dependent upon external financing, with 46% of total revenue coming in the form of foreign grants and loans in 2005. The spring of 2007 has seen a marked deterioration of public finances through mainly revenue shortfalls and Sierra Leone now risks to have to leave the PRGF.

The medium term economic outlook depends on continued export growth and further debt relief after the Heavily-Indebted Poor Country (HIPC) completion point. The joint IMF/World Bank assessment of Sierra Leone's eligibility for irrevocable debt relief was conducted in September 2006 and a decision on Completion Point was taken on 15th December 2006. Full delivery of debt relief under the HIPC Initiative and the MDRI will significantly reduce Sierra Leone's external public debt. In net present value (NPV) terms, the stock of debt would be reduced from \$1,197.6 million at end-2005 to \$483 million at end 2006 after HIPC relief and to \$110million after Multilateral Debt Relief Initiative (MDRI). This assistance is estimated to correspond to approximately \$1,603 million in nominal terms.

The debt sustainability analysis (DSA) suggests that Sierra Leone's external and domestic debt would remain sustainable over the medium term, provided that macroeconomic policies remain adequate and the authorities implement a prudent external financing strategy. The NPV of external debt-to-GDP and debt-to-export ratios will remain high for a few years after receipt of HIPC debt relief, placing Sierra Leone at a moderate risk of debt distress. The MDRI will create room to absorb additional donor assistance in the form of concessional loans without undermining debt sustainability.

Management of Public Finances: In recent years there has been improvement in the legal and regulatory framework for financial management². However, widespread corruption continues to undermine progress and public awareness and frustration not only remains high but is increasing, both locally and internationally. To improve the weak control environment, the Public Budgeting and Accountability Act now mandates the establishment of internal audit units to all Ministries Departments and Agencies (MDAs); whilst the capacity for external control, through the Auditor General's Department is also being strengthened. The fiscal decentralisation process is adding to the challenging agenda of Public Financial Management (PFM) reform – which is a very broad set of reforms being implemented simultaneously with the support of the development partners.

Trade and EPA: Sierra Leone is keen to move towards Regional Trade Integration. Government has already decided to fully implement the ECOWAS Common External Tariff (CET) regime, which began in 2005, with the stated objective of full compliance by 2008.

The EU remains Sierra Leone's main trading partner, with up to 84% of exports going to EU countries and 61% of total imports arriving from the EU³. Within the sub-region, official trade with Liberia and Guinea is limited, but informal trade within the Mano River Union is

² Some of the important legal instruments impacting on PFM include: National Anti-Corruption Strategy (NACS), 2005; Public Budgeting and Accountability Act, 2005; Public Procurement Act, 2004; Local Government Act and the National Revenue Authority Act, 2003.

³ This data from the DG Trade Publication on External trade 2004 EU-ACP is not consistent with the WTO Trade Profile and the difference between the two sources is illustrative of the weakness of the trade statistics available both externally and internally.

relatively high though most is unrecorded. Diamonds are currently the main export. Export of cocoa is increasing as the crop recovers from the years of conflict and rutile and bauxite exports re-started in 2006. The main import items are petroleum products, rice and other food stuffs, machinery and transport equipment.

Sierra Leone's ability to fulfil its international trade framework commitments is constrained by lack of capacity. The Ministry of Trade and Industry (MoTI) is unable currently to formulate and implement effective trade policies, which limits the Ministry's capacity to lead on inter-ministry cooperation, to organise effective dialogue with the private sector or to effectively represent the interests of Sierra Leone in regional and multilateral institutions and negotiations. Cooperation and coordination in West Africa is hindered by language barriers, and the limited capacity of the ECOWAS Secretariat in Abuja. Sierra Leone has not been an active participant to the EPA negotiations and the national position is not clearly defined and even though the EC has funded an impact study to assess the process, sufficient level of engagement is yet to be achieved.

Mining: Mineral exports remain Sierra Leone's principal foreign exchange earner. A number of reforms have been undertaken in the mining sector to facilitate private investment with the objective of spurring economic growth and job creation. For instance, the development of a pilot Cadastre system in Kono and Freetown will provide records of geographical location, ownership and time validity of mineral rights and compliance with payment of fees. Annual gem quality diamond production estimates range between \$250-300 million but only a part of it passes through formal export channels. Considerable steps have been taken by GoSL to improve management of the trade supported by the Kimberly Process and the Certificate of Origin scheme for diamonds entering the EU. The Core Mineral Policy (CMP) was adopted also to modernize the sector. The CMP emphasizes environmental protection and the distribution of benefits of the mining industry to the local communities. 3% of diamond export-tax returns to diamond mining communities. All major donors have been involved in the process, but the non-transparent utilisation of the community funds has caused criticism. The 25 M€ rutile mine project funded from the 9th EDF (9 ACP SL 6) and the related TA to the Ministry of Mineral Resources, make the EC a considerable donor in the sector.

Transport: The state of basic transport infrastructure remains a major bottleneck for the development of the country. The main transport mode remains road transport but the goal of the national policy is to move the system toward multimodal solutions (for instance, development of inland water transport, with the rehabilitation/construction of jetties to improve connections between the road network and inland waterways). Improvement of poor connections between Lungi International Airport and Freetown represents a major priority. Involvement of local communities and job creation continue to be emphasized in the public works sector. In general, the progress of GoSL's road sector policy commitments can be characterized as sufficient.

Currently, road rehabilitation is undertaken with donor support in most parts of the country, and the dependency on donors is likely to continue for years to come. The EC is the main donor in the road sector with WB, Kuwait Fund, OPEC Fund, BADEA and DfID involved in a smaller scale. The Road Fund is working since 2004 in Sierra Leone, managed by SLRA. It aims to finance maintenance of the national road network. The funds come from fuel levies and other user fees. As recommended by WB, the Fund will eventually be separated from SLRA to act as an independent entity. The Road Fund currently covers only some 16% of the core network maintenance costs.

Power Supply: Presently, the electricity sector in Sierra Leone can best be characterised as being in a state of deep crisis and facing major problems. Government is well aware of the link between energy services and the need to focus more on protecting and promoting the interests of the poor. As the power sector is extremely investment intensive, and Sierra Leone is not yet at a stage where reputable private investors are likely to be interested in the short run, government will be seeking cooperation from its development partners (particularly, IDA, BADEA, JICA, South Africa and Islamic Development Bank). Government's key focus at this stage is stabilization of power supplies, improving revenue position, adding additional generating capacity, completion of the Bumbuna Hydroelectric Project. The preparation of a Task Force to develop a sector strategy will add transparency and provide the enabling environment for future investment in the sector. The EC cooperation for the next years will strengthen those actions.

Agriculture and Food Security: Sierra Leone currently lacks a sound and comprehensive Agriculture Policy, and the government's priorities are not adequately addressed in the Medium-Term Strategic Plan (2003–07). However, the agricultural sector is the largest provider of employment in Sierra Leone, giving jobs to an estimated 2.5 million people and contributing 45% to the GDP.

Sierra Leone is currently a net food importing country and still a food aid recipient, with production unable to keep pace with the population growth. Food crop production levels, which had dropped during the 1990s, are slowly returning to pre-war levels. Despite the abundance of land and water resources, the majority of farmers operate on a subsistence level by cultivating small plots of 0.5 to 2 ha under shifting cultivation. The once significant export earnings from the production of coffee, cocoa, palm oil and other cash crops are still on a slow recovery.

2.3 Update of the social situation

Health: Sierra Leone is known to have the worst infant and maternal mortality rates in the world exacerbated by wide spread poverty of a majority of its people particularly in rural areas. However, over the years, there has been significant improvement in the general health situation in the country on the basis of the health related MDGs (reducing child mortality, improving maternal health and combating HIV/AIDS and other diseases) monitored. Though reliable data is difficult to come by, the Multiple Indicator Cluster Survey is considered to be good and useful. See in the table below progress made (except for maternal mortality) over the years on the three indicators:

Key Indicators	Estimates		West-Central 2004 Africa	Source of data/ information
	2005 (MICS)	2000 (MICS)		
Infant mortality rate	158	170	109	MICS3
Under-five mortality rate	267	286	191	MICS3
Maternal mortality rate	2000	1800		UNFPA
National HIV Prevalence	1.53			UNDAF 2008 - 2010

In the UNDAF 2008 – 2010, it is noted that to solve the problems of collecting and analysing comprehensive, precise and recent data, a National MDG database will be set-up.

With the interventions planned, there are prospects for significant improvements. However, considering the target: reducing maternal mortality to 450 per 100,000 live births from the present 2000 per 100,000 live births, it is daunting and unfeasible if Government and the development partners do not take into account significantly higher levels of investment in

health, influencing traditional attitudes and recognising the link between health, poverty and the application of human rights to reproductive health.

Education: Although Sierra Leone is the second least developed country in the world (UNDP Human Development report in 2006) peace brought a dramatic increase in primary enrolment. Gross Enrolment Rates rose sharply from 65% in 2000 to 90% (63% for girls) in 2001, and reached 143% (166% for boys and 120% for girls) in 2003. Many, however, drop out of school after Grade 1. Efforts have been made to rehabilitate and reconstruct schools that were destroyed, damaged or abandoned, this effort combined with government’s decision to offer free primary education and free West African Examinations Council examinations led to primary school enrolment increasing from 659,503 to 1,280,853 between 2001 and 2004.

Although there has been remarkable improvement in the education sector yet 30 per cent of primary school-aged children are still out of school and the quality of education available for many children is still poor. To compound the situation, the Ministry of Education, Science and Technology has limited capacity to plan, manage and co-ordinate the education system effectively. Despite all these problems the government is highly committed to Education for All and achieving the MDGs. It is already committing almost 20% of the budget to education.

Adult literacy is very low at approximately 39%. As shown in the table below, nationally, 29 percent of females can read in a language, compared to 49 percent for males.

Figure 5: Literacy Levels by Gender

	Literate	Illiterate	NS
Both	39%	60%	1%
Males	49%	50%	1%
Females	29%	70%	1%

Source: SSL, Freetown, 2004 Population Census

In the just completed 10 year education strategic plan prepared by the Ministry of Education Science and technology, there is a very high probability of achieving over 100% of the educational indicator of the MDGs by 2015.

Cross-cutting issues

Gender: Two major groups are systematically disadvantaged because of discrimination: women and girls, as well as youth of both sexes. Cultural traditions continue to promote unequal gender relations. Women are disadvantaged by both statutory and customary law with regard to marriage and divorce, property ownership and inheritance. They are under-represented in wage employment in the non-agricultural sector, as well as in politics and public life. Girls continue to receive less education than boys, particularly in the North and at secondary and tertiary levels, and girls play a greater role in domestic work. Pregnancy and childbirth are particularly risky as women have a one in six chance of dying in child birth.

Environment: During the past, environmental issues have not been addressed adequately as a cross-cutting issue under the Focal Sector Good Governance. In order to reverse this trend, the EC has entered the identification/formulation phase for a project to provide technical assistance and capacity building to the National Commission of Environment and Forestry, which has the mandate for environmental integration and mainstreaming in the country.

The plight of the Youth. Youth are officially defined as anyone in the 15-35 year age bracket, a wide cohort that recognises that a generation missed out on childhood during the war. Young men and women in rural and urban areas talk of a sense of marginalisation, which stems from traditional hierarchies based on age, negative perceptions of young people after

the war and the lack of jobs. The lack of employment makes it hard to fulfil a traditional male role in society: there is a risk that some will turn to crime or take up arms in the absence of economic opportunities. The plight of the youth has figured prominently in PRSP and more recently under the PBF discussions. The creation of a Ministry of Youth and Sports and the development of a National Youth Strategy demonstrate recognition of the challenges facing youth. However implementation of the policy is constrained by weak capacity and inadequate resources. GTZ, UNDAF and PBF give high priority to improving youth employment.

2.4 Update on the environmental situation

Rainfall variability has been observed in recent years, particularly in the northern regions, adversely affecting water resources and agricultural yields, a key issue for rain-fed rice cultivation. Potential sea-level rise due to global warming will have significant implications for coastal infrastructure as well as socio-economic activities and will lead to further destruction of the mangrove forests, negatively affecting the marine fishery resources.

The country is situated within the vegetation zone of the Upper Guinea Rainforest, once blessed with an abundant richness in ecosystem and biodiversity. Some 50 years ago, more than 60 percent of Sierra Leone was covered by closed high forests. Low productivity, unsustainable farming practices and increasing demand for fuel wood and charcoal in urban areas have contributed to high levels of deforestation and soil degradation. Today, only approximately 5% (180,250 ha) of the forests are remaining, mostly located in marginal and remote areas. With increasing population pressure the forest cover is continuously decreasing.

Income of a rural Sierra Leonean largely depends on the natural resources base. The irrational exploitation of the environment and natural resources over the years has resulted in considerable environmental degradation, leading to increased vulnerability and poverty. Rural-urban migration, combined with an absence of urban physical planning and inadequate investments in infrastructure and social services, including water and sanitation facilities, has led to hazardous environmental health conditions for the urban population.

3 Overview of past and ongoing cooperation

An end-of-term review (ETR) of the Country Strategy Paper (CSP) and National Indicative Programme (NIP) for Sierra Leone was carried out during 2006 in accordance with Article 5(6-7) of Annex IV to the ACP-EC Partnership Agreement. In the light of the assessment of the country's current needs and performance, the Community proposed to: maintain the country strategy for Sierra Leone as contained in the CSP and NIP; maintain the funds available under the envelope A and; decrease the funds available under the envelope B by €5.7 million. Accordingly:

- 1) *Focal sector 1 "Rehabilitation of priority Infrastructure"*, the MTR allocation of M€ 81.7 will not be changed;
- 2) *Focal sector 2 "Governance and institutional support"*, the MTR allocation of M€ 28.0 will be increased to M€ 32.6 by means of decommitments totalling about M€ 6.95 of which, M€ 3.3 to be made from 9th EDF and M€ 3.65 to be made from previous EDFs.
- 3) *Macroeconomic support*: The MTR allocation of M€ 50.0 will be increased to M€ 62.2 by means of decommitments from previous EDFs of M€ 12.2.
- 4) *Non focal sectors*: The MTR allocation of M€ 5.0 will be increased to M€ 5.2 by means of decommitments from previous EDFs of M€ 0.2.
- 5) *A-envelope*: As the 9th EDF allocation at the end of December 2005 was about M€ 165.5, the revised 9th EDF allocation after the ETR will be M€ 165.5 plus the expected decommitments from previous EDFs (M€ 16.05), that is approximately M€ 181.5.

6) *B-envelope*: The current balance of M€ 5.7 (which includes funds reserved to ECHO) should be withdrawn.

3.1 Focal sectors (and macroeconomic support)

3.1.1 Focal Sector 1 - Rehabilitation of Priority Infrastructure

a) Results

Following a review of the achievements vis-à-vis the major results for the first focal sector (as per CSP 2002-2007) the post-war rehabilitation of several main roads under the 7th and 8th has considerably improved access to various parts of the country, and the 9th EDF inputs will further improve the situation. EDF funding has been allocated for several key connections, selected in coordination with the other major donors and GoSL. Two of these roads (Freetown-Conakry and Masiaka-Bo) form part of the Trans West African Highway, thus contributing to regional cooperation.

Also this sector suffers from lack of reliable baseline data and, therefore, the road conditions are unlikely to be known with any accuracy until regular, systematic road condition surveys have been developed and embedded in SLRA management systems. However, the current road condition statistics indicate that the proportion of trunk roads in good or fair condition increased with 4% between 2003 and 2004 and assessments made have indicated considerably shortened travel times and costs for road users. With the ongoing and starting EDF inputs on main and rural roads, a considerable improvement is expected. However the first phase of the rehabilitation of the Freetown-Conakry Highway, which should have been completed to bolster the proportion of trunk roads in good condition, has been seriously delayed due to a under performing contractor.

The implementation phase of the Rehabilitation & Resettlement Programme (RRP), financed under the 7th (EUR 10 Million), 8th (EUR 20 Million) and 9th EDF (EUR 10 Million), came to an end in December 2006. The programme achieved significant results in the education sector (e.g. 408 classrooms in 61 schools and staff quarters rehabilitated or reconstructed), the health sector (e.g. 40 health structures 8 hospitals and staff quarters) and the water & sanitation sector (approx. 300 wells being built). Further achievements were made in the rehabilitation of other priority infrastructure (roads, bridges, markets) as well as in agricultural rehabilitation and revitalization. The total number of the RRP beneficiaries is almost 1 million people.

Access to rural areas and markets has been and will be improved with the rehabilitation of main and trunk roads under the 7th and 9th EDF. The project for rehabilitating 650 km of rural roads in four districts under the 9th EDF is expected to considerably improve rural access to markets and services.

b) Progress in activities

Road Infrastructure Programme (9 ACP SL 5, 42M€). The last commitments of the project were carried out in 2006. Particularly, the rehabilitation of 104km road from Songo to Moyamba Junction which is part of the major roads rehabilitation as described in the budget breakdown in Rider no. 1 to the Financing Agreement. The contract for this road was signed in the last quarter of 2006 and the work is to commence on 1st February 2007.

By the end of 2006, the project had more than 2M€ uncommitted. In 2007, this amount is expected to be decommitted to the NIP. Two main actions that started in 2005 have continued their implementation in 2006: Technical Assistance to SLRA. (1,6 M€) and Masiaka-Bo

Highway Rehabilitation (32M€). For both projects, the respective contracts are presently ongoing and without any major delays.

Rehabilitation of 650 km of Rural Roads (9 ACP SL 16). The FA for the project was signed in 2005, and the tender procedures have been launched and the evaluation is in progress for both the works and services tenders. However, the actual implementation is expected to start in the second half of 2007 immediately after the rainy season. The difficulties encountered to find local contractors both for the supervision and the works account for the delayed start up of the actual works on site. The delay in awarding the contracts may require the extension of the period of validity of the FA.

Freetown-Conakry Highway Overlay ("Phase II "). The Feasibility Study, the Engineering Design and Tender Documents for the project were prepared by two study teams during 2005. Due to lack of 9th EDF funds available for immediate commitment, it was agreed with DG DEV, AIDCO and GoSL that the road overlay will be funded first under one global commitment in order to avoid losing the investment already carried out under 8 ACP SL 18. The Magbele bridge will then be funded separately either from the 9th EDF if additional funds become available or under the 10th EDF. The FP is expected to be signed in May 2007.

Apart from very few exceptions, the vast majority of the foreseen activities under the RRP programme have been completed until December 2006.

c) Degree of integration of cross-cutting themes

Given the nature of the road and social sector infrastructure interventions, there is potential for integration of cross-cutting themes at a number of different levels, either within existing projects or in synergies that can be achieved with other programs. Environmental Impact Assessments (EIA) and social assessments are systematically conducted for any programme with a potential impact on the environment, social structures or gender. The environmental mitigation plan is part of the tender dossiers for respective works contracts. Environmental requirements, such as the obligation to rehabilitate the borrow pits in road construction projects, are also included in works and supervision contracts. However, there is space for including accompanying measures e.g. for environmental protection and HIV/AIDS prevention in the future infrastructure programmes. The draft CSP/NIP foresees that under the 10th EDF, the EC will invest among others in renewable energies.

3.1.2. Focal Sector 2 - Good Governance and Institutional Support

a) Results

The Support to the National Electoral Commission project (9 ACP SL 20) contributed to the restructuring of NEC as an effective independent institution. All offices in the fourteen electoral districts (12 in the Provinces and 2 in the Western Area) are now staffed by competent Electoral Officers. The Commission completed also a 2 years Training Programme. The most important exercise put in place by NEC in 2006 was the delimitation of the boundaries for the first time since 1985. With the assistance on international experts, NEC drew up the action plan for the voter registration exercise that has taken place in early 2007.

The decentralisation project (IRCBP – 9 ACP SL 18) has made significant progress towards establishing a functioning local government system in the two years following the enactment of the Local Government Act and the elections of local councils in 2004. Through targeted training and on-the-job mentoring support, the Project has helped all the nineteen local councils learn and practice skills in development planning, budget preparation, financial management (accounting and reporting), procurement and project implementation.

With the support of the IRCBP all 19 councils have produced development plans to cover the period between 2006 and 2009. At least 16 Councils are reported fully adhering to the requirement of displaying monthly financial returns on LC notice boards. Public Procurement Law has been enacted, embracing the principles of transparency, accountability and efficiency. The Accountant General's Department is now able to reconcile the government accounts in a timely and more efficient manner. Local councils have formally taken over responsibilities associated with managing primary health, DEC schools, and agriculture services. Mobility of LCs improved with the arrival of pick-up trucks, motorbikes etc.

The main long term challenge is for the LCs to attract and retaining talent. This will depend on how they compare with other public sector and private sector employers.

b) Progress in activities

Global Commitments: The Civil Society Capacity Building and Local Accountability project could not be committed as planned in 2006, because the first mapping study was rejected by the Government. The follow-up and the launching of a new study was delayed because of the absence of a head of the governance section as from February 2006 until September 2006. The project proposal has been transmitted to Headquarters in April 2007.

The Support to Restructuring and Operations of the NEC has been committed in December 2006 instead of June 2006, because the EC contribution was increased due to a financing gap that was identified by UNDP. The inclusion of the necessary changes delayed the signature.

c) Degree of integration of cross-cutting themes

In Some parts of Sierra Leone, the northern and southern regions, cultural and religious restrictions, especially in Muslim dominated areas, women do not express their specific needs in the presence of men and married women cannot take decisions in public in the absence of their husbands. The **NSA support** project that is under preparation will be carrying out massive sensitisation on gender issues especially the need to empower women. Male field-staff are being trained on how to handle gender issues in the rural community. Separate meetings are organized with women in order to explain the important role they will play in the development process of Sierra Leone. The decentralisation project (Institutional Reform and Capacity Building Project – **9 ACP SL 18**) is specifically targeting institutional development and capacity building in a comprehensive manner. Civil society is represented in the steering committee of this project with one representative from a civil society umbrella organisation. The project for the support to the electoral bodies (**9 ACP SL 20**) includes specific sensitisation campaigns for female voters' rights.

3.1.3 Macro-economic support

The NIP foresees a € 50m allocation as budget support from the A envelope. Within the Medium-Term Expenditure Framework (MTEF), these grants have been budgeted by the Ministry of Finance for the years 2005, 2006 and 2007 and are disbursed through the Poverty Reduction Budget Support programme which come into operation in late 2005 (*9 ACP SL 17*). Through the general conditions the programme is linked to macro-economic stability, continued improvements in public finance management, the implementation of the PRSP and its reflection in the national budget.

a) Results

The Macroeconomic situation of Sierra Leone remains highly vulnerable and the implementation of the PRBS has clearly achieved one of its main expected results in contributing to stabilising the situation. Furthermore, the implementation of the programme provides a forum for serious policy dialogue with the GoSL. The impact on the 3 areas of general conditions has been positive and through the use of performance tranche as an incentive has proved to be very useful in encouraging the government to advance in key poverty reduction areas of health, education and rural access, as well as in improvements in Public Finance Management.

The programme is being implemented within the Multi Donor Budget Support (MDBS) framework, which has proved to be an excellent tool for creating a platform for serious policy dialogue and has given the donors (WB, DFID, EC) a stronger and united voice.

b) Progress in activities

Budget Support: The PRBS programme disbursed the programmed fixed and variable tranches during the year 2006, albeit with slight delays, due to the delays in government reporting on the fulfilment of tranche release conditions. The fixed tranche of 10 €Million was disbursed on the bases of the general conditions and the variable tranche based on the same, as well as a careful analysis of the performance indicators – which was done in the context of the first MDBS Annual Joint Assessment Mission. Based on the outcome of performance analysis of the indicators 75% of the variable tranche was released, in the amount of 3.75 €Million – which is a reasonably good results in the country context.

Technical Assistance: The provision for technical assistance has been activated for the foreseen purposes of supporting the review of performance indicators and for supporting PRSP Monitoring and Evaluation. The latter support is channelled through UNDP contribution agreement and is part of a joint donor (UNDP, DFID and EC) support package to DACO to fulfil their task as the PRSP secretariat – in charge of M&E activities.

c) Degree of integration of cross-cutting themes

The nature of macroeconomic support is cross-cutting and through this instrument policy dialogue can be held with the GoSL on the core policies of PRSP implementation and poverty reduction outcomes. Furthermore, the implementation of the PRBS has had a major catalytic effect on the creation of a Multi Donor Budget Support Framework MDBS for Sierra Leone. The Commission led the process of creating a common ground for a harmonisation process that led to the Memorandum of Understanding for the MDBS to be signed in November 2006.

3.2 Projects and programmes outside focal sectors

5 M€ of Sierra Leone's A Envelope have been allocated to non-focal sectors, out of which 4 M€ have already been committed for TA to the Ministry of Mineral Resources and fisheries according to the 9th EDF Mid-Term Review, which lists fisheries, trade and environment as possible targets of non-focal sector interventions.

Mining: As stipulated in the Financing Agreement of the Re-opening of Sierra Rutile Mine, long-term Technical Assistance, funded from the 9th EDF, will be made available to support the re-opening of the mine. In addition to monitoring the rutile project, the TA will support the GoSL in the implementation of its Core Mineral Policy (CMP).

The TA arrived in Sierra Leone in October 2005. Since then, he has been instrumental in monitoring the Re-opening of Sierra Rutile Mine project (9 ACP SL 6).

Fisheries, trade and environment: During the 2nd semester 2006, the project Institutional Support to Fisheries Management, ISFM (EUR 3 Million) started with the objective of contributing to the development of fisheries management measures.

At the same time, the new Environment project to provide Technical Assistance and Capacity Building to the National Commission for Environment and Forestry, NaCEF (EUR 1 Million) went into its identification/formulation stage.

1M€ have initially been allocated for the trade sector in order to promote the EPA agenda and the active programming process for this support was initiated in 2006. The first intervention identified has been a consultancy input to identify key areas for support in the context of the advancing EPA negotiations and in the second phase (during 2007) a 1.2 €M project will be launched to provide further support.

3.3 Major interventions in 2006 under previous EDFs

The 8th EDF infrastructure activities focused on road rehabilitation, while funds from the 7th EDF supported roads and power infrastructure. The 9th EDF inputs (Focal Sector 1) complement the 7th and 8th EDF undertakings.

SLRA Support Programme (7 ACP SL 44). The implementation phase of the 20.5M€ project, which was interrupted by the war for several years, will come to an end in January 2007. The monitoring mission evaluated the project in 2004 and considered it relevant and well managed. The program focuses on rehabilitation of prioritised main roads and institutional strengthening of SLRA through TA and rehabilitation of SLRA regional offices through several Program Estimates. Under the programme, several major road rehabilitation works progressed well. The works of the Panlap-Kamakwie and Masiaka-Lunsar-Makeni roads were finished, works on Kurubola-Koidu, Pendembu-Kailahun-Koindu and Regent-Grafton came to completion, and most SLRA regional offices received equipment. The rehabilitation of Makeni link roads is in progress and will terminate in January 2007.

Freetown-Conakry Highway (8 ACP SL 18, 7 ACP GUI 124, 6 ACP RPR 594). The 17.8M€ project aims at rehabilitating Freetown-Conakry Road, which forms part of the Trans West African Highway, to laterite standard. Construction of a joint Sierra Leonean-Guinean border post is also part of the project. The works contract, awarded in April 2004, has faced serious delays. The contractor has repeatedly run into cash flow problems and been unable to pay local suppliers of material and fuel. By the end of 2006, about 8 months after the contractual completion date, the estimated works carried out reached just below 60 %. As the present slow progress by the contractor will not allow the phase I works to be completed before the 2007 rainy season, and thereby delay the start up of phase II, the likely scenario is that the works contract will be terminated in mid 2007. The Court of Auditors visited Sierra Leone in November 2006 to assess the situation related to this project.

The project is to be followed by an asphalt overlaying project (Freetown-Conakry Highway Rehabilitation, Phase II) under the 9th EDF for which the Feasibility Study and the tender documentation were prepared in 2005 and due to be update in 2007. The remaining works from phase I will be carried out under the same contract as the phase II. The project estimation is 22M€ plus about 6 M€ funds remaining from the Phase I.

Population and Housing Census (7 ACP SL 100). In February 2006 the President of the Republic of Sierra Leone officially launched the 2004 Population and Housing Census results in Freetown. The ceremony signified the acceptance of the census results and dissemination to the population and all stakeholders. Since February, ten monographs on various census topics plus Life Tables were under preparation. During the year 2006 the Project continued to fund training programmes and supply of assets to SSL in view of strengthening the management capacity of the institution.

Health Sector Support Project HSSP (8 ACP SL 12). HSSP with a budget of 28M€ and a lifespan of 5 years was agreed in 2001. Capacity building for the MoHS and support to decentralised structures, notably training of community health workers and procurement/management of drugs, in three target districts have been pursued. Improved accessibility, affordability and quality of primary health care services and development of a functioning referral system to secondary level are envisaged.

Delays were experienced at the beginning of the project, mainly due to poor project design and lack of performance of the PMU. The mid-term review conducted in July 2005 was very critical and the project underwent a substantial restructuring. A workshop in 2006 agreed on a revised logframe and a rider submitted in end 2006, provided for a substantial decommitment of funds and an extension until June 2009, in order to finish the planned construction works.

Institutional Capacity Building of the Ministry of Finance (8 ACP SL 6). This initially delayed project has continued well and intensified the support to the Ministry of Finance, via the use of 3 expatriate consultant and 20 local technical assistants (LTA). Intensive programme of trainings and workshops has been executed through the project, covering a wide range of issues, such as MTEF, budget planning, internal audit, revenue, budget oversight committees, records keeping etc Annual monitoring reports have recognised the improvements on the effectiveness of the project and the combination of TA inputs and provision of computer equipment to the key MDA's to utilise the new Integrated Financial Information System IFMIS, is proving to be a good combination. Sustainability of the project is still at risk as no agreement has yet been reached with the GoSL on the retention of LTA's.

3.4 Utilisation of resources for Non-State Actors

No specific project has so far been financed for the Support to Non State Actors; currently there is a 6M Euro Civil Society Capacity Building and Local Accountability Mechanisms programme under preparation. The financing proposal has just been approved by the EC quality support group and this project is expected to start in January 2008 and implementation end in 31/12/2012.

3.5 Utilisation of B envelope

Mining

The Loan Agreement between GoSL and Sierra Rutile Ltd (SRL) was signed in August 2004, with HoD's endorsement for EDF funding. Payments of € 22,750,000 were released to Sierra Rutile Ltd in 2005, allowing the full rehabilitation programme of the mine to progress considerably during the year. This has been completed and the retention of € 2,000,000 released in June 2006. The mining activities have re-started and the date for the repayment of the loan will be determined between the government and SRL. Experts will be employed in to draw up detailed activities that the repaid funds would be used for once the start date of the repayment is determined and fixed.

LRRD

The Population LRRD (EUR 25 Million) has been designed for the "Transitional Support to Former IDPs, Returnees, Refugees and Hosting Communities in Sierra Leone", in order to consolidate peace and stability and support economic and social development whilst ensuring the link between relief, rehabilitation and development. By 12/2006, almost 100% of the total funds had been committed under 19 different contracts to UN organizations and INGOs, working in partnership with local NGOs. Focusing on key districts along the borders with Guinea-Conakry and Liberia, the main areas of intervention are to promote food/livelihood security as well as water and sanitation. Mechanisms are in place to ensure that cross-cutting

issues such as gender, environment, human rights and HIV/AIDS are taken into account. With the resettlement of the majority of former refugees to Liberia, the focus shifted in 2006 to beneficiaries of the former host communities.

3.6 Other instruments

3.6.1 Community budget lines

EIDHR: Under the EIDHR the EC continues its support to the SCSL through the Victims Justice and Legacy Project started in 2003 and covering the following areas: Witness and Victim Support Programme, Grassroots Awareness Raising Campaign, Audio-Visual Programme, Intern and Pro-Bono Professionals Programme, Court Interpreters Professionalising and Training Programme, Library and Archives Development Programme.

The Project “Let us learn to respect human rights” implemented by CARE Nederland almost completed its activities in 2006 after 3 years of life. The project focused on civil society capacity building. Most of the foreseen results were successfully achieved.

The project “Leh Wi Push Pis” implemented by Christian Aid started in April 2006. A monitoring visit conducted in October 2006 showed that activities are on track.

NGO Co-financing: In June 2006 IBIS started the implementation of a project aiming to improve access to quality education for primary school children in Sierra Leone. The project will last 3 years.

Educational Renewal in Bombali District NGO-PVD/2003/020-749; this contract expired year ago and concluded in rebuilding schools, setting up School Management Committees, supplied teaching and learning materials as well as promoting hygiene practices in schools and communities.

Integrated health NGO-PVD/2004/064-441; PHUs were reburshed, water wells and VIP latrines constructed and hygiene promotion and nutrition monitoring through the formation/development Village development committees and watsan committees.

Community Based Response to HIV/AIDS NGO-PVD/2005/096-126 implemented by Christian Aid; This grant is in the second year of implementation and had been monitored both internally and externally with recommendations for a review of project activities in view of proper targeting of beneficiaries particularly high risk potential HIV/AIDS victims and also improving networking and coordination with other stakeholders.

NGO-PVD/2005/096-821 block grant implemented by Tearfund with diverse activities on agriculture and HIV/AIDS is progressing well especially the agriculture component. In some of the beneficiary communities after the harvest, there is the need to look at post harvest issues and storage.

NGO-PVD/2006/119-261 implemented by Handicap is delivering services to disabled people; NGO-PVD/2006/119-432 is on Malaria prevention and control; NGO-PVD/2006/119-672 is on sexual, reproductive health and rights. All these three contracts commenced in the first quarter of 2007 and; NGO-PVD/2006/118-752 is an activity on giving social support to TB and HIV affected people but it is yet to start in June 2007

Reproductive and Sexual Health: SANTE/2004/080-261, the only contract under this budget line is making progress after encountering difficulty created by a fraudulent contractor in the procuring ambulances and project vehicles. Most of the activities in this project are on track except for procurement. From the indicator performance tracking, there is evidence of

progress and this will be consolidated by the availability of the ambulances and the motorbike carts that would take care of Emergency Obstetric cases.

Food Security: Apart from the ongoing food security budget line projects in Sierra Leone, implemented by CARE (€3.1m) and ACF (€2.3m), two other projects could be awarded under a new call for proposal in 2006: CONCERN Worldwide (€1.0m for the implementation of the action “Building Resilience and Community Engagement”), and INTER AIDE (€0.8m for a project named “Demand-Responsive Support to Vulnerable Communities for a Sustainable Improvement of Food Security”).

Environment and Tropical Forests: Under the program for Environment, Tropical Forests and other Forests in Developing Countries, a €3.0m project is to be awarded: The Gola Rainforest – a new, practical model for achieving sustainable protected areas in post-conflict Sierra Leone, a Least Developed Country. The project will have a number of synergies and complementarities with the NaCEF 9 EDF project in preparation.

3.6.2 STABEX

For Sierra Leone, there are still around €4.5m available, coming from Stabex 1996/99 resources and reimbursements by the GoSL. In 04/2006, the Framework of Mutual Obligations (FMO) was signed by the EC and the GoSL. Funds will be used for the rehabilitation of coffee/cocoa plantations and for rice production. During the implementation of the STABEX programme, all major components of the value chain, covering the production, processing and marketing of the respective commodities will be addressed. Furthermore, STABEX funds will be used to enhance the management capacities of the Ministry of Agriculture and Food Security (MAFS), particularly in sector strategy formulation, data collection, information management and the provision of extension services. The procurement and tendering process for the STABEX programme started during the last quarter 2006.

3.6.3 ECHO

Apart from contributions to the WFP and ICRC directly from Brussels, there are currently no ECHO interventions in Sierra Leone.

3.6.4 Regional Cooperation

Sierra Leone is part of the Regional Program for West Africa agreed between the EU and ECOWAS/UEMOA, with a total allocation of 235M€ under the 9th EDF and some unspent balances from previous EDFs. The programme targets mostly measures to enhance economic and trade integration in the region, and improvement of regional transport infrastructure, conflict prevention, and regional health issues

During 2006, Sierra Leone benefited from regional cooperation funds under the 8th EDF for the completion of the Freetown-Conakry-Highway (Regional Programme for West Africa) and from the 9th EDF EU/ACP EPA Negotiations Support in a form of a EPA impact study, which has been implemented during the year 2006.

3.6.5 European Investment Bank (EIB)

The Investment Facility (IF) managed by the EIB is the instrument of the Cotonou Agreement for long-term finance. It is structured as a revolving fund aiming at long-term financial sustainability and disposing of an array of instruments, such as loans, equity or quasi-equity participation, and the provision of guarantees. The IF targets borrowers in the private sector or the commercially run public sector and foresees only a couple of well-defined cases where a subsidy element might be granted. The Bank’s approach in supporting long-term investment continues to be demand-driven and therefore commitment of long-term resources largely depends on the establishment of a positive investment climate in the country.

Based on an agreement between the EC and GoSL signed in 2002 under the overall umbrella of HIPC debt relief, the EIB started proceeding on the clearance of arrears of up to € 21,45m (of which € 8,58m during the HIPC interim period), incurred by GoSL. Sierra Leone reached the HIPC completion point in December 2006, activating the process of full provision of the agreed debt relief. No loan requests have been submitted to the EIB during 2005 by private investors. The general investment climate does not attract sufficient foreign investment.

4. Assessment of performance indicators

The performance indicators contained in the PRBS programme have proved to be very useful in encouraging reform in key areas. Although periodic review of the indicators may become necessary, in the face of the evolving situation at country level, the base for performance assessment is in place.

5. Donor coordination and harmonisation

The donor community holds monthly co-ordination meetings under the chairmanship of UNIOSIL. The day to day coordination of development assistance, information sharing and consultation between GoSL and donor partners is carried out by the Development Assistance Coordination Office (DACO). Specifically, DACO is tasked with ensuring that all development assistance to Sierra Leone is incorporated in the annual budget. It organises regular PRS working groups and quarterly DEPAC meetings to assess progress in PRS implementation. It was agreed at the London Consultative Group (CG) meeting in 2005 that future CGs would take place on an annual basis in Freetown and this practise began in 2006.

Harmonisation of aid interventions has to date been relatively weak but a number of new mechanisms and initiatives (e.g. MDBS, Decentralisation Trust Fund, and basket fund arrangements for the 2007 elections) provide the framework for increasing effectiveness. The government has now established an Aid Harmonisation Committee which includes donor representation to prepare a harmonisation work plan to encourage implementation of the Paris Declaration, to which it recently acceded.

The Multi donor budget support (MDBS) is an important part of the donor coordination on the ground that allows for , inter alia, joint analysis of the macroeconomic situation of Sierra Leone, and to work towards macroeconomic stabilisation of the country.

In the course of 2006 and at the beginning of 2007, a joint EC – DFID – Sierra Leone programming exercise with the aim to arrive at joint country strategy (in case of the EC it concerned 10th EDF) took place. The EU Member States present in the country contributed to this exercise. The joint programming remains open for EU and non-EU partners.

6 Dialogue in country with the NAO and NSAs

Political dialogue between Sierra Leone and donors is close and constructive and includes regular engagement with the President and Vice President. Dialogue covers issues on internal and regional security, trade and migration, good governance and corruption, democratic principles and matters relating to the functioning of the executive, legislature and judiciary.

EU Heads of Mission formally meet for policy coordination on a monthly basis and EU and international demarches are occasionally carried out, particularly in the field of human rights and trade. A more structured dialogue between the EU and Sierra Leone within the framework of article 8 of the Cotonou Agreement has been prepared and the modalities have been agreed

7. Conclusions

The upcoming presidential and parliamentary elections scheduled for August 2007 remain the main test for Sierra Leone in 2007. These elections will prove the maturity of Sierra Leone on its path towards the full consolidation of peace and democracy. The NEC and PPRC have been commendably working to accomplish their respective mandates, however, more donor support will be needed.

It is expected that preparations for elections will slow down the political life and Government's reforms in the country and therefore, no major changes and improvements can be expected.

The new government will face many challenges that include the need for civil service reform, further progress in decentralisation, progress in fight against corruption including the relevant institutional reforms; youth unemployment. The government will have to substantially review the management of natural resources to allow Sierra Leone to profit from its natural wealth. Real improvements in the issues of child rights, discrimination of women and FGM has still to be seen. Reform of judicial system and strengthening of its capacity is required. Sierra Leone will also have to intensify the work concerning the MDGs that at present terms, will be very unlikely to achieve by 2015.

On donor side, close coordination and dialogue among the donors and with Sierra Leonean institutions will be crucial to success of the whole development agenda. More donors in the country would be welcome.

Annexes

(A) General Annex:

1. *Country at a glance, including key macro-economic and MDG indicators*

(B) Annexes with a retrospective character: financial situation for:

1. *Use of budgetary support / counterpart funds*
2. *EIB projects*
3. *9th EDF (grants) and any previous EDFs*
4. *Regional projects*
5. *Budget lines*

(C) Annexes with a prospective character:

1. *Indicative time table of SL for commitments (up to end 2007) and disbursements (up to the end of 2008)*
2. *Indicative time table of Regional for commitments (up to end 2007) and disbursements (up to the end of 2008)*

SIERRA LEONE AT A GLANCE

Table of macroeconomic indicatorsⁱ

	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Basic data										
1	Population (in millions)				5.4					
	- annual change in %						4			
2a	Nominal GDP (in millions of USD ⁱⁱ)	N/A	806	936	990	1.071	1.193	1.336	1.487	1.678
2b	- annual change in % ⁱⁱⁱ		20.3	22.8	18.3	24.6	21.6	21.5	15.7	14.5
3	Real GDP (annual change in %) ^{iv}		18.2	27.5	9.3	7.4	7.3	7.4	6.5	6.1
4	Gross fixed capital formation ^v (in % of GDP)				14.3	19.6				
	Gross domestic investment ^{vi}		6.7	10.1	13.9	10.6	17.2	15.0	14.9	15.2
International transactions										
5	Exports of goods and services ^{vii} (in % of GDP)					22.3	24.0	27.9	28.8	29.0
	- of which the most important: minerals (in % of GDP)									
6	Trade balance (in % of GDP)									
7	Current account balance ^{viii} (in % of GDP)		-17.4	-4.8	-7.6	-4.9	-7.3	-6.9	-6.4	-6.0
8	Net inflows of foreign direct investment ^{ix} (in % of GDP)					- 1.2	-3.3	-1.4	-1.3	-1.3
9	External debt ^x (in % of GDP)					193.4	170.4	152.3	120.6	106.9
10	Service of external debt ^{xi} (in % of exports of goods and non-factor services)		73.0	9.3	7.3	10.2	10.2	8.1	3.4	6.5
11	Foreign exchange reserves ^{xii} (in months of imports of goods and non-factor services)			2.5	1.8	3.0	3.4	3.1	3.1	3.2
Government										
12	Revenues ^{xiii} (in % of GDP)		13.0	12.1	12.4	12.3	11.9	12.4	12.8	13.2
	- of which: grants (in % of GDP)					5.7	6.8	5.8	5.2	4.7
13	Expenditure ^{xiv} (in % of GDP)		29.5	28.6	26.9	24.8	24.6	21.7	22.6	22.4
	- of which: capital expenditure (in % of GDP)									
14a	Deficit (in % of GDP) including grants									
14b	Deficit (in % of GDP) excluding grants									
15	Debt ^{xv} (in % of GDP)					237.4	203.8	182.6	143.4	126.9
	- of which: external ^{xvi} (in % of total public debt)					204.7	176.2	159.5	123.3	109.3
Other										
16	Consumer price inflation (annual average change in %) ^{xvii}		2.6	-3.7	7.5	14.2	12.1	12.4	9.3	8.0
17	Interest rate ^{xviii} (for money, annual rate in %)		14.7	15.0	20.2	28.0	16.9	-	-	-
18	Exchange rate (annual average of national currency per 1 €)									
19	Unemployment (in % of labour force, ILO definition)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ⁱ Source: IMF, Sierra Leone, Request for a Three-Year Arrangement Under the Poverty Reduction and Growth Facility, March 10, 2006.

ⁱⁱ In USD instead of Euro. IMF March 10, 2006 p. 27.

ⁱⁱⁱ IMF March 10, 2006 p.27 and IMF May 2, 2006 p. 6.

^{iv} IMF March 10, 2006 p. 15, 86 (assumptions) and IMF May 2, 2006 p. 6.

^v I did not find 'Gross fixed capital formation' instead included on the line below 'Gross domestic investment'. IMF March 10, 2006 p. 27.

^{vi} IMF March 10, 2006 p. 27.

^{vii} IMF March 10, 2006 p. 83, Appendix IV.

^{viii} Current account balance including official transfers. IMF March 10, 2006 p. 27 and IMF May 2, 2006 p. 6. See also IMF Board approval at the end of the doc. Corrected figures for current acc. balance.

^{ix} IMF March 10, 2006 p. 83, Appendix IV. For 2004 actual, for 2005-2008 projections.

^x Nominal, includes both public and private sector external debt. For 2004 actual, for 2005-2008 IMF projections. IMF March 10, 2006 p. 83, Appendix IV.

^{xi} Debt service due after debt relief as percent of exports of goods and services, after Naples (2001) and Cologne flow rescheduling (2002-2004), and delivery of full HIPC initiative assistance.

^{xii} Gross official reserves in months of imports. IMF March 10, 2006 p. 15. Figures taken: IMF Board approval letter at the end of the doc. P. 4.

^{xiii} Government domestic revenue. IMF March 10, 2006 p. 27. Figures taken: IMF Board approval letter at the end of the doc. P. 4.

^{xiv} Total expenditure and net lending. IMF May 2, 2006 p. 6. Figures taken: IMF Board approval letter at the end of the doc. P. 4.

^{xv} Public sector debt. IMF March 10, 2006 p. 86, Appendix IV.

^{xvi} Foreign currency denominated, IMF March 10, 2006 p. 86, Appendix IV.

^{xvii} IMF March 10, 2006 p. 27, IMF May 2, 2006 p. 6.

General Indicators^{xviii}:

Governance	Composition of Parliament, 112 seats	Female 14.3 %, Male 85.7 %
Total land area	Thousands of km ²	71.6
Agricultural land	In % of total	74
Population	2004	5.4 million
Population growth rate		4%
Population density		65
Urban population		40 %
Life expectancy	at birth	Female 41, Male 36
Maternal Mortality Ratio	Per 1000 000	1800
Infant mortality rate	Per 1000	170
Poverty	% of population below poverty line;	70 %
Food poverty, % of population unable to afford basic diet.		26 %
GDP	Us\$ billions	1.2
GNI	Per capita in US\$	220
Access to safe water	In % of population Urban Rural	34 58 21
Adult literacy rate	2002, % ages 15+	36 %
Combined Gross Ratio for Primary, Secondary and Tertiary Schools	2002	45 %
Human Development Index	2005	176

^{xviii} Treasury bill rate. IMF March 10, 2006 p. 27.

BUDGETARY SUPPORT/COUNTERPART FUNDS

Counterpart Funds

The European Commission and the Government of Sierra Leone hold in 2 different bank accounts in the Bank of Sierra Leone, SLL 29,476,102,220 of counterparts funds (€ value approximately 7.6 Million). The number of the bank accounts where counterpart funds are held and the balances as at 31 December 2006 of these accounts are listed below.

AC. 1100580 EC SASP Treasury Account	SLL 24,886,102,220
AC. 1100820 EU Stabex Treasury Account	SLL 4,590,000,000

AC. 1100580 EC SASP Treasury Account

The EC SASP Treasury Account is under the supervision of the Economic, Trade and Regional Programming Section. Details of balance in the account are analysed on pages 2 and 3 below:

AC. 1100820 EU Stabex Treasury Account

The SLL 4.5M (approx. €1.3m) will be utilised under the STABEX FMO signed in June 2006. The specific objective of the FMO is for the use of these funds to improve the livelihood of farmers and support the Ministry of Agriculture and Forestry in line with the Agriculture Sector Review on export of agricultural products.

The areas to be funded are cocoa, coffee and rice production and also Technical Assistance to the Ministry of Agriculture.

It is envisage that full implementation will start in 2007

a/c no. 1100580 - EC Structural Adjustment Support Program

DATE	TRANSACTIONS	BALANCE	DESCRIPTION
31-Dec-00		19,570,867,020	op. Balance representing previous addition of SASP 8 Euro8.2m
During 2001	25,379,522,522		Addition of PCBS 1 Euro16.57m
31-Dec-01		44,950,389,542	cl. Balance
29-Nov-02	3,035,500,000	47,985,889,542	1st Tranche Reimbursement of Ineligible Expenditure (4 payments total Le12.142m)
29-Jan-03	3,035,500,000	51,021,389,542	2nd Tranche Reimbursement of Ineligible Expenditure (4 payments total Le12.142m)
31-Mar-03	3,035,500,000	54,056,889,542	3rd Tranche Reimbursement of Ineligible Expenditure (4 payments total Le12.142m)
30-May-03	3,035,500,000	57,092,389,542	4th Tranche Reimbursement of Ineligible Expenditure (4 payments total Le12.142m)
12-Dec-03	396,600	57,092,786,142	Cash deposit slip no J12217 - UNSURE OF REASON FOR ADDITION
03-Mar-04	(25,379,522,522)	31,713,263,620	Transfer to GOSL Treasury main a/c PCBS 1 Euro16.57m
05-Oct-04	13,611,808,600	45,325,072,220	Addition of 4.08M Euros part of PCBS 2 Euro16.58m
05-Oct-04	42,389,131,000	87,714,203,220	Addition of 12.5M Euros part of PCBS 2 Euro16.58m
05-Oct-04	5,404,192,000	93,118,395,220	Addition of 1.60M Euros is PCBS 3 Euro 1.60m. PCBS 2&3 is Euro18.18m
24-Dec-04	(33,776,200,000)	59,342,195,220	Transfer to GOSL Treasury main a/c Euro10m of PCBS
14-Mar-05	(6,831,000,000)	52,511,195,220	Final Contrib by GOSL to Multi-Donor Trust Fund ref. NAO/1027
25-Apr-05	(27,628,931,000)	24,882,264,220	Transfer to GOSL Treasury main a/c of Euro8.18m of PCBS
04-Sept-06	2,609,000	24,884,873,220	Cash deposit by M.Suluku iro Income Tax TD3
12 -Oct- 06	763,000	24,885,636,220	CHQ deposit by F J Foday Musa
24 -11 -06	225,000	24,885,861,220	CHQ deposit by F. Mula
13 – 12- 06	241,000	24,886,102,220	CHQ deposit on A NO 8107 by F. Musa
31 December 2006		24,886,102,220	cl. Balance

Not yet transferred to Treasury Main a/c:

	Le	Le
SASP 8 Euro8.2m		19,570,867,020
Repayment of Ineligible Exp.	12,142,000,000	
Less: Multi-Donor Trust Fund Contrib.	<u>(6,831,000,000)</u>	
		5,311,000,000
Unknown deposit		396,600
Misc deposits in 2006		<u>3,838,000</u>
TOTAL		24,886,101,620

Difference to closing bank balance is immaterial Le600 not transferred out of Euro18.18m

Budgetary Support

The Government of Sierra Leone has benefited from Post Conflict Budget Support under the 8th EDF as follows:

Project No.	Amount (in Euros)
8 ACP SL 008	9,700,000
8 ACP SL 009	10,900,000
8 ACP SL 010	1,600,000
8 ACP SL 011	12,550,000
Total	34,750,000

The full amount has been transferred and the Global Commitments are now being closed.

Under the 9th EDF, The NIP has allocated €50 million for Poverty Reduction Budget Support (PRBS) for Sierra Leone. The Budget Support programme will through the Poverty Reduction Strategy Paper (PRSP) assist Government in its effort to reduce poverty and will also have an impact on Good Governance.

The PRBS is in two components:

- | | |
|--|-------------|
| 1. Direct Budget support to Government | €47,500,000 |
| 2. Complementary Support | € 2,500,000 |

As at end of year 2006, a total of €27.5M has been transferred to the Government under item 1 above.

EIB PROJECTS

Sierra Leone has not received new funding from EIB in the past years. There are no ongoing projects from EIB and there are no projects under consideration for Sierra Leone by EIB at the moment.

However in February 2006, the Government of Sierra Leone was informed by the EIB, that it has been instructed by the European Commission to extend its interim debt service relief provided to Sierra Leone by the EC in the framework of the enhanced HIPC Initiative (HIPC II). The specific modalities of such relief have been communicated to the Government.

Annex VI - Financial Situation 9th EDF

Breakdown of EDF decision by Economic Sector
Period ending 31-12-2006

ENVELOPE 'A'

Account. No.	Programme	Decision		Commitment		Disbursement	
		at 31-12-2006	in 2006	at 31-12-2006	in 2006	at 31-12-2006	in 2006
	Budget Support						
9,008	Audit of Budget Support	195.000		194.422		191.676	29.600
9,017	Poverty Reduction Budget Support	50.000.000	0	48.788.473	1.288.473	28.076.387	10.576.387
		50.195.000	0	48.982.895	1.288.473	28.268.063	10.605.987
	Infrastructure						
9,005	Road Infrastructure Programme	42.000.000		37.645.737	4.986.246	9.902.098	6.936.881
9,009	Study on Rehab of 7 Jetties	0	-98.328				
9,010	Study on Terms of Rutile Loan	79.000		64.629	0	49.790	0
9,016	Rehabilitation of 650km feeder roads	9.500.000	0	0	0	0	0
		51.579.000	-98.328	37.710.366	4.986.246	9.951.888	6.936.881
	Institutional Strengthening						
9,011	Technical Cooperation Facility	1.872.200		587.041	377.102	238.766	142.276
9,014	Support to the NAO	3.130.000		2.099.200	252.000	826.484	502.244
9,015	TA to the Min. of Mineral Resources	1.000.000		593.051	24.167	161.371	35.881
9,019	Institutional Support-Fisheries Management	3.000.000	0	0	0	0	0
9,020	Support to National Electoral Commission	8.000.000	8.000.000	7.490.000	7.490.000	0	0
		17.002.200	8.000.000	10.769.292	8.143.269	1.226.622	680.402
	Rural Development Programmes						
9,003	Verification of Hand Pumps	9.632		9.632		7.072	
9,007	Resettlement & Rehabilitation Programme	10.000.000		9.813.464	2.228.564	7.498.154	1.905.591
		10.009.632	0	9.823.096	2.228.564	7.505.226	1.905.591
	Good Governance						
9,001	Good Governance & Institutional Supp.	49.100		49.100		43.389	
9,002	Support to Decentralisation process	72.120		61.800		43.169	
9,012	IFES - Assistance to Local Elections	0	-1.999.000	0	-1.621.050	0	
9,018	Decentralisation Capacity Building	10.000.000	0	9.100.000	9.100.000	4.550.000	4.550.000
		10.121.220	-1.999.000	9.210.900	7.478.950	4.636.558	4.550.000
	TOTAL ENVELOPE 'A'	138.907.052	5.902.672	116.496.549	24.125.501	51.588.356	24.678.861

Total Allocation Envelope 'A'	182.165.204
Decision/Allocation	76%
Commitment/Allocation	64%
Disbursement/Allocation	28%

0

ENVELOPE 'B'

Account. No.	Programmes	Decision		Commitment		Disbursement	
		at 31-12-2006	in 2006	at 31-12-2006	in 2006	at 31-12-2006	in 2006
	Infrastructure						
9,006	Re-opening of Sierra Rutile	25.000.000		24.750.000	0	24.750.000	2.000.000
	Health						
9,013	Transitional Support to Health Sector	7.000.000		6.281.953	3.611.716	3.553.941	2.908.371
	Rural Development Programmes						
9,004	Institutional Support to IDPs, Returnees etc.	25.000.000		24.889.031	1.789.904	14.525.395	7.467.976
	Total Envelope 'B'	57.000.000	0	55.920.984	5.401.620	42.829.336	12.376.347

Total Allocation Envelope 'B'	57.000.000
Decision/Allocation	100%
Commitment/Allocation	98%
Disbursement/Allocation	75%

BUDGET LINES FORECAST

Forecast start semester	2007 S1
Forecast end semester	2007 S2

Domain	ALL
Delegation in charge	SL
Budget line	ALL

Sierra Leone

Budget line	Domain	Contract nr	Beneficiary	Status	Decision nr	Contract FDI Date	Situation before forecast			2007 S1			2007 S2			After forecast			Comments
							Contracted	Paid	RAL	Contracted	Paid	Recovered	Contracted	Paid	Recovered	RAL			
21.030300	NGO co-financing (PVD)	ONG-PVD/2003/020-749	Plan Intl.	Ongoing	ONG-PVD/2002/001-09	1/02/2007	669.489	602.541	66.948	0	66.948	0	0	0	0	0	0	0	
19.040500	Human rights & Democracy	DDH/2003/034-497	Coopl	Ongoing	DDH/2002/003-182	3/03/2006	999.359	900.000	99.359	0	99.359	0	0	0	0	0	0	0	
21.020301	Food Security	FOOD/2000/047-187	ACF	Ongoing	FOOD/2000/002-332	30/06/2006	2.114.893	1.903.404	211.489	0	211.489	0	0	0	0	0	0	0	
21.020301	Food Security	FOOD/2000/047-214	Care	Ongoing	FOOD/2000/002-332	30/06/2006	1.034.511	931.060	103.451	-103.451			0	0	0	0	0	0	pending decommitment
19.040300	Human rights & Democracy	DDH/2001/050-537	SFCG	Ongoing	DDH/2001/002-789	30/06/2007	693.821	693.821	0	0	0	0	0	0	0	0	0	0	to be closed
19.040500	Human rights & Democracy	DDH/2003/057-521	Care Ned.	Ongoing	DDH/2003/005-646	14/06/2009	1.370.346	1.233.312	137.034	0	0	0	0	137.034	0	0	0	0	
19.040500	Human rights & Democracy	DDH/2003/063-815	IEP	Ongoing	DDH/2003/005-646	23/06/2008	309.861	278.875	30.986	0	30.986	0	0	0	0	0	0	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2004/064-441	Goal	Ongoing	ONG-PVD/2003/004-56	1/09/2007	750.000	675.000	75.000	0	75.000	0	0	0	0	0	0	0	
21.050300	HEALTH	SANTE/2004/080-261	Health Unltd.	Ongoing	SANTE/2003/005-897	30/09/2010	1.229.152	476.731	752.421	0	0	0	0	314.753	0	0	437.668	0	
21.020301	Food Security	FOOD/2004/084-186	Care Ned.	Ongoing	FOOD/2003/004-953	30/06/2009	1.564.028	743.775	820.253	0	331.925	0	0	0	0	0	488.328	0	
21.020301	Food Security	FOOD/2004/084-210	GAA	Ongoing	FOOD/2003/004-953	31/10/2010	900.000	305.403	594.597	0	252.299	0	0	0	0	0	342.298	0	
19.040500	Human rights & Democracy	DDH/2005/089-002	Care -Le Wi...	Ongoing	DDH/2004/006-103	1/12/2009	867.093	270.220	596.873	0	0	0	0	255.081	0	0	341.792	0	
19.040500	Human rights & Democracy	DDH/2006/089-908	PANOS	Ongoing	- no decision	31/03/2010	240.000	0	240.000	0	85.300	0	0	0	0	0	154.700	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2005/095-583	IBIS	Ongoing	ONG-PVD/2004/006-23	1/12/2010	666.000	207.618	458.382	0	195.891	0	0	0	0	0	262.491	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2005/096-126	Christian Aid	Ongoing	ONG-PVD/2004/006-23	1/10/2010	750.000	214.355	535.645	0	230.322	0	0	0	0	0	305.323	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2005/096-821	Tearfund	Ongoing	ONG-PVD/2004/006-24	1/07/2010	558.575	139.653	418.922	0	181.532	0	0	0	0	0	237.390	0	
19.040500	Human rights & Democracy	DDH/2005/113-774	Spec. Court	Ongoing	- no decision	30/06/2010	695.244	556.195	139.049	0	139.049	0	0	0	0	0	0	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2006/118-752	Bread ft World	Ongoing	ONG-PVD/2005/017-21	31/12/2012	750.000		750.000	0	0	0	0	339.138	0	0	410.862	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2006/119-261	Handicap Intl	Ongoing	ONG-PVD/2005/017-21	30/06/2011	750.000		750.000	0	377.266	0	0	0	0	0	372.734	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2006/119-432	Plan Intl.	Ongoing	ONG-PVD/2005/017-21	27/09/2013	750.000		750.000	0	312.588	0	0	0	0	0	437.412	0	
21.030300	NGO co-financing (PVD)	ONG-PVD/2006/119-672	Marie Stopes	Committed	ONG-PVD/2005/017-21	20/01/2012	749.547		749.547	0	360.522	0	0	0	0	0	389.025	0	
21.020301	Food Security	FOOD/2006/127-127	Concern	Ongoing	FOOD/2005/017-312	18/08/2011	1.000.000		1.000.000	0	403.265	0	0	0	0	0	596.735	0	
21.020302	Food Security	FOOD/2006/127-264	InterAide	Ongoing	FOOD/2005/017-312	31/07/2011	800.000		800.000	0	288.639	0	0	0	0	0	511.361	0	
19.040500	Human rights & Democracy	DDH/2006/127-983	Spec. Court	Ongoing	- no decision	30/06/2008	594.708		594.708	0	475.766	0	0	0	0	0	118.942	0	
19.060101	Rapid Reaction Mechanism (DG)	RRM/2006/129-798	Hirondelle	Ongoing	- no decision	31/12/2008	445.000		445.000	0	356.000	0	0	89.000	0	0	0	0	
21.0205	Environment in Developing Coun	Not encoded in CRIS yet	RSPB	Pipeline	ENV/2006/017-911	31/03/2013				3.006.984	520.796	0	0	0	0	0	2.486.188	0	Not encoded in CRIS yet
21.020703	Sexual Reproductive Health			Evaluation of call ongoing									2.075.216	808.362					Evaluation of call for proposals



SIERRA LEONE

EDF FORECASTS 2007-2008: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.

(amounts in €)

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YEAR GLOB. COMMIT.	ACCOUNTING NUMBER	TITLE INDIVIDUAL COMMITMENT	FORECASTS 1st SEM 2007					FORECASTS 2nd SEM 2007					FORECASTS 1st SEM 2008					FORECASTS 2nd SEM 2008				
			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION OF RISK FACTOR FOR PAYMENTS		
					Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H
TOTALS on NEW INDIVIDUAL Commitments			20.067.132	5.891.941	2.356.874	3.279.067	256.000	3.532.852	7.319.400	2.241.185	3.839.050	1.239.165	1.858.527	5.856.397	1.410.439	3.900.168	545.790	960.999	4.758.515	745.799	3.415.650	597.066
2000	8 ACP SL 6	Audit	47.798	19.120	19.120				9.560	9.560				19.118	19.118							
2000	8 ACP SL 6	Software and Maintenance	166.000	100.000		100.000			50.000		50.000			16.000	16.000							
2000	8 ACP SL 6	Final Evaluation											27.000	16.200	16.200			10.800	10.800			
2000	8ACP SL12	Audit and Evaluation	80.000	80.000	50.000	30.000																
2001	8ACP SL12	HSSP Logistics	800.000	800.000	800.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	8ACP SL12	Civil Works CHTS - Bo Contract	1.307.390		0	0	0		650.000	350.000	200.000	100.000		657.390	400.000	200.000	57.390		0	0	0	0
2001	8ACP SL12	Supervision of Civil Works CHTS	130.739		0	0	0		65.000	65.000	0	0		65.739	65.739	0	0		0	0	0	0
2001	8ACP SL12	Civil Works DMS/PHUs	1.097.765		0	0	0		597.765	300.000	200.000	97.765		350.000	150.000	150.000	50.000		150.000	150.000	0	0
2001	8ACP SL12	Works DMS/PHUs Supervision	109.777		0	0	0		39.777	39.777	0	0		35.000	35.000	0	0		35.000	35.000	0	0
2001	8ACP SL12	Kailahun water scheme	150.000	150.000	120.000	30.000	0		0	0	0	0		0	0	0	0		0	0	0	0
2001	8ACP SL12	CMS construction & supervision	1.432.066		0	0	0		500.000	500.000	0	0		500.000	500.000	0	0		432.066	200.000	100.000	132.066
2001	8ACP SL12	Equipment for CMS/Lab	443.000	0	0	0	0		443.000	443.000	0	0		0	0	0	0		0	0	0	0
2001	8 ACP SL 14	TA Support to MAFS for the Implementation of STABEX Funds	107.944	107.944	107.944																	
2002	7ACP SL 100	Rehabilitation of SSL Headquarter	77.000	37.000	37.000				40.000	40.000												
2002	7ACP SL 100	Construction of 13 SSL District Offices	300.000	92.000	92.000				80.000	80.000				80.000		80.000						
2002	7ACP SL 100	Procurement 13 generators for District Offices	18.000						15.000	15.000				3.000	3.000							
2002	7ACP SL 100	Procurement and Installation of Printing Equipment	42.000	17.000	17.000				25.000	25.000												
2002	7ACP SL 100	Service contract-Supervision for the rehabilitation of SSL HQ	5.000	5.000	5.000																	
2002	7ACP SL 100	Service contract-Supervision for the construction of 13 district offices	30.000	8.500	8.500				8.500	8.500				8.500	8.500							
2002	7ACP SL 100	PE 3	25.000	25.000	25.000																	
2002	7ACP SL 100	Audit PE No. 1+2	35.000	35.000	35.000																	
2002	7ACP SL 100	Evaluation	100.000						100.000		100.000											
2003	8 ACP SL 18	Border Post						1.000.000	300.000		300.000			200.000		200.000			400.000		200.000	200.000
2003	8 ACP SL 18	CEC Works	500.000						500.000			500.000										
2003	8 ACP SL 18	PE 2 SLRA	30.000	10.000		10.000			20.000			20.000										
2003	8 ACP SL 18	Hydroarch	250.000						100.000			100.000		150.000		150.000						
2003	9 ACP SL 04	Final Evaluation and impact assessment study on LRRD Programme																149.999	149.999	149.999		
2003	9 ACP SL 04	Audit of 9 ACP SL 04/004						20.000	20.000	20.000												
2003	9 ACP SL 04	Audits of selected contracts, particularly the projects implemented by UNHCR and FAO						57.852	57.852	30.000	27.852											
2003	9 ACP SL 05	Audit of Programme Estimates	45.000	9.000	9.000				36.000	30.000	6.000											
2003	9 ACP SL 05	Rider-Works	400.000					700.000	400.000		200.000	200.000		200.000		100.000	100.000		200.000		100.000	100.000
2003	9 ACP SL 06	Audit/evaluation Sierra Rutile	91.740	55.044	55.044				36.696	18.348	18.348											
2003	9 ACP SL 07	Audit/evaluation RRP	21.000	10.000	10.000				11.000	11.000									60.000		60.000	
2004	9 ACP SL 11	Study NSA	59.500	35.700		35.700			23.800			23.800										
2004	9 ACP SL 11	10th EDF Facilitator Ecomys	78.266	78.266		78.266																
2004	9 ACP SL 11	Supervision of HSSP Works Contract						200.000	50.000		50.000			150.000	100.000	50.000						
2004	9 ACP SL 11	Formulation of trade related TA programme	132.000	79.200		79.200			52.800		52.800											
2004	9 ACP SL 11	PE 2-Technical Support	292.000	146.000			146.000		87.600			87.600		58.400		58.400						
2004	9 ACP SL 13	Lassa/IMC	518.047	518.047	300.000	218.047	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	9 ACP SL 13	Mid Term Evaluation	60.000	60.000		60.000																
2004	9 ACP SL 13	Audit and Final Evaluation						60.000	60.000	60.000								80.000	80.000	80.000		
2004	9 ACP SL 14	PE 2	730.000	300.000	300.000				180.000		180.000			180.000		180.000						
2004	9 ACP SL 14	Service contract design and preparation of tender dossier for the reconstruction of the NAO Office	5.000	5.000	5.000																	



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EDF FORECASTS 2007-2008: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.

(amounts in €)

YEAR GLOB. COMMIT.	ACCOUNTING NUMBER	TITLE INDIVIDUAL COMMITMENT	FORECASTS 1st SEM 2007					FORECASTS 2nd SEM 2007					FORECASTS 1st SEM 2008					FORECASTS 2nd SEM 2008						
			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS			INDIVID. COMMIT.	PAYMENTS	ESTIMATION of RISK FACTOR FOR PAYMENTS				
					Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H			Low L	Medium M	High H		
2004	9 ACP SL 14	works contract for the reconstruction of the NAO building	200.000						60.000		60.000			80.000		80.000								
2004	9 ACP SL 14	Service contract supervision works NAO Buildings	20.000						6.000		6.000			5.000		5.000								
2004	9 ACP SL 14	Audit PE 1 and PE 2	40.000						20.000			20.000		10.000	10.000				10.000	10.000				
2004	9 ACP SL 14	Evaluation																36.000	21.600				21.600	
2004	9 ACP SL 15	SRL loan re-payment study	80.000	48.000	48.000				32.000	16.000	16.000													
2004	9 ACP SL 15	PE 1 TA to MMR	147.000	93.000	40.000	53.000			54.000		54.000													
2004	9 ACP SL 15	PE 2 TA to MMR										90.000	59.000	27.000	32.000				31.000				31.000	
2005	9 ACP SL 16	PE 1 Rehab Rural Roads	200.000	130.000	60.000	70.000			70.000		70.000													
2005	9 ACP SL 16	PE 2 Rehab Rural Roads										200.000	130.000	60.000	70.000				70.000				70.000	
2005	9 ACP SL 16	Service Contract Kambia	200.000	40.000		40.000			48.000		48.000			48.000	48.000				48.000	48.000			48.000	
2005	9 ACP SL 16	Service Contract Kenema	200.000	40.000		40.000			48.000		48.000			48.000	48.000				48.000	48.000			48.000	
2005	9 ACP SL 16	Service Contract Port Loko	200.000	40.000		40.000			48.000		48.000			48.000	48.000				48.000	48.000			48.000	
2005	9 ACP SL 16	Service Contract Pujehun	200.000	40.000		40.000			48.000		48.000			48.000	48.000				48.000	48.000			48.000	
2005	9 ACP SL 16	Works Contract Kambia 1	1.365.000	409.500		409.500			286.650		286.650			286.650	286.650				286.650	286.650			286.650	
2005	9 ACP SL 16	Works Contract Kambia 2	1.040.000	312.000		312.000			218.400		218.400			218.400	218.400				218.400	218.400			218.400	
2005	9 ACP SL 16	Works Contract Kenema 1	980.000	294.000		294.000			205.800		205.800			205.800	205.800				205.800	205.800			205.800	
2005	9 ACP SL 16	Works Contract Kenema 2	985.000	295.500		295.500			206.850		206.850			206.850	206.850				206.850	206.850			206.850	
2005	9 ACP SL 16	Works Contract Port Loko 1	705.000	211.500		211.500			148.050		148.050			148.050	148.050				148.050	148.050			148.050	
2005	9 ACP SL 16	Works Contract Port Loko 2	770.000	231.000		231.000			161.700		161.700			161.700	161.700				161.700	161.700			161.700	
2005	9 ACP SL 16	Works Contract Pujehun 1	810.000	243.000		243.000			170.100		170.100			170.100	170.100				170.100	170.100			170.100	
2005	9 ACP SL 16	Works Contract Pujehun 2	850.000	255.000		255.000			178.500		178.500			178.500	178.500				178.500	178.500			178.500	
2005	9 ACP SL 16	Potential riders and claims on Works contracts		0		0			0		0		300.000	0	0			300.000	300.000				300.000	
2005	9ACP SL17	TA for variable tranche indicator review 2007	30.000	15.000	15.000				15.000		15.000												0	
2005	9ACP SL17	TA for variable tranche indicator review 2008											30.000	15.000	15.000				15.000				15.000	
2005	9ACP SL17	PFM Support										1.001.527	400.000		400.000				300.000				300.000	
2005	9ACP SL17	Evaluation																75.000	75.000				75.000	
2005	9ACP SL17	Audit						25.000	25.000		25.000													
2005	9ACP SL18	yearly audit 2007						100.000	100.000	100.000														
2005	9ACP SL18	yearly audit 2008																100.000	100.000	100.000				
2005	9 ACP SL 19	Service contract for TA	908.100	181.620		181.620			210.000		210.000			210.000	210.000				210.000	210.000			210.000	
2005	9 ACP SL 19	Service contract for the renting of yessels						1.150.000	230.000		230.000			230.000	230.000				230.000	230.000			230.000	
2005	9 ACP SL 19	Programme estimates	220.000	110.000					90.000					130.000								130.000		90.000
2005	9 ACP SL 20	Framework contract for EU electoral expert	200.000	120.000	120.000				80.000	80.000														
2006	9 ACP SL 20	Audit											50.000	30.000	20.000	10.000			20.000	10.000			10.000	
2006	9 ACP SL 20	Evaluation											100.000	100.000		100.000								

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	FORECASTS 2007										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
New Global Commitments	28.200.000					18.000.000					46.200.000
New Individual Commitments	20.067.132	13.023.783	6.767.190	276.159	16.407.378	38.882.852	16.728.641	18.301.227	3.852.983	25.879.255	42.286.633
Payments	43.371.607	28.148.636	14.626.102	596.869	35.461.687	29.355.216	12.629.549	13.816.797	2.908.870	19.537.948	54.999.634
Decommitments back to the NIP	7.170.499										7.170.499
Decommitments to recommit	3.589.291					216.058					3.805.349
Reduction of Old RAL	10.540.930	9.653.477	770.255	117.198	10.038.604	6.489.160	4.496.817	1.329.873	662.470	5.161.754	15.200.358

	FORECASTS 2008										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
Engagements Individuels	5.958.527	1.816.205	3.952.865	189.456	3.792.638	1.560.999	533.834	976.341	50.824	1.022.004	4.814.642
Payments	32.890.796	10.025.371	21.819.635	1.045.790	20.935.189	18.338.096	6.271.302	11.469.728	597.066	12.006.166	32.941.354

R A L	SITUATION on 01/01/2007		SITUATION on 31/12/2007		Amount	Nbr
	ALL PROJECTS	PROJETS decided before YEAR 2002	ALL PROJECTS	PROJETS decided before YEAR 2002		
Σ Ongoing GLOBAL COMMITMENTS	328.011.477	114.235.809	369.679.128	112.538.487	12.000.000	1
R A C	30.908.956	4.877.288	34.095.323	382.679		1
R A P	92.291.539	16.712.879	73.135.040	6.007.131		4
R A L	123.200.496	21.590.168	107.230.363	6.389.810		1
% RAL / Σ GLOBAL COMMIT.	38%	19%	29%	6%		5
Nbr of years to absorbe RAL	2		2			

GLOBAL COMMITMENTS ON AVAILABLE EDF ALLOCATIONS UNTIL END 2007

SUMMARY of	AMOUNT
CUMULATED TOTAL GLOBAL COMMITMENTS on 31/12/2006	195.907.052
TOTAL NEW GLOBAL COMMITMENTS FORSEEN in 2007	46.200.000
TOTAL GLOBAL COMMITMENTS	242.107.052

SUMMARY of	AMOUNT
COUNTRY ENVELOPE A & B AT 31-12-2006 avant ETR	240.845.888
DECOMMITMENTS OVER THE PERIOD OF 2007	7.170.499
TOTAL EDF AVAILABLE COUNTRY RESOURCES	248.016.387
USE OF AVAILABLE RESSOURCES in %	97,62%
EDF COUNTRY RESSOURCES THAT COULD BE LOST	5.909.334

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	FORECASTS 2007										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
New Global Commitments	0					0					0
New Individual Commitments	0				0	2.185.093	2.185.093			2.185.093	2.185.093
Payments	0	0	0	0	0	0	0	0	0	0	0
Decommitments back to the NIP	0										0
Decommitments to recommit	2.185.093					0					2.185.093
Reduction of Old RAL	0	0	0	0	0	0	0	0	0	0	0

	FORECASTS 2008										
	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE
Engagements Individuels	0	0	0	0	0	0	0	0	0	0	0
Payments	475.000	0	0	475.000	0	450.000	0	0	450.000	0	0

R A L	SITUATION on 01/01/2007		SITUATION on 31/12/2007	
	ALL PROJECTS	PROJETS decided before YEAR 2002	ALL PROJECTS	PROJETS decided before YEAR 2002
Σ Ongoing GLOBAL COMMITMENTS	3.186.589	0	3.186.589	0
R A C	0	0	0	0
R A P	2.185.093	0	2.185.093	0
R A L	2.185.093	0	2.185.093	0
% RAL / Σ GLOBAL COMMIT.	69%	#DIV/0!	69%	#DIV/0!
Nbr of years to absorbe RAL	#DIV/0!		#DIV/0!	

	Amount	Nbr
Ceiling increase riders	0	0
Extension Date		1
Réaménagement budgétaire		0
Modification DTA		0
Total number of projects		1