

Minutes of DEPAC meeting

Date: March 29th 2007

Venue: Country Lodge Hotel, Freetown

Opening Session

The chair welcomed everyone and noted that this DEPAC would take stock of progress made so far, problems faced and challenges ahead.

In an outline of the situation, he noted that there is major concern in the revenues short-fall and this may lead to GoSL not meeting some of the benchmarks. The shortfall was expected but its severity was unexpected MDA's are currently trying to encourage more businesses to come into the formal sector; this may decrease future revenue shortfalls.

Work is ongoing to develop the PRSP II, including the use of experts to consider the challenges that will be faced as Sierra Leone moves from post-conflict to 'normal' development. Formation of the new PRSP will happen in late 2007 to coincide with the new government.

If Sierra Leone is to reach the MDG's then current estimations suggest it needs more than double the resources already available from all sources. However, we must also work to get rid of implementation bottlenecks that leave funds idle. Donors were requested to take special measures to enable the country to absorb more than it has in the past. The GoSL must mobilise more resources- perhaps seeking more donors rather than just relying on the long and trusted partners who have worked with for many years. The chair suggest re-activation of the task force on implementation that was set up with the UN last year and to have more donors join this and production of a monthly report from the task force on work done to get rid of bottlenecks.

The chair noted the potential for using a small team of additional managers to support MDA's in aid implementation, such as in preparing implementation papers and papers showing achievement of triggers. This team should be active for 3months and only work with MDA's in most need. The chair requested support from any donors willing to help out technically.

The peace building fund has allocated 35mUSD to SL, this is welcome, but not sufficient to ensure long-term peace in SL. Energy is a major threat to stability and the peace-building fund should be active in this area in order to ensure security in the future.

The chair concluded by noting the importance of increasing rural incomes and for ensuring the optimal use of resources in SL, including the development of a strong, well-implemented aid policy for Sierra Leone to ensure rationalisation of the aid industry and promote understanding between all parties involved.

Statement by the World Bank-co-chair

The World Bank welcomed the DEPAC meeting as an important platform for dialogue between GoSL and its partners and as an update on recent developments.

He commented on the upcoming elections- this is the final DEPAC before the elections and takes place in the context of a transfer of power from one president to another in a democratic process. Now is a good time to look at longer-term issues, including the new PRSP, as well as the MDG's. For donors this is an opportunity for thinking about what they want to present to the GoSL, useful to dig into collective pool of ideas for longer term strategies.

There is increased coherence with the Paris Declaration from the donor side now. He noted that there has been important progress since the CG meeting including a fully costed education strategy, however challenges such as the revenue short-fall remain, but overall Sierra Leone is moving in the right direction and DEPAC is a good opportunity to look at challenges and opportunities ahead, including in further development of the relationships between GoSL and donors.

UN/SRSG- co-chair

He noted the importance of regular DEPAC meetings since they contribute to enhancing dialogue between all partners and strengthen the leadership of GoSL in development and peace-building initiatives.

The UN agencies in Sierra Leone have now developed and finalised the UNDAF to 2010, thus showing their commitment to Sierra Leone's development. He emphasised the importance of increased government leadership, of strong development partnership and the need for gender equality and women's' empowerment as Sierra Leone moves forward. The latter was particularly emphasised on international women's day including the demand for equal human rights for men and women in Sierra Leone.

Important to refer to the successful voter registration that has just been completed and the work done by all Sierra Leoneans; although the figures have not been finalised or published, it is anticipated that Sierra Leone has had the highest rate of voter registration in a post-conflict country. This is a great step forward and he looks forward to being part of further work in developing SL in the future.

Update on PRSP results framework and resource inflows for 2006

The presentation by DACO showed that in pillar 1 of the PRSP, 13 indicators have been completed, 17 are ongoing and 6 are delayed. The areas that have not yet been achieved include restructuring of MDA's, the installation of IFMIS in all the MDA's required by the indicator and the completion of past accounts. It was anticipated that the 2004 accounts would be completed by the end of March 2007 and the 2005 accounts by the end of April.

Under pillar 2, 14 indicators were achieved, 13 are ongoing and 8 are delayed. It was noted that the indicator regarding the reformation of trade related laws has been modified and is ongoing; the issue of energy and power supply will be discussed later in this meeting.

For pillar3, 13 indicators have been completed, 11 remain on track and 4 have been delayed. The percentage of NPSE passes was only missed by 2% and DPT coverage- lower than anticipated. As for as the water policy, it is available in draft but not yet completed.

Some pillar indicators have been redefined, including in education health, water and sanitation and agriculture. In the justice sector indicators have been added and the human rights commission is also working on indicators. Overall, 18% of indicators have been delayed, 42% were completed and 40% are ongoing.

Total resource inflows for 2006 are 351.5m USD, this includes non ODA figures such as balance of payments support from the IMF and UNIOSIL's budget for its work in Sierra Leone. The resource inflows are evenly split among each of the pillars. It was noted that it is important to recognise cross-pillar support since this includes DBS. DACO is working on the draft DAR and trying to ensure that this is representative of donor aid flows to Sierra Leone. One of the many problems faced in the formation of the DAR is 'donor fatigue,' were donors get tired of giving the same data to different MDA's due to a lack of inter-MDA communication.

Comments: Governor of BoSL

On Pillar 2, inflation indicators should not be the only one reflecting the economy's performance; there are other indicators that should be included. For example, the achievement of a stable exchange rate should be included in pillar 2, since unsustainable depreciation could have strong negative effects on the whole economy- this has been a big achievement of GoSL and should be recognised as such in the PRSP indicators. He also indicated that it is important to highlight growth of the financial and banking sectors- not just in numbers, but their depth and work in the economy.

The IGAP

The minister for Presidential Affairs went through the document, noting major points made in improved governance and accountability as a result of IGAP implementation.

A review of the ACC was completed and a report submitted to Office of the President, it contains fundamental recommendations regarding future funding of the ACC. Further information will be given when the review is finalised.

From the auditor general's report, there has been some progress in terms of recovery of GoSL funds and steps are being taken with the police to recover funds from people living abroad. There is progress in parliament in terms of bringing this report into the public domain.

There is new-thinking regarding competitive bidding processes; bidding will now be open with no set amount prescribed in the document, bidders themselves would indicate how much it would cost to do a particular job.

Achievements have been made on Civil service reform, a policy framework and comprehensive training policy have been developed and submitted to cabinet. Efforts like the PEPs are ongoing to improve service delivery. A review of ENCISS's work was not encouraging, however, the GoSL continues to believe that ENCISS is a good interface and empowerment project, but its current structure is too bureaucratic and the management structure and release of funds should be reviewed.

The work on EITI is ongoing and meetings to flesh-out the framework of implementation are anticipated to happen in early April; appreciable progress has been made and hope that funding will be made available from the World Bank regarding this.

Overall, there has been appreciable progress made so far but have not been able to look at them all in the time available.

The IGAP is a two-way process, with benchmarks for donors and GoSL. We are requesting donors to give a status report on their progress on IGAP and on projects and programmes directly managed by donors.

Donor response on IGAP Donor commitments for DEPAC (DFID) Improving donor harmonisation and Aid Effectiveness

1. Partners to continue to scale-up support for achievement of PRSP and MDG targets. The principle donors in terms of aid flows have signed up to the Paris Declaration. The key donors cover about 60% of total aid inflows to SL.
 - a. New donor programmes being developed in health, WATSAN and particularly in education. DFID congratulated the Minister of MEST for getting the fast-track education achievement agreed by all donors and by Washington for further funding.
 - b. If there are clear initiatives and policies in other MDA's then donors are more likely to be able to clearly stand behind MDA's in long-term support with clear strategies.
 - c. Have a 5 year development policy (with EC). Also, along with the World Bank and AfDB, are aligned behind the PRSP.
2. Donors have been working on harmonising and consolidate benchmarks and funding frameworks. The donors involved in MDS have signed the PAF and are working on reducing the number of benchmarks even further- towards a core set of benchmarks that GoSL can achieve
3. On coordinating the timing of incoming missions, the 4 main donors will be having a joint mission looking at the support to GoSL and furthermore, the recent PEFA assessment was also a joint mission that the donors support.

On aid instruments and aid flows, DFID noted that there is a need for donors to think hard on how to work hard to ensure aid flows are disbursed in a timely way. MDDBS arrangement between donors is an attempt to improve predictability of funds, although 2007 is probably going to be the least predictable of years- to do with fiduciary controls and management, as highlighted in reports by the EC and DFID's national audit office. DFID agreed that using trust funds to a much greater degree would be a mature way of supporting a sector, such as for water, decentralisation and education.

The issue of technical assistance (TA) was highlighted as being somewhat controversial, with a lot of disinformation in the media. It would be useful for donors to be clearer on what support is TA and what is capacity building and training. There is a need for improved information flows. Facilitating local capacity development through local TA expertise- for example through the use of national consultants, is already happening. It is hoped that in the future, through strengthening the capacity of GoSL and particularly through the SES, there will be less need for capacity building and TA in the future. DFID also commented that donors are looking for inclusion of PIU's into the GoSL proper.

DACO is collecting aid inflow data from donors and has good information from the 4 main donors, but has had particular problems with getting information from non traditional donors.

There is already a strong dialogue between GoSL both formally and informally, for example through the Donor harmonisation and aid effectiveness task force, donors have been working very closely with GoSL such as through the development of aid policy roadmap. DFID concluded by noting that the EC and DFID now have a joint country strategy for the next 5 years- a good example of aid harmonisation in practice.

Responses from the donors

Irish Aid are working to ensure that their work is aligned to the PRSP and support the IGAP, but they haven't signed the IGAP paper. Irish Aid support DFID's statement on education- Irish Aid looking to scale up their programmes in SL, for strategies and plans.

USAID have a policy similar to that of Irish Aid, working through and with NGO's in Sierra Leone. Have continued to work hard to improve co-ordination and have ensured that they gave all their data information to DACO before the DEPAC meeting. They encourage the GoSL to come up with sector plans since this would allow smaller donors to specialise in areas GoSL needs assistance with. USAID are in harmony with the election basket even though not part of the basket of funds.

The **EC** noted that DFID had explained the work of the EU/EC well; they are in favour of improved co-ordination, including the joint strategy and want to go further and include increased complementarities. The EC has a strong focus on roads and infrastructure and intends to focus even more on the areas where they have strong capacity and understanding.

The **EC** feels the development of an aid policy is a good idea. This needs to be combined with clear sector policies and a detailed examination of the sector strategies. It is difficult to comment in detail on the implementation of IGAP because of the lack of time to consider the material and look forward to a more detailed analysis forthwith. On donor harmonisation, the EC agrees that there are many benchmarks. They hope the 10th EDF programming and hope that this exercise will not be too heavy a burden in terms of extra benchmarks but hope they will only complement present benchmarks.

As the current President of the EU, **Germany** welcomes the joint strategy between EC and DFID. Germany is the major donor to the EU. Concerning bilateral information- they gave their information to DACO for 2006 and gave a strong contribution to SL in 2006.

GTZ are part of the donor community and involved in the EU programmes but have a bilateral approach, focusing on the employment problems in SL, have developed a strategy and are working closely with the ministries. GTZ work closely with the private sector because believe pillar 2 objectives should be achieved through working with both GoSL and the private sector.

The **World Bank** noted that the of the 351m USD inflows presented by DACO, 315m USD were ODA, which is very high. The 2006 numbers show that support to SL remains very strong, despite the fact that SL has been moving away from its post-conflict status. The IGAP is a high profile document and all parties will continue to be asked questions regarding its implementation, a strong push for progress and monitoring remains important. Procurement reform is a high priority for the World Bank and it is pleased that all 18 ministries have completed their 2007 procurement plans and now need to evaluate implementation of the 2006 reforms. The World Bank is convinced that there are major savings to be made by the MoF through procurement reforms. The World Bank is pleased to be involved in the strong progress being made in decentralisation- moving services closer to those who access them.

SRS commented that DACO's report gives an idea of what's going on in terms of development assistance. There has been strong dialogue between donors and MDA's in the pillar working groups. Basket funds are shown to be more effective and pooled resources around the elections are a good example of achieving results and building up national resources. These should be the preferred modality for providing aid. The UN is not part of the MDDBS group but expressed interest in being an associate member at the CG meeting as it could be a useful partner in this process.

Further comments

The **VP** noted that international TA is used due to the lack of capacity in GoSL to implement the work that needs to be done. He suggested that the SES would be a good way of increasing capacity that remains permanently in-country and this would help remove the perception that the donors use large amounts of TA. He agreed that pooled funds have been effectively used in the past and can be used well in the future as well as an efficient method of releasing funds.

On USAID he said that it does a lot of good work and is selective about the work areas it works in, but suggested it would potentially be even more effective if worked in areas determined by government so that funds are used in an even better way in the future.

The **EU/EC** are keen to have further work and development of the pooled funds-particularly in the transport sector, since a lead agency can effectively use funds in an area without overloading GoSL capacity.

The EC noted that there have been a number of positive steps in the elections so far-including women's participation. It looks promising, but there are still pitfalls ahead. The quality of the election process will determine aid flows in the long-term. This sounds harsh but is a political issue. Important that the election remains on a high and positive path. EU/EC already taking an interest in the 2008 elections for local government. Keen to build up local knowledge and capacity for future elections. The EC and EDF has developed in such a way that it has developed limitations in time frames for projects-there is a cut-off date if projects are not implemented in time- it is important not to lose funds. Rules of the EDF mean want to keep up the pressure on disbursements. EC are concerned about future abilities to disburse in SL.

USAID stated that it wants to improve communication between USAID and the GoSL. The concept of an aid policy is important, but it is necessary for the GoSL to co-ordinate their information well; there is a lack of dissemination of information throughout the government and a stronger communication network is needed to pass information between MDA's.

USAID's work in SL is outlined in a document signed by high ranking GoSL personnel, obligating the money to be spent according to specific purposes; USAID have minimal resources and focus on democratisation, good governance and decentralisation, as well as agriculture, youth employment and diamond reform, while working closely with GoSL. Hope this is helpful to allay concerns that USAID works outside the PRSP framework. Will try to work harder so that more information is given as to where funding can go.

The **MoF** agrees that there is a concern about the shortfall in revenue collection. There are direct financial implications coming up and this is where are asking for donor flexibility. The MoF want donors to look outside their focus on the elections and consider where else the GoSL can use these funds. The election isn't just a NEC process; food stuffs and logistics need to be part of this- there are badly budgeted gaps, that need to be sorted out. The MoF also commented critically about donors bringing in commodities and selling it to the private sector, but demanding that they don't have to pay the import taxes on these goods. The GoSL found it to be contributing up to 30% of projects and programmes, when these waivers are taken into account.

In answer to the **Chair of PWG 1's** concerns about the high number of benchmarks and request to streamline these benchmarks, the **VP** stated that this cannot be done unilaterally and that absorption capacity is also an important area for future discussion.

Follow upon PRSP

Update on MDG Needs Assessment

The **MDG Task Force** presented the results of the MDG /PRSP Needs assessment and costing exercise. The intention is to formulate a programme that will coincide with the lifecycle of the new government- a medium term programme of 5 years with a rolling PRSP of 3 years. They suggest a programme focused on poverty reduction- moving away from the immediate post-conflict need to save lives and protect the most vulnerable. The Task Force have been developing technical studies to enable the incoming government to develop a strong plan for reducing poverty and improving growth, there will be future workshops on financial services, growth sectors, social sectors.

The task force considered the MDG goals as part of situational analysis to see what actions are needed to meet them and then costed these goals. The process has strong political backing because have committed SL to the MDG goals. There is a steering committee in the VP's office to guide the process and the MDG task force, including technical personnel who have been trained in how to cost everything in order to reach the MDG goals. We don't want to limit ourselves to the MDG's, therefore this is called the MDG/PRSP process and we are working with 12 sectors but only 8 MDG goals. The quality of people working on these models is exceptional and there has been a lot of interest and enthusiasm in this work.

The sector costing programmes will provide the baseline for sector plans. For each sector look at the required investment in infrastructure, human resources and financial resources e.g. for health sector- how many doctors, nurses and health centres are needed between now and 2015, then cost each need. 10 sectors have completed needs assessment and costing and the results are being checked and validated and streamlined across the sectors. The ones that are not yet completed include airports and railways, and private sector and public sector management.

This work is done in many developing countries throughout the world- to show the donors how much the development of a country is going to cost and how much more needs to be done. For example, in the social sector in 2006 15m USD was spent on this and 25m USD estimated for 2007. For the MDG/PRSP goals, in 2006 should've spent 66m USD and in 2007 should spend 110m USD. In agriculture in 2006 we actually spent 5m USD (even if NGO's spent a whole twice as much then that's only 10m USD), however, we needed to spend 57m USD in 2006, should be spending 93m USD in 2007, but it's not budgeted for. Therefore we need to mobilise the resources as well as the capacity to deal with these inflows over the longer term in development.

The Education sector plan

The **Minister of MEST** stated that to get a strong strategy for the education sector they needed to plan for 10years hence and an expected population size of 6m in 2015.

Currently, 20% of the government budget is given to education, as well as receiving substantial support from external agencies and are working towards full education for all. A recent country status report on MEST was frank about the quality of education in the schools. The education plan consolidates priorities for the education sector that need to be achieved in order to attain the MDG's.

The Minister continued by noting that SL has taken 9 months to develop its education plan- this was done fully by nationals and there is total ownership of this sector plan, although have done a lot of work with the in-country donors, especially with UNICEF and have already received signed endorsement reports from various agencies. MEST also undertook exhaustive consultations with people at village and district level to find out what they want for their children.

The clear vision currently is to have quality basic level education for all. There is a gap between what GoSL can provide and what is needed; even in providing quality education at the basic level, for example, it is prohibitively expensive to employ enough teachers so that you can have 30 children per class. Costing simulations and profiles have been undertaken and a scenario selected that would get as close as possible to the MDG's. Have increased support to technical and vocational education as move closer to 2015. There is a cost differential of 25m USD per year- this is ambitious but is an achievable amount. SL deserves the capacity and can use this money effectively in order to work towards the MDG's. There is a catalytic fund managed by the World Bank that can be used to fund programmes such as this. We will only have people who are proud of Sierra Leone when have developed a strong resource base.

Open discussion on the two presentations

GTZ requested accompanying presentations on planned income and estimations of the resources that are likely to be available. GTZ also noted concern that the income generating private sector is not given the necessary status and importance.

UNDP commented that the MDG needs assessment is important at an international level, the exercise shows how to achieve the MDG's that we are all aiming for. SL is currently far from reaching the MDG's in all sectors except perhaps education. In all sectors we will need a lot of resources and need to be able to tell donors how much is needed. The interlinkages between the sectors need to be explored in detail- e.g. between health and water and sanitation, this is why the technical teams have been working together- there has been important communication between the sectors. The pillar working groups need to be involved in this so can work out the interventions that are needed in each sector. Look forward to development of sector plans from the other sectors too. UNDP is the score keeper on MDG's and therefore plays a co-ordinating role between GoSL and donors to push this forward.

DFID stated that Sachs' motivations are to be applauded but this is potentially a dangerous game and can lead to unrealistic expectations. For example, stating the need for a huge figure that is much greater than expected aid inflows into the country in the next 10 years.

Furthermore, there is significant difference between the two sets of costings for education- the education sector plan have 280m USD gap over 10 years, the MDG assessment has a 1.3bn USD gap over 10 years, we need to look at where these figures are taking us.

The **Minister of Health** noted that they have started to put a proposal to the catalytic fund to work towards a 10 year plan, as well as developing a productive health strategy with wide consultation. MoHS have worked on the priority areas for health development in SL; they have formed a committee looking at the development of a health sector plan.

The **Minister of Works** said the final draft should give scope to the sustainability aspect to some of the sectors. Even within the social sectors, there are some areas that could be privatised- give scope especially to the sectors that could be successfully privatised.

The **EU/EC** stated that the GoSL needs to do a Needs Assessment and wants to support DFID's warning about the creation of unrealistic expectations. Additional aid funds expected in the future will probably come from Europe, though hopefully more sources of funding will emerge but it is difficult to attract more donors to a country. The EU has decided to try and reach the 0.7% within a time limit. The 10th EDF- an important transfer of capital, but in the future there will be no further increase in this from the 0.7%. The peace building commission is trying to broaden the donor base, but shouldn't expect a dramatic change in terms of funding; there should be a realistic expectation and prognosis on aid to avoid the risk of distorting the planning process in a negative way.

The **UNDP** pointed out that although the initial figures coming up may look very big, donor support is not the only thing that will get us to the MDG's; we need to look at resource mobilisation. Private sector development is a key part of the MDG's. They hope to do sector plans for all sectors to look at scenarios of what can be achieved with the funds most likely to be available.

The **EU/EC** noted a possible source of additional funding could come from the EPA funds. This will depend on the decision of European member states' but also need strong support by ECOWAS partners in showing that they can use these funds effectively as well as in working to ending the negotiations at the end of this year.

Herbert M'Cleod of the **VP's Office** stated that these figures tell us that we are not doing fine- the fundamental question is choice. MEST chose not to go for just basic universal education; in every choice there are tradeoffs to work out priorities. Situational analysis shows the options available and then making choices based on the funding available.

DFID pointed out that aid flows to SL currently represents 30% of GDP; the MDG needs assessment require over 100% of GDP and the issue of national sovereignty is at stake- would SL want to have more aid than it can make itself?

The **World Bank** commends the minister and MEST for showing what is possible. The idea of a rolling PRSP is the right way to go and he will seek permission from WB management so that planning cycle would better fit this goal and situation.

Having sector strategies in place as we develop the PRSP II will be tough- the choices will be stark and difficult. The costing figures are high and show how stark the choices are- there's a risk that these numbers can make people lose heart and faith in this and need to guard against this. Both the AfDB and WB have funds that are disbursed on the result of performance and there is the possibility of accessing more resources if performance improves.

The **Deputy Minister of Defence** wanted to bring the security sector to the attention of DEPAC as a lot has happened in the MoD since 2002. A core review is in progress- looking at size shape and work of the security sector. The budget of MoD and security sector in general has decreased. The conditions of service in RSLAF have not been reviewed since 1960's and there are few major donors aside from the UK government, this sector needs to be reviewed and how to enhance it.

The **VP** responded by noting that the focus of this DEPAC is energy, transport, education and aid inflows. Defence may be a subject for another meeting and questioned if the needs assessment for defence too high for the capacity of this country.

Mrs Konah Koroma of **MODEP** who is part of the MDG needs assessment team shares the caution of the donors; we are right to dream for our country but caution should be exercised. What has been undertaken in the education sector has shown what is achievable and affordable, therefore a similar attitude and action should be taken in the other sectors. Furthermore, the private sector is unlikely to be in apposition to fund the MDG's until at least 2015.

The **ACC** is concerned with what the donors partners have said; we do risk our sovereignty if we base our plans and aims on donor support for everything. She also suggested we talk about wealth creation strategies rather than poverty reduction, thus creating a positive mindset in the country and less relying on donors for everything.

The **VP** concluded by noting that at the end of the day it is locally developed income that will lead to how developed SL becomes- the donors will not be here forever. There are many resources in this country including a recently identified a large deposit of very pure iron ore here, we should use our resources to develop out country. We can explain to people that we do not reach the optimal point because we do not have all the resources that we need. We need to have high aims and dreams, even if we don't ever reach those aims. We won't depend forever on donor support, we should try to develop our own wealth to develop our country further.

Energy sector presentation- Ministry of Energy and Power

A well planned, co-ordinated, sustainable, affordable energy supply is a pre-requisite for growth, development, and transformation from a developing to a developed country. There are various strategies for this sector, from short to long term strategies.

The electricity sector is in crisis and faces numerous problems. The GoSL is aware of the sector's impact on job creation and decreasing poverty. The strategy is to adopt generation and transmission activities that can be mirrored at the community level, to increase growth and development, and encourage investment in this sector. Immediate issues include stabilising the current power supply, revenue collection and tariffs, and NPA's management. At the CG, management capability of NPA was mentioned. There is the preparation of a management contract which we hope to be in operation in 2008; a contractor will be in charge of NPA's management and will decide who to keep and who to lose. Revenues continue to fall and the commercial department continues to have problems in collecting debts. Pre-payment meters should mitigate some of this loss. NPA needs to get rid of 221 employees- this will cost over 5bn Le's to provide a safe landing for those who would be turned off. Someone needs to pay for this.

At Kingtom, available capacity is about 7MW but is unreliable and NPA has to provide services to a large customer base over 150sq miles. Fuel to run 4Kingtom generators for a month is 6.567bn Le's, per month. The transmission network can carry 20MW and this is an improvement from the past. The dam in Bo is currently being expanded to 6MW from 4MW and there is the possibility of forming another dam upriver to take total capacity to 12MW which would help provide power to south, east and some of the north. There is 20m credit from the WB to help with the continued maintenance of the power agency. The Bumbuna project is nearing completion- scheduled completion and commissioning should be late 2007 and continue to get support from various donors for this work. The dam is at 97% of completion point.

Contracts with international firms and assistance from development partners including BADEA, JICA, South Africa and the IDB has been strong in this sector.

The object of the energy strategic task force is to promote greater co-ordination in the sector and to form a roadmap for the future. The draft strategy will be finalised at the end of this year so it can become operational in 2008. MEP wants assistance with completing Bumbuna, for NPA downsizing, for western province electrification and networking, to repair old equipment, and it is looking for help in the billing and accounting system, including training the billing sector staff, and developing an IT system for billing.

Short term (s-t) strategy (2008-10) - there will be a lot of work for the regulator, including a restructuring plan for NPA. The focus will be on increasing generating capacity, and expanding supply to rural areas. The installation of pre-pay meters, will also really help here.

Medium term (m-t) strategy (2010-15) – the energy sector wants to turn around the current power crisis. Bumbuna phase 1 will have been completed, there will have been a new management contractor in place at NPA, it will have been downsized and the transmission network upgraded. At end of 2010 we will still have less than 100MW generating capacity, this would be too small for the anticipated population of Freetown. If the commercial and industrial sectors are to increase as much as is hoped, we would anticipate that would need a minimum of 600MW for the Freetown area; for the entire country would require about

3000MW but unlikely to have such capacity by that time. There needs to be a security of supply of energy resources. Need to focus on resources in the country- indigenous energy resources need to be explored and exploited, especially the development of hydro power and the participation of the private sector. Potential hydro power in the country is about 1200MW and from Bumbuna, is potentially 275MW; this is much lower than is currently being extracted from it. There is the potential of micro-hydros to bring power across the country. Implementation of rural power policy and the exploration of renewable resources will be developed in the medium term. In 2006 had a large amount of agricultural waste that could be used to provide energy, solar energy for homes remains a possibility.

In the long-term (l-t), rural and peri-urban communities remain the focus, as well as encouraging the use of modern cooking fuels. There is the potential to join a West African power pool, although this would require extensive TA in design and implementation.

Comments from the floor

One person suggested that there be two companies in the m-t and l-t one for distribution and one for power generation. Another noted that renewable energies and hydro power only come in the m-t and l-t strategies and they would like this to come in the s-t, especially if going to look at rural electrification, furthermore, an environmental energy strategy should be part of s-t strategy and policy. A third person commented that Geo-thermal energy was discussed but has also ready been dismissed by GoSL as unfeasible

The **World Bank** was glad that NPA is looking to have cost recovery tariffs and hoped this will happen soon. They also welcomed the comment that GoSL is looking to strengthen commercial operations through management contracts. The task force is a positive creation- the needs are huge and so it is good to have the priorities outlined to see what the country can afford. It is very important to rehabilitate the distribution system, to get power to the consumers.

The **AfDB** invited GoSL officials and donors who're interested in seeing Bumbuna completed to come to a meeting next Tuesday with any information that will help her justify the AfDB to give a grant of 7.5m USD for this completion. At 4pm on Tuesday at AfDB on 13 Lamina Sankoh St, opposite Guma building.

The **BoSL** appreciates donor fatigue and believes the financial market needs to be expanded to attract FDI. Markets will not provide full answers to m-t and l-t plans, but hope in the future that SL will be able to afford to work on projects such as this. The development of the private sector will never pick up significantly if there is no power in the country.

UNIOSIL stated that there is a need to attract FDI in the energy sector, particularly investors who are already working in Africa's energy sector. It costs 2m USD to generate 1MW of power- therefore, ODA and domestic resources will not be enough to meet the need for 3000MW of power in 2015.

The ACC commented that despite the strong power situation in Bo and Kenema, there has not been the development and growth that would be expected if power leads to growth and development.

The MEP has received several offers of renewable energy recently and has seen many companies that have expressed interest but nothing more. MTI is doing a lot of work to encourage further FDI and it agreed with the ACC that Sensitisation remains important.

Presentation on the transport sector- Minister of Transport and Communication

The transport sector is central to the development of Sierra Leone and needs to be strong and well maintained in order for development to be sustained in SL. Roads and other infrastructure can be used for wealth generation. The aim of the transport sector is to ensure physical access to services and people and goods to market and increase efficiency in service delivery mechanisms.

Accessibility for the rural poor is a major aim of the infrastructure strategy. Feeder and trunk roads all need to be improved in order to get agricultural goods to market. Efficiency and affordability are also major goals of the transport sector. The transport sector is divided into 4 sub-sectors: SLRA, ports and maritime, airports authority and civil aviation, and railways (a virtual sub sector).

SLRA: There is a road network of 11,000 km, of this 8,000km is classified as class A roads. This sector is very important to get in contact with the rural poor. Only about 7.9% of roads in SL are paved- making transportation costs very high, especially for consumable goods, therefore increasing the number of paved roads is a priority. Currently GoSL has several partners involved in improving the roads, but also need to have a rational approach, such as a prudently managed, independent road fund.

SLRTA wants to tackle the vehicle examination aspect as an intervention to decrease the number of road deaths. There are problems with driving conditions on roads that have not been upgraded; spare parts for cars can be of low quality and impunity remains a major issue- a road safety campaign will be launched soon.

Ports and maritime: GoSL wants to privatise the core functions of this so hopefully profit margins will increase. Investment to make ports suitable for importing oil is needed and the funds for this are not currently available. There is an employee retention problem; to get rid of workers we need donor help in the form of a parachute as we want to transform most of them into dock workers to be able to work for privatised firms. Despite the large port/bay size, we need to have it dredged because otherwise will not be able to have such large ships entering port and will continue to slow turn around times. We do not have the expertise to protect the maritime environment from pollution and wrecks and need help to clean up the problems that are already building up in the seas. Dredging of internal water ways is also needed in order to improve accessibility to poor inland areas.

Airports and civil aviation: We have had help from World Bank to improve airport safety. However, more investment is needed in the construction of a new runway at Lungi, as well as a new terminal building and more car parking at Lungi. A purpose built helipad at Lungi is needed. There are now two helicopter services in SL. For convenience and security reasons another airport is needed and we have identified an area that could be used for passenger and freighting that is closer to town. In the meantime, we need a link between Lungi and Freetown; preliminary studies have shown it's a possibility and will cost at least 100m USD. This link would create wealth and reduce poverty since would link Freetown to a strong agricultural producing area. We have drafted a civil aviation bill in order to create an autonomous agency in charge of aviation. Need to have more experts to come in to start this up as well as to train up the staff in this field.

Railroads: this remains a virtual sector. Currently it is very expensive to bring goods to market by road, railways are a social responsibility rather than made for profit. Eventually we want a two-lane railway transversing the country east-west and north-south. Although this is not affordable at the moment, we plan to undertake a feasibility study and get the right of way as to where a railroad would be situated, so that we can more quickly develop a railway when we can afford to do so.

Currently there is inadequate donor harmonisation on projects that relate to agriculture, NaCSA and SLRA-need to make sure that donors and MDA's work together so that the interlinkages are well known and that there is improved harmonisation and effectiveness.

Comments and discussion from the floor

The **Ministry of Labour** noted omissions- on pg 6, the Makeni-Conakry road needs to be mentioned and pg 9 on retrenchment of employees- need to work out numbers and costs. Similarly the number of jetties needs to be more detailed.

The **World Bank** liked the combination of investment and institutional changes. As GoSL proceeds it should develop a fully fledged strategy, with further prioritisation, otherwise will end up by having too much to do and too few resources. Effective implementation of resources is essential and the attitude of people dealing with the private sector is critical.

GTZ found that the strategy answered many concerns about rehabilitate of the economy, but 2 remain; talk about involving the private sector in road rehabilitation- would this be through having private sector bidding for a contract, or allowing the private sector to build a road and establish a toll system to get back their costs? Also, the question of maintenance; who are the experts that are 'dealing' with this and how are they proposing to deal with maintenance?

The **Ministry for Work** replied that they are making sure that roads that are constructed are suitably maintained- therefore they have a road-fund and the board will organise maintenance from this fund. Local councils would like to be able to rehabilitate their own roads, but don't have the capacity to deal with this so are training them before handing over responsibility. The private sector is showing interest in the Lungi-link but currently their

proposal does not match GoSL's requirements. The rehabilitated roads have been rehabilitated to international standards therefore cannot put the high number of road deaths on the rehabilitated roads on the bad condition of the roads.

A **Donor** noted that there is a lack of capacity among local contractors; therefore there is a need for local contractor training in the strategy. The priority list focuses on medium sized contracts- it will be very difficult to bring new contractors into the country, so will always have same 2-4 local contractors and therefore suggests opening up bidding and allowing the use of local subcontractors. They asked what are the criteria for making the various priorities? There is an ongoing restructuring of SLRA- when can we expect to see milestone in this reconstruction and an independent road-board?

The **AfDB** commented that there is no placement of the transport sector in the regions- unlike in the energy sector. Road and other transport facilities should be looked at as potential for development and position the transport sector within that economic unit.

The **Minister (of finance)?** Stated that road construction moneys are given proportionally to SL's GDP and GoSL want donors to look at the transport sector as belonging to a region rather than just to SL, e.g. a road or railway linking SL, Guinea and Liberia- need to look at the regional level. Roads can be constructed using private sector. Converting feeder into permanent roads because of the weather, so that the cost of maintenance will be reduced is an important priority.

Comment [N.J1]: Not sure which minister this was

The **Minister of Transport** concluded that everything is done in the context of the regional network both for railroads and also for road transport. GoSL has planned jetties in most areas of the country where have maritime facilities. Finally, GoSL will look at the prioritisation of areas of the transport sector more thoroughly.

Donor harmonisation-progress on an aid policy for SL- (Chair of the Donor harmonisation and aid effectiveness task force)

The task force was set up after the 2005 CG meeting to focus on two main areas, these are rationalising benchmarks and the need for an aid policy for SL. Good governance is very important to donors and this is the essence of democracy- whose priority and which stakeholders were consulted are questions that donors ask. The documentation on the proposed aid policy includes a roadmap and a structure, and comments are invited on both of these.

Comments from the floor

The **EC** commented as part of the DHAE task force- the process so far has been excellent and quick- we have moved forward with strong momentum and it is a dynamic group. It would be useful to have more donors to be fully engaged in the task force and to increase harmonisation- donors need to be willing to engage. The timetable in the paper is ambitious, we need to have dates on this and push on ahead in order to deliver on time. On

the benchmarks issue- there's a need for every donor to see progress and measure this through benchmarks-because they are using public funds and are accountable for this to their stakeholders at home, this is why there are benchmarks.

GoSL needs a strong set of its own benchmarks against which progress can be assessed- if this is strong enough then donors will have something to align to and to work towards streamlining and harmonising behind GoSL's leadership. The EC is looking forward to receive the annual progress report for 2006 for the full financial year as discussed at the CG meeting.

The **World Bank** supports the roadmap and the structure that has been develop and along with the upcoming PRSP could be very strong tools for development in SL.

The final summing up- VP

The meeting discussed the following:

- Update on PRSP implementation including the IGAP,
- Follow up to the PRSP i.e. the MDG /PRSP Needs Assessment,
- The Education Sector Plan,
- The strategies for Transport and Energy sectors
- Road Map to developing an Aid Policy for Sierra Leone.

Implementation of PRSP

Significant progress in achieving objectives of the PRSP: 40% of the benchmarks were achieved, 42% are on track/ ongoing whilst only 18% of the total indicators are delayed. The total inflow of resources from development partners for 2006 is estimated at US\$351.5 million.

Progress in achieving benchmarks set in Improved Governance and Accountability Pact (IGAP) was reported. The Government reported progress on several fronts including meeting the targets on decentralization and public procurement. Donors reiterated their commitment on scaling up support for achieving PRSP and MDG targets as well as aligning their support to national priorities. The Government was commended for developing an Education Sector Plan.

There is a need to reconstitute the Working Group on implementation into an oversight committee on implementation to include one or two non UN Agencies. This will ensure that the obstacles to implementation will be addressed in a timely manner. There are encouraging signs of progress in the Waste management programme currently being implemented in the Western Area. There are positive signs in the electoral process especially in the high percentage of registered voters and participation of women. The need to address capacity in Public Service and in particular fast track the implementation of the Senior Executive Service (SES) programme.

MDG Needs Assessment

The MDG Needs Assessment that is currently being undertaken will provide the basis for developing the next generation of PRSP and Pro Poor Growth strategy. The MDG Needs Assessment demonstrated the need for scaling up resource inflows. It was agreed that other non traditional sources as well as domestic revenues will have to be tapped.

Energy Sector

The Government reported on the status of the Energy Sector and highlighted plans to address the issues relating to production, distribution and tariff for electricity within a comprehensive Energy Policy document. The Ministry of Energy and Power needs support for the completion of Bumbuna, downsizing the NPA and providing transformers for the distribution lines in the Western Area. The African Development Bank (ADB) is convening a meeting of stakeholders on Tuesday 3rd April 2007, to justify the provision of US\$7.5 million as grant to the Government of Sierra Leone for the completion of Bumbuna Hydroelectric project.

Transport Sector

The Government reported on status in the Transport Sector and highlighted issues relating to the creation of an Integrated Transport Sector Policy. The Government was encouraged to prioritize programmes when finalizing the Integrated Transport Sector Policy. The Government was encouraged to involve the private sector in the implementation of the Transport Sector Policy

Developing an Aid Policy

The Road Map for developing an Aid Policy and the proposed outline was presented and endorsed by the meeting.

General Agreements:

- The Government is encouraged to develop sector strategies as in the case of Education Sector Plan.
- The donors agree that pooling resources is effective and they will consider funding programmes through Trust Fund and Basket Fund mechanism where feasible.
- The various benchmarks needs to be streamlined and donors agree to work with the Government in reducing these benchmarks.
- The meeting endorsed the proposal that a retreat between Government and development partners be organized outside Freetown to discuss issues bordering on mutual respect, trust and understanding.
- There is a need for increased information flow to address the misconceptions relating to resources provided for Technical Assistance (TA). In addition, it is proposed that a database of national experts be established to serve as a resource pool for donors.