INTERIM

SUPPORT STRATEGY

FOR THE

REPUBLIC OF SIERRA LEONE

Country Department 16
Africa Region
World Bank
November 30, 1999

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**CURRENCY EQUIVALENTS**

| Currency Unit | =       | Leone (Le) | US$1 = Le 2041.50 (as of October 18, 1999) |

**GOVERNMENT FISCAL YEAR**

January 1 - December 31

**ABBREVIATIONS AND ACRONYMS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>AFRC</td>
<td>Armed Forces Revolution Council</td>
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<tr>
<td>AFSL</td>
<td>Armed Forces of Sierra Leone</td>
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<tr>
<td>AGD</td>
<td>Accountant General's Department</td>
</tr>
<tr>
<td>CAS</td>
<td>Country Assistance Strategy</td>
</tr>
<tr>
<td>CDF</td>
<td>Civil Defense Forces</td>
</tr>
<tr>
<td>CRRP</td>
<td>Community Reintegration and Rehabilitation Project</td>
</tr>
<tr>
<td>DDR</td>
<td>Disarmament, Demobilization, and Reintegration</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development (UK)</td>
</tr>
<tr>
<td>ECA</td>
<td>Economic Commission for Africa</td>
</tr>
<tr>
<td>ECOMOG</td>
<td>ECOWAS Military Observer Group</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
</tr>
<tr>
<td>EDF</td>
<td>European Development Fund</td>
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<tr>
<td>ERRC</td>
<td>Economic Rehabilitation and Recovery Credit</td>
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<tr>
<td>ERSF</td>
<td>Emergency Recovery Support Fund</td>
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<tr>
<td>ESW</td>
<td>Economic and Sector Work</td>
</tr>
<tr>
<td>FMPU</td>
<td>Financial Management and Procurement Unit</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>GOSL</td>
<td>Government of Sierra Leone</td>
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<tr>
<td>GVWC</td>
<td>Guma Valley Water Authority</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus/Auto-immune Deficiency Syndrome</td>
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<tr>
<td>IAAC</td>
<td>Integrated Approach to Aid Coordination</td>
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<tr>
<td>IDA</td>
<td>International Development Association</td>
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<tr>
<td>IDPs</td>
<td>Internally Displaced Persons</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>MOH</td>
<td>Ministry of Health</td>
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<tr>
<td>NCDDR</td>
<td>National Committee for Disarmament, Demobilization and Reintegration</td>
</tr>
<tr>
<td>NCRRRR</td>
<td>National Commission for Reconstruction, Resettlement and Rehabilitation</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
</tr>
<tr>
<td>NPA</td>
<td>National Power Authority</td>
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<tr>
<td>PSMS</td>
<td>Public Sector Management Support</td>
</tr>
<tr>
<td>RRR</td>
<td>Resettlement, Reconstruction and Rehabilitation</td>
</tr>
<tr>
<td>RUF</td>
<td>Revolutionary United Front</td>
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<tr>
<td>SPP</td>
<td>Strategic Planning and Action Process</td>
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<tr>
<td>TEP</td>
<td>Training and Employment Program</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>UNICEF</td>
<td>United Nations International Children's Education Fund</td>
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<td>UNHCR</td>
<td>United Nations High Commission for Refugees</td>
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<tr>
<td>UNOCHA</td>
<td>United Nations Office for the Coordination of Humanitarian Affairs</td>
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<td>WFP</td>
<td>World Food Programme</td>
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**Vice President**: Jean-Louis Sarbib  
**Country Director**: Mamadou Dia  
**Sector Manager**: Emmanuel Akpa
# Interim Support Strategy for the Republic of Sierra Leone

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INTERIM SUPPORT STRATEGY FOR THE REPUBLIC OF SIERRA LEONE

SUMMARY

1. At the Region’s informal briefing of the Board of Executive Directors on July 15, 1999 on Sierra Leone, the broad consensus was that urgent donor support was necessary to enable Sierra Leone to capitalize on the window of opportunity opened by the signing of the Lomé Peace Agreement on July 7, 1999 which brought to an end its eight year long civil war. This sense of urgency was conveyed by several Executive Directors, who also stressed the need for donor support to be modulated to take account of the still fragile peace and the possibility of security reversals. On that occasion, the Board endorsed the Region’s proposal for re-engaging with Sierra Leone articulated around a dual track strategy comprising: (i) an interim support strategy to provide quick financial, technical and humanitarian assistance in support, first, of disarmament and demobilization for improved security, and subsequently of reintegration and early reconstruction activities (as a complement to humanitarian relief) to help refugees, internally displaced people and ex-combatants (with a particular focus on child soldiers) return to their communities and resume normal economic and social life; and (ii) a full Country Assistance Strategy (CAS) when the security and institutional situation have stabilized enough to allow medium to long-term reconstruction and development assistance. At such a time, participatory CAS processes would serve to further catalyze national internal dialogue and reconciliation efforts. Our assessment is that the transition from the interim to the CAS stage is likely to take 1 to 2 years. Under the dual track approach, graduation to a full CAS or adoption of alternative scenarios, including an exit option (if warranted by a much worsened security situation and serious reversals in economic performance), would be bound by the following triggers:

- If the present status quo prevails, both on the security front and in terms of country economic performance (see Table 3 on triggers for Bank assistance), we will continue to implement the support program outlined below. A progress report on the interim strategy including proposals for subsequent Bank support will be presented at the end of CY00.

- If the security situation deteriorates but there is a recognized (de facto or de jure) government in place, and country economic performance is likely to be undermined because of the political and security situation, our assistance will be limited to selective implementation of the ongoing portfolio in secure areas.

- If security deteriorates, there is no recognized government in place, and there are serious reversals on the economic performance front, we will take an “exit” option and suspend all our operations.
If the situation improves to such an extent that countrywide security and institutional stability are restored, amid strong and promising country economic performance, we will proceed with preparation of a CAS defining our medium to long-term assistance strategy to support the overall Government reconstruction program.

2. Interim Support Program. The Interim Support strategy, as presented in the informal briefing to the Board in July 1999, was to comprise three components:

- resumption of activities under the ongoing portfolio (with an undisbursed balance of about US$83 million) to ensure prompt availability of funds for urgent activities linked to rehabilitation of basic economic and social services and resettlement in the various sectors including health, agriculture, infrastructure and power;
- a quick-disbursing US$20 million Economic Rehabilitation and Recovery Credit (ERRC) to provide critical budgetary and balance of payments support; and
- a US$25 million Community Reintegration and Rehabilitation Project (CRRP), to support the social and economic reintegration of ex-combatants, internally displaced people and refugees, as a complement to the Government’s Disarmament, Demobilization and Reintegration (DDR) program and the Resettlement, Reconstruction and Rehabilitation (RRR) program.

3. Since the Board briefing, the interim support strategy, which is being presented herewith for the Board’s consideration, has undergone some adjustments to reflect the findings and recommendations of the multi-donor assessment mission that visited Sierra Leone (September 20-25, 1999) and subsequent commitments during the donor meeting in Washington held on September 28, 1999. The proposed credit amount for the ERRC has been increased to $30 million to meet higher requirements for the import of basic commodities (rice and petroleum) and budgetary needs to accompany the DDR program (severance and pension payments). In addition, a supplement of US$3 million is being proposed for the ongoing Public Sector Management Support (PSMS) project to strengthen economic management capacity that has been undermined during the course of the rebel war.

4. To meet Sierra Leone’s exceptional financing needs, we plan to use an an IDA allocation of US$58 million in FY00 and the first half of FY01 to help finance the CRRP, ERRC and PSMS, against total financial requirements, excluding arrears, of about US$394 million for CY00-01. In addition, we intend to restructure, with Government support and through a participatory process, some of the ongoing projects to respond to emergency reconstruction needs. The above IDA allocation is made while remaining mindful of the performance criteria governing the use of IDA funds. In line with the sense of the informal Board discussion on the Impact of Regional Conflict in Africa held on November 16, 1999, a flexible interpretation of the criteria is appropriate in the case of Sierra Leone to reflect both its post-conflict circumstances and urgent needs for support in the interrelated areas of security, humanitarian assistance and early reconstruction/development. The allocation in the Lending Strategy Review (LSR) for FY01-03 would remain at SDR17 million. This allocation will be revisited at the time of the next LSR, based upon the results of the 2000 CPIA, as well as indicators to determine the
progress of post-conflict countries. In about a year’s time, we propose to come back to the Board with a progress report, both on the implementation of the Interim Support Strategy and the transition to sustainable peace and early reconstruction and development in Sierra Leone.

5. **Agenda for the Board.** The following are among the issues the Board may wish to consider:

- Is the composition of the proposed program for IDA lending and non-lending assistance appropriate, taking into account Sierra Leone’s fragile security, institutional status and required emergency needs to consolidate the peace process as well as institutional, social and economic stability?

- Do the proposed programs and indicators strike the right balance in promoting further improvement in security, reconciliation, and economic revival?

- Does the proposed strategy adequately address the substantial security, institutional and external risks facing Sierra Leone?
INTERIM SUPPORT STRATEGY FOR THE REPUBLIC OF SIERRA LEONE

A. BACKGROUND

1. Post-independence Sierra Leone has had a troubled history characterized by ethnic strife, civil war, institutional instability and poor governance. After witnessing a growth rate of nearly 4 percent per annum during the first decade after independence in 1961, Sierra Leone saw its economic and social conditions deteriorate sharply in the 1970s and the first half of the 1980s. While external developments were a factor underlying this trend, the more fundamental reason for this decline was inappropriate government policies and poor governance. The corrupting influence of Sierra Leone’s diamond wealth, and the increased politicization of the armed forces (to the great detriment of military professionalism and ethics) contributed to poor governance. The wealth, created by illicit diamond trade and diverted profits and assets from state enterprises, most notably rice and petroleum marketing, encouraged patronage networks. Misuse of public resources and general economic decline in the early 1980s led to the erosion of public sector wages. Public services deteriorated, an outcome which hit the rural and urban poor very hard. General poverty deepened and a perceived policy of exclusion bred frustration and discontent among the youth.

2. Attacks by the Revolutionary United Front (RUF) that started out sporadically in the southeastern part of the country in early 1991 quickly spread throughout the country. Since 1991, successive governments have been unable to completely defeat the rebel forces of the RUF, and a coup d'état led by disgruntled junior army officers in May 1997 ousted the democratically elected government of President Ahmad Tejan Kabbah after only 14 months in office. Though the President was reinstated to power in February 1998 by the regional military forces of the Economic Community of West African States’ Monitoring Group (ECOMOG), the security situation deteriorated towards the end of the same year culminating in an attack on Freetown in January 1999, leading to considerable property damage and loss of life.

3. After eight years of a rebel war that left more than 20,000 people dead and about 1.5 million displaced and caused major economic disruptions and a significant worsening of poverty, a peace agreement was signed in July 1999, presenting an opportunity for Sierra Leone to rebuild itself. National and international support for the accord has been unprecedented. In addition to President Kabbah and the Revolutionary United Front (RUF) leader, Foday Sankoh, the agreement was co-signed by the Presidents of Liberia, Nigeria and Togo. The moral, political and legal endorsement of the peace agreement by President Taylor of Liberia is particularly important since he is known to be a close ally of Foday Sankoh. A fragile peace continues to hold since the cease-fire was first announced in May 1999.

4. After a waiting period of about two months, the “rebel” leaders, Foday Sankoh and Johnny Paul Koroma, have returned to Sierra Leone and are participating in a government of national
unity. The RUF has registered itself as a political party. The first contingent of a 6,000 man strong UN peace-keeping force has begun to arrive in Sierra Leone. However, despite such encouraging developments, the security situation in the country remains fragile, as demonstrated by the recent fighting between the troops of the former rebel allies. The implementation of the DDR program has also been slower than expected.

5. Although the security and institutional situation remains fragile and risky, we share the views of the Government and its external partners that we should take advantage of the window of opportunity provided by the signing of the Lomé Peace Accord. Major challenges over the coming months will be to: (i) maintain the political commitment of the parties to the peace agreement; (ii) establish a sound institutional framework for security and restore law and order; and (iii) provide support to the Government's demobilization and reintegration efforts. The donor meeting in Washington on September 28, 1999 confirmed donor commitment and goodwill of all stakeholders to collaborate in addressing these challenges.

B. GOVERNMENT NATIONAL REHABILITATION AND RECOVERY PROGRAM

6. The Government's rehabilitation and recovery program for the transition period has the overarching objective of sustaining peace and restoring institutional and social stability, with a focus on security and inclusiveness at four levels: (i) protective security to protect individual safety and human rights; (ii) social security, covering resettlement, reintegration and access to basic social services and infrastructure (health, education, water, food and shelter), with emphasis on service delivery; (iii) economic security, with a focus on ensuring accessibility to productive assets and opportunities and protecting property rights; and (iv) transparent and inclusive governance to combat corruption and ensure institutional and social inclusiveness.

7. **Protective Security** will center largely on implementation of the peace agreement, with a particular focus on implementation of the DDR program and improvement in security and law and order nationwide. The DDR program targets approximately 45,000 ex-combatants, including adult and child ex-combatants from the Armed Forces of Sierra Leone (AFSL), RUF and the Civil Defense Forces (CDF). The DDR program has been costed at about US$50 million over three years, with about US$36 million required over the next 18 to 24 months. In the areas of security and law, the main emphasis will be on strengthening the army and the police, and improving judicial processes and enforceability. The rebuilding of an inclusive army is already under way, with support from bilateral donors including the United Kingdom and Nigeria. The police force is also being strengthened with bilateral support, and efforts are under way to improve judicial processes.

8. **Social Security** will be achieved through the social and economic reintegration of ex-combatants, internally displaced persons (IDPs) and refugees and the revival of basic public services. The Government's RRR program based on an extensive needs assessment of war-affected areas carried out in mid-1996 and validated in 1998 is being re-evaluated to incorporate the needs of previously inaccessible areas that have now been opened up. Reintegration assistance in the form of seeds, tools and basic implements as well as training programs for IDPs, refugees and other vulnerable groups will provide opportunities for achieving sustainable
livelihoods. The Government is also providing assistance to host communities to further facilitate the reinsertion of returnees.

9. To revive basic services, it will also be necessary in the near term to rehabilitate service centers and infrastructure. To achieve this, public expenditures would have to be managed with added rigor and allocative efficiency. Despite the Government's expressed commitment to keeping budgetary allocations in line with declared priorities for providing basic economic and social services, economic sectors have suffered from the diversion of meager resources to military expenditures. The Government is hoping that the signing of the peace accord and the gradual restoration of security will yield peace dividends (in terms of reduced military expenditures) that will enable it to give priority to economic and social sectors.

10. Economic Security will require the provision of income opportunities to the population, particularly during the transition from short-term reconstruction to longer-term development and poverty reduction. Accordingly, the Government plans to resume its institutional and policy reform agenda, updated to take into account the impact of the intervening upheavals. Areas to be targeted include: macroeconomic stabilization, focusing on revenue mobilization and fiscal discipline; improvement of public expenditure management, with emphasis on ensuring the quality and volume of basic services and strengthening budget implementation, monitoring and expenditure control; acceleration of the public enterprise reform program following the slowdown resulting from the conflict; and creation of an enabling environment for private sector activity (both small-scale, rural and urban enterprises and new private investment).

11. Transparent and Inclusive Governance. To correct poor governance, which was a major cause of popular discontent, especially in the rural areas, and of the flare-up of the rebel war in 1991, the current Government is firmly committed to an inclusive and transparent governance program. The participatory Strategic Planning and Action Process (SPP) launched in November 1996 is being revived to: (i) forge a consensus on a national strategic vision fully reflecting the priorities and needs of the population and particularly the poor in the rural and urban areas; and (ii) put in place a results-driven system of governance based on the use of measurable indicators to empower civil society and local communities.

12. Both the Government and its donor partners realize that effective and transparent use of the significant resources committed to rehabilitation and reconstruction would be critical if the expected results are to be attained. This would call for greater probity in the use of public resources. As well, corruption is a systemic problem best addressed through a three-pronged approach predicated on: enforcement, prevention and education. Accordingly, a 1999 Anti-Corruption Act being prepared with technical support from the UK will focus on these three areas. The bill provides for the creation of a high-level independent Anti-Corruption Bureau run by a Chairman and two other members, all highly qualified professionals, appointed by the President with the approval of the Parliament. A workshop was held in October, 1999 to increase public awareness of the main issues of focus and mobilize the interest of civil society.

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1 The Government of Sierra Leone has undertaken significant economic reforms during most of the period 1989-96 despite the destabilizing influence of a civil war, which started in mid-1991. Exchange and trade systems were liberalized; price controls were lifted; revenue collection and expenditure management were strengthened; financial regulations and the banking sector were reinforced; and key actions in the areas of public sector and civil service reform were undertaken. The military coup d'état of May 1997 interrupted this process and reversed some of the earlier gains.
The Government plans to strengthen judicial capacity to empower the autonomy and enforceability of legal and judicial systems (touching especially on protection of property rights). To lay strong foundations for sound financial management, the Government is instituting new systems to improve budget management and fiscal and expenditure control. A financial information system has been implemented in the Accountant General’s Department with the assistance of the European Union. The system is fully computerized, Y2K compliant, and allows audit trails and reporting on public finances in a timely manner.

C. MACROECONOMIC OUTLOOK AND FINANCING REQUIREMENTS

13. Implementation of the National Rehabilitation and Recovery Program (NRRP) to consolidate peace and address the immediate resettlement and rehabilitation needs of the ex-combatants and displaced people and to begin the reconstruction of basic infrastructure will require huge financial outlays. Total public expenditures are expected to grow from 24 percent of GDP in 1999 to about 30 percent in 2000. However, Government revenues will pick up only slowly and are projected to grow by only one percent in 2000 to about 8 percent of GDP. The overall budget deficit, excluding grants, is projected to rise to 22 percent of GDP in 2000. Grant financing from the European Union and bilateral donors, including DFID is projected to be about 8 percent of GDP. Domestic bank financing is projected to decline from 6.2 percent of GDP in 1999 to 2.4 percent of GDP in 2000.

14. The impetus to recovery and growth provided by the implementation of the NRRP is expected to result in a modest GDP growth of about 4 percent in 2000 after declining by about an estimated 8 percent in 1999 (real GDP declined by an average of 6 percent per annum since 1995). Growth is expected to be around 7 percent between 2001 and 2003 provided the security situation is firmly under control and leads to a pick-up in business activities, including mining. Gross public investment as a share of GDP fell sharply to about 3 percent in 1999 as a result of closure of many donor financed projects and a severe setback in private investment. Under the improving conditions and resumption of reconstruction activities, the level of investment is projected to increase to 14 percent of GDP in 2000, half of which is accounted by public investment. This is attributed largely to donor financing of the RRR program. Gross domestic savings are expected to remain negative in 2000.

15. Resumption of exports is expected to be slow and Sierra Leone’s near- and medium-term balance of payments position is expected to be very difficult, especially given the likely increase in food imports on account of the deterioration in the food security situation, the need for reconstruction related imported equipment and materials and the high debt service burden. From the low levels of about US$81 million in 1997, imports are projected to be about US$170 million in 2000. Sierra Leone’s external debt profile indicates that its ratio of debt service to exports of goods and non-factor services will be about 52 percent of GDP for 2000 and about 50 percent of GDP for 2001. Of this, debt service to the Fund will be about 28 and 32 percent of GDP in 2000 and 2001, respectively. Given the high levels of external debt service obligations over the next few years and slow recovery of exports, the current account deficit (excluding official transfers) is expected to be about 20 percent of GDP in 2000 and 2001 up from 9 percent of GDP in 1999.
### Table 1. Sierra Leone: External Finance Requirements, 1996 - 2001

(In millions of US$)

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<tr>
<td>Current account gap</td>
<td>135.5</td>
<td>27.5</td>
<td>60.8</td>
<td>62.4</td>
<td>142.5</td>
<td>135.1</td>
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<tr>
<td>Amortization</td>
<td>42.0</td>
<td>24.7</td>
<td>30.3</td>
<td>40.4</td>
<td>47.0</td>
<td>50.9</td>
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<tr>
<td>Reduction of arrears</td>
<td>17.6</td>
<td>-23.2</td>
<td>-36.3</td>
<td>-33.4</td>
<td>212.5</td>
<td>0.0</td>
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<tr>
<td>Increase in reserves</td>
<td>-8.2</td>
<td>11.7</td>
<td>5.0</td>
<td>5.5</td>
<td>-9.0</td>
<td>27.8</td>
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<tr>
<td>Total requirements</td>
<td>186.9</td>
<td>40.7</td>
<td>59.8</td>
<td>74.8</td>
<td>393.0</td>
<td>213.8</td>
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<tr>
<td>Financing</td>
<td>186.9</td>
<td>40.7</td>
<td>59.8</td>
<td>74.8</td>
<td>393.0</td>
<td>213.8</td>
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<td>Grants</td>
<td>59.8</td>
<td>19.0</td>
<td>18.6</td>
<td>41.6</td>
<td>71.6</td>
<td>81.9</td>
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<td>Loans*</td>
<td>59.4</td>
<td>30.7</td>
<td>44.9</td>
<td>36.2</td>
<td>108.9</td>
<td>75.7</td>
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<td>O/w BOP</td>
<td>33.5</td>
<td>19.4</td>
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<td>22.5</td>
<td>58.5</td>
<td>42.3</td>
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<td>Foreign direct invest</td>
<td>-3</td>
<td>0</td>
<td>3.5</td>
<td>1.7</td>
<td>2.0</td>
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<tr>
<td>Debt relief</td>
<td>25.5</td>
<td>95.0</td>
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<td>Short-term capital</td>
<td>42.6</td>
<td>-103.9</td>
<td>-7.1</td>
<td>-4.7</td>
<td>-33.4</td>
<td>-15.5</td>
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<td>Poss. Rescheduling of arrears</td>
<td>212.5</td>
<td>0.0</td>
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<td>Possible new debt relief</td>
<td>20.6</td>
<td>21.5</td>
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<tr>
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<td>10.8</td>
<td>47.1</td>
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**Memo Item**

IDA's share of financing | 16.1% | 49.1% | 16.7% | 20.1% | 18.3% | 9.4%


16. Taking into account the build-up of reserves equivalent to only 1.6 months of imports by 2000 and 2.5 months by 2001, total financing requirements, including clearance of arrears, are estimated to be about US$393 million for 2000 and US$214 million for 2001. The Government is currently formulating its strategy for clearance of these arrears. Identified disbursements for 2000 (including the proposed ERRC and excluding Fund resources) are about US$121 million, of which US$72 million are grants (see Table 1). Recognizing the availability of only limited resources, the Government will approach the Paris Club and other creditors for debt relief. On the basis of expected disbursements, the Bank would finance about 18 percent of the total financing requirements for 2000. Excluding the clearance of arrears, Bank’s share of financing would be about 23 percent for 2000-01. Sierra Leone’s prospects for economic growth and poverty alleviation will therefore depend heavily on her ability to attract donor support and continue to implement appropriate policies.

17. In sum, given Sierra Leone’s considerable financial requirements for peace consolidation and reconstruction, clearly the World Bank, in close partnership with Sierra Leone’s other donor partners, stands to play a major role as a contributor to the necessary overall financing package. The proposed World Bank’s contribution recognizes the key financial and operational role that its international partners expect as well as the catalytic impact of the Bank’s contribution in mobilizing contributions from other donors in the closely inter-related areas of security, humanitarian assistance and early reconstruction.

### D. DONOR ASSISTANCE STRATEGY TO SUPPORT THE NRRP

18. To be effective in a fragile post-conflict situation, resources have to be made available as soon as conditions on the ground allow. Early support would help set Sierra Leone on course for reconstruction and development, and facilitate development of a framework for mobilization and effective use of donor resources. At the same time, given the fragility of the current political and security situation, it would be premature to proceed with an overall medium-to-long-term
strategy, as normally outlined in a Country Assistance Strategy (CAS). Consequently, a pragmatic approach more consistent with the present security situation and based on immediate short-term needs is proposed. In essence, the Bank's proposed assistance strategy would be a two-track approach, comprising: (i) an interim strategy which underpins short-term emergency assistance and articulates an effective linkage between humanitarian and early reconstruction activities; and (ii) a full CAS when security, capacity and institutions have recovered enough to permit medium to long-term development assistance.

19. **Interim Support Strategy.** Preparation of the interim strategy was preceded by extensive groundwork. First of all, a World Bank-led multi-donor and multi-sector assessment mission went to Sierra Leone to review needs and priorities in the three areas of security, humanitarian assistance and early reconstruction, and agree on how best donors could provide the necessary support. This coordinated and integrated approach was necessary given the inter-relatedness of the three areas and the need to ensure prompt availability of resources. Following the assessment mission, an informal donor meeting was called in Washington (September 28, 1999) under the joint chairmanship of the UK, the United Nations and the World Bank (reflecting their respective strengths in the main target areas for support to peace-building, humanitarian relief and early reconstruction) to review with the Sierra Leonean government the findings of the multi-donor assessment mission and financing requirements for implementing the Government's programs (Minutes of the meeting are attached in Annex 1). An outcome of this consultative process was an agreement on how to apportion responsibilities between the participating donors (based on comparative advantage) in the three distinct but complementary areas of security, humanitarian and reconstruction assistance as spelled out below.

20. **Assistance to security** led by the United Kingdom's Department for International Development (DFID) would focus on the disarmament, demobilization and reintegration of ex-combatants, and training of the army and police. The DDR program will be a key instrument for supporting the peace process and includes two distinct but complementary components: (i) the disarmament and demobilization component (to help with the disarmament and demobilization of ex-combatants) financed by DFID, ECOMOG, UNOMSIL and others, and (ii) a reintegration and rehabilitation component targeted at ex-combatants. The Bank's contribution would comprise: (a) technical assistance to facilitate implementation of the DDR program, and (b) support through the Community Reintegration and Rehabilitation Project (CRRP) in the form of a targeted training and employment program to provide income-earning opportunities to ex-combatants and to facilitate their reintegration into society. The reintegration and rehabilitation component is also financed by DFID, the EU and other bilateral donors (e.g. Germany and the USA). A multi-donor Trust Fund administered by the Bank would be the main channel for funding the DDR program. DFID has committed approximately $10 million for the DDR program and to set up the fund, and commitments are now expected from other interested donors (Canada, Norway, etc.). In all phases of the program, ECOMOG and the 6000 peace keepers that the UN Security Council intends to deploy in Sierra Leone will play a major role in safeguarding security. ECOMOG will also, in close cooperation with the United Kingdom, play a role in helping train a more professional and accountable army under a civilian ministry of defense.

21. **Assistance to Humanitarian Relief.** The atrocities perpetrated during the course of the eight-year civil war and the massive social and economic dislocations caused by the war
underscore the magnitude of the humanitarian crisis facing Sierra Leone (a total of about 1.5 million displaced or in refugee camps overseas, and a very large number of civilian victims of cruel mutilations). Assistance to humanitarian relief would be under the leadership of the UN family, including UNOCHA, UNHCR, WFP, and UNICEF, with the Bank’s role here largely limited to facilitating resource mobilization through donor coordination efforts. Resource mobilization will be critical to successful humanitarian relief. As the DDR program gets underway and more and more areas become accessible, the humanitarian caseload is likely to increase dramatically. From indications at the September 1999 donors’ meeting in Washington, there is much donor goodwill and interest in this area, but accessibility to areas and populations experiencing need for humanitarian assistance remains a major constraint.

22. **Support for Early Reconstruction.** In the area of early reconstruction and development, key issues to be addressed would include a stable macroeconomic framework, effective delivery of basic services to communities (beyond the emergency phase), the strengthening of absorptive capacity, and issues of governance and corruption. Herein the World Bank Group has a comparative advantage and would take the lead, in close partnership with the IMF and the AfDB. Public expenditure management during this phase would need to guarantee that scarce resources go to priority sectors and reach intended beneficiaries. In terms of basic service delivery (which should target the community at large), priority will be given to the reintegration, resettlement and rehabilitation of ex-combatants (with a special focus on child soldiers), refugees, internally displaced people and voluntary returnees. In this area, there would be a necessary trade-off between quick delivery of essential services in the short term using expatriate technical assistance and NGOs and longer-term capacity building needs. Maintaining good governance would also be important during this phase to prevent wastage of scarce resources through corruption.

E. **MODALITIES OF BANK SUPPORT**

23. The World Bank’s proposed interim strategy of support to Sierra Leone in the next 12 months reflects the country’s urgent need for: (i) up-front resources during the transition to peace and sustainable security; (ii) preserving the nexus between security, humanitarian and early reconstruction/development assistance; and (iii) an integrated donor partnership based on mutual complementarity. To ensure the availability of resources for urgent rehabilitation and resettlement activities and relaunching of the economy, we will: (i) maximize the impact of our existing portfolio by resuming those activities that address immediate needs; and (ii) provide the necessary new resources to finance the import of essential commodities (including rice and petroleum products, raw materials and intermediate goods) and to support the social and economic reintegration of ex-combatants, IDPs and refugees.

**PORTFOLIO MANAGEMENT**

24. In the fragile security environment characteristic of post-conflict situations, one often faces a need to provide quick assistance to consolidate peace and pave the way for reconstruction. A pragmatic solution is to use the projected undisbursed balances in the existing portfolio to address such urgent requirements. When the security situation in Sierra Leone precluded normal Bank supervision activities leading to the deterioration of portfolio quality and related
performance ratings, the Bank was confronted with the challenge of minimizing the negative impact on the portfolio while ensuring at the same time that the requirements of needy populations were met to the extent possible. It was decided not to proceed with a wholesale closing of the portfolio but rather to take the more practical approach of an informal suspension, whereby only activities in safe areas (i.e. Freetown) under the existing portfolio would continue to be implemented. This selective approach, however, required that Sierra Leone stayed current in servicing its World Bank Group debt and presupposed that the conflict would be of a limited duration. Despite security constraints, portfolio management and supervision continued during the crisis albeit from neighboring Conakry or Abidjan (where Bank supervisory teams held meetings with project implementation teams from Sierra Leone). Understanding was reached with the Government on “positive” (i.e. implementable under the current security circumstances) and “negative” (i.e. temporarily non-implementable because of security considerations) lists of activities and portfolio implementation continued within the agreed confines.

25. After the peace agreement, the Bank resumed supervision activities and used the occasion of the multi-donor/multi-sector assessment mission to identify necessary but preliminary adjustments to the ongoing portfolio to reflect the emergency transition needs of the country. As of November 8, 1999, the Sierra Leone portfolio comprises 7 projects with an undisbursed balance of US$82.47 million. A case-by-case status review of the individual projects in the ongoing Sierra Leone portfolio is presented in Annex 2.

Table 2: Disbursement Profile of the Sierra Leone Portfolio

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Date of Approval</th>
<th>Current Closing Date</th>
<th>Original Amount</th>
<th>Undisbursed amount as of 11/08/99</th>
<th>Amounts expected to be Committed by FY2000</th>
<th>FY2001</th>
<th>Uncommitted Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Power Rehabilitation*</td>
<td>04/21/92</td>
<td>12/31/99</td>
<td>21</td>
<td>9.40</td>
<td>0.20</td>
<td>1.50</td>
<td>3.18</td>
</tr>
<tr>
<td>2. Public Sector Management Support*</td>
<td>11/19/92</td>
<td>02/28/00</td>
<td>10</td>
<td>0.59</td>
<td>0.59</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Roads Rehab. And Maintenance</td>
<td>12/22/92</td>
<td>06/30/00</td>
<td>45</td>
<td>4.90</td>
<td>1.00</td>
<td>1.50</td>
<td>1.50</td>
</tr>
<tr>
<td>4. Freetown Infrastructure</td>
<td>06/10/93</td>
<td>12/31/99</td>
<td>26</td>
<td>3.68</td>
<td>-</td>
<td>1.84</td>
<td>1.84</td>
</tr>
<tr>
<td>5. Urban Water Supply*</td>
<td>04/11/95</td>
<td>12/31/99</td>
<td>36</td>
<td>19.33</td>
<td>0.63</td>
<td>2.00</td>
<td>3.00</td>
</tr>
<tr>
<td>6. Health Sector</td>
<td>03/14/96</td>
<td>06/30/01</td>
<td>20</td>
<td>14.43</td>
<td>1.43</td>
<td>2.50</td>
<td>2.50</td>
</tr>
<tr>
<td>7. Transport</td>
<td>06/27/96</td>
<td>06/30/01</td>
<td>35</td>
<td>30.14</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>193</td>
<td>82.47</td>
<td>7.85</td>
<td>13.34</td>
<td>16.02</td>
</tr>
</tbody>
</table>

*Projects with imminent closings but likely to be extended.

26. To explore the possibility of utilizing a portion of this undisbursed balance to provide additional resources for urgent activities linked to rehabilitation and resettlement, to finance in part the import of essential commodities, including rice and petroleum products, raw materials and intermediate goods, and to support activities related to the social and economic reintegration of ex-combatants, IDPs and refugees, a project-by-project analysis was carried out and an amount of about US$20 million was identified for possible reprogramming by December 2000 (Table 2).
NEW LENDING SUPPORT

27. To support the Government’s NRRP, Bank’s assistance for FY00 and first half of FY01 would include two new lending activities, a quick disbursing credit in the amount of US$30 million for balance of payments and budgetary support and a Community Reintegration and Rehabilitation Project in the amount of US$25 million as well as a supplement of US$3 million to the existing Public Sector Management Support Project (details on these proposed activities are provided below).

28. To meet Sierra Leone’s exceptional financing needs, we plan to use an an IDA allocation of US$58 million in FY00 and the first half of FY01 to help finance the CRRP, ERRC and PSMS, against total financial requirements, excluding arrears, of about US$394 million for CY00-01. In addition, we intend to restructure, with Government support and through a participatory process, some of the ongoing projects to respond to emergency reconstruction needs. The above IDA allocation is made while remaining mindful of the performance criteria governing the use of IDA funds. In line with the sense of the informal Board discussion on the Impact of Regional Conflict in Africa held on November 16, 1999, a flexible interpretation of the criteria is appropriate in the case of Sierra Leone to reflect both its post-conflict circumstances and urgent needs for support in the interrelated areas of security, humanitarian assistance and early reconstruction/development. The allocation in the Lending Strategy Review (LSR) for FY01-03 would remain at SDR17 million. This allocation will be revisited at the time of the next LSR, based upon the results of the 2000 CPIA, as well as indicators to determine the progress of post-conflict countries. In about a year’s time, we propose to come back to the Board with a progress report, both on the implementation of the Interim Support Strategy and the transition to sustainable peace and early reconstruction and development in Sierra Leone.

29. Toward the end of calendar year 2000, we propose to come back to the Board with a progress report, both on the implementation of the Interim Support Strategy, including disbursement from the existing portfolio and results of the portfolio restructuring exercise, and the transition to sustainable peace and early reconstruction/development in Sierra Leone. While we have identified some preliminary benchmarks and triggers to guide us in assessing progress in the security situation and economic performance, we are also developing broad indicators for assessing the performance of post-conflict countries which could subsequently be applied to Sierra Leone. By December 2000, depending on the outcome of a joint donor assessment, we will present for Board discussion a second phase of the Interim Support Strategy. At that time we will also propose support for new operations under the interim strategy. Among such new operations, we have currently identified a Judicial and Legal Reform project and a LIL for piloting decentralized service delivery with community empowerment.

30. If the security is restored countrywide and economic policy performance is on track (see Triggers in Table 3), we will proceed with the preparation of a full CAS. On the contrary, if there is a dramatic deterioration in terms of implementing the Interim Support Strategy and on

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2 This project was first prepared in 1997 and subsequently revised in 1998 but could not be presented to the Board because of the coup d’état in May 1997 and the deterioration of the security situation in January 1999. The project will be revised to reflect the changed country circumstances and prevailing needs.
the security and institutional stability front, the exit option suggested in the triggers would be recommended.

PROPOSED NEW LENDING ACTIVITIES

31. The Economic Rehabilitation and Recovery Credit (ERRC) is a quick-disbursing credit in the amount of US$30 million to help finance the National Recovery and Reintegration program over CY00/01 through: balance of payments and budgetary support to finance part of the foreign and budgetary costs associated with establishing peace and sociopolitical stability; the re-launching of the economy; and the restoration of basic public services. The proceeds will allow the import of essential commodities, including food and petroleum products, raw materials, and intermediate goods required to re-launch economic activity. Local currency funds thus generated will enable the Government to provide basic services, including the rehabilitation of necessary social and economic infrastructure that will allow communities to return to normalcy. The funds will also contribute to the transitional safety net allowance for adult ex-combatants and restoration of law and order. The Credit will support the Government’s reform program on improving public expenditure management and addressing governance issues. It will be presented for Board approval in the third quarter of FY00.

32. The Community Reintegration and Rehabilitation Project (CRRP), for which an IDA credit of US$25 million is being proposed was negotiated two years ago and was ready for Board presentation in 1997 and then again in early 1999 but had to be withdrawn because of the May 1997 coup and the January 1999 rebel invasion of Freetown. The proposed project, which was reactivated after a post appraisal mission, will seek to contribute to increased security, social stability, and economic revival by helping former combatants and the population and communities affected by the conflict return to normal, productive lives. The CRRP will be co-financed by the African Development Bank (AfDB) and will include the following two components:

   i. an Emergency Recovery Support Fund (ERSF), and related institutional support to the National Commission for Reconstruction, Resettlement and Rehabilitation; and

   ii. a Training and Employment Program (TEP), and related institutional support to the National Committee on Disarmament, Demobilization and Reintegration.

33. The ERSF has been designed to facilitate the social and economic recovery of communities and the restoration of basic social and economic services through demand-driven, community-oriented projects that target individuals, groups and the communities affected by the conflict. The Fund will finance sub-projects in the areas of agricultural rehabilitation, reconstruction of community infrastructure, establishment of essential social services, restarting or establishing micro and small businesses, temporary shelter, promotion of reconciliation, and local institutional capacity building aimed at IDPs, refugees, ex-combatants and their host communities. The ERSF will also support labor-intensive urban and rural public works programs to rehabilitate economic and social assets, and help provide a temporary social safety net for vulnerable groups of unemployed youth, ex-combatants, and others. IDA would finance a maximum of ninety percent of the total cost of an ERSF sub-project, with the balance to be met by the Government, the specific beneficiary group, or the implementing agency.
34. The Training and Employment Program (TEP), costed at US$7.2 million, would support the social and economic reintegration of former combatants through targeted counseling, training, and employment creation efforts. The social reintegration program would include civic education, psychological counseling and community sensitization programs. Counseling and referral programs would prepare ex-combatants for their return to civilian life and assist them through psycho-social support and by providing information and opportunities to access available reintegration assistance through other agencies and programs.

35. The CRRP, which will help provide immediate necessary support for the reintegration of target groups, and the rehabilitation of infrastructure and basic services in communities most affected by the war, will play an important role in sustaining the recovery process. Close to one third of the overall population (approximately 1.5 million) is expected to benefit from the project. The project is also expected to have a significant impact on reducing war-induced poverty throughout Sierra Leone, particularly by helping reinvigorate the local economy.

36. In addition to the two new lending activities identified above, the Interim Strategy seeks to supplement the existing Public Sector Management Support (PSMS) project by about US$3 million. The Government considers this project as critical in rebuilding its capacity following the civil war. Key areas of focus are economic management (including strengthening of the Central Statistics Office), strengthening of revenue mobilization, establishment of a procurement agency, instituting the regulatory framework for the recently liberalized petroleum sector and capacity building for local government. Since its inception, the PSMS has been providing support to the various government agencies, particularly those engaged in fiscal management. It has also been providing support for the regulation of the petroleum industry, addressing social policy and poverty issues, budget preparation in the ministries of health, education, works and agriculture, provision of equipment and other supplies to all beneficiary agencies, and funding for local and external training programs. Project implementation has been quite successful (within the limits of the constraints imposed by the recent conflict), as evidenced by the relatively high absorptive capacity of project resources (93.7% disbursed), requests for additional support by existing agencies, and for support by new agencies. The project’s coverage has since increased from the initial 18 to 29 agencies.

**CAPACITY BUILDING FOR PROJECT IMPLEMENTATION**

37. As a result of the massive exodus of Sierra Leonean professionals during recent crises, local capacity, limited at the best of times, has been further undermined. Thus, during the present phase of peace-building and security consolidation, and subsequent efforts toward reconstruction, it would be necessary to provide the right mix of urgent service delivery, facilitated by external technical assistance, and long-term building of local capacity. In the short term, this will call for a broad approach that anchors implementation in the entire range of local available capacity (e.g. ministry departments, local and international NGOs, community-based organizations, and private businesses), while strengthening, through technical assistance, the oversight and coordination capacity of central government institutions with prime responsibility for project execution. The PSMS project, an important focus of which would be to strengthen economic management capacity, especially of the Economic Policy and Research Unit (EPRU), will play an important role in building capacity to facilitate implementation of the ERRC.
NON-LENDING SERVICES

38. In addition to technical and policy advice, non-lending services will focus on ESW designed to gain more insight on how to best design our assistance to Sierra Leone in the future. The first set of issues is related to the causes of conflicts and measures to minimize the risk of future conflagrations. To be done in close collaboration with a Bank-wide research project on the economics of civil war and crime and violence, research in this area will cover such areas as a better understanding of the role of mineral wealth (and particularly diamonds) as a cause of conflicts, regional collective security issues to endow the sub-region with the capacity to prevent and deal with regional conflicts and better donor coordination to respond to post-conflict challenges. A second set of issues has to do with a better understanding of: (i) the alterations in the structure of the economy caused by a lengthy civil war; and (ii) of the patterns of public expenditures as building blocks for helping Sierra Leone move onto a path of sustainable growth. Because of the complex nature of the causes and prevention of conflicts, work in this areas will necessarily go beyond the timeframe of the interim strategy. Thus, the focus, in the next twelve months, will be on the second set of issues.

TRANSITION AND EXIT SCENARIOS

39. The direction, nature and extent of our support during the transition strategy will depend on developments in the security situation countrywide and on Sierra Leone’s economic and policy performance, as outlined in Table 3. The four scenarios presented in the table correspond to the possible levels of attainment in the aforementioned areas. Currently Sierra Leone is under Scenario 2, which justifies the proposed interim support strategy. Improvement to Scenario 1 would create the required conditions for the Bank to commence preparation of a CAS. Regression to Scenario 3 would result in operations being scaled down in a drastic manner whilst Scenario 4 would lead to the Bank’s taking an Exit Option. We will continue to monitor the security situation on a regular basis and will, through the quarterly Monitoring Report on Conflict-Affected Countries, update the Board on latest developments and, where necessary, on related adjustments in terms of support scenarios.
### Table 3: Bank's Assistance and Triggers

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Triggers</th>
<th>Bank Lending Assistance</th>
</tr>
</thead>
</table>
| **1**    | **A. Security Developments**  
- Countrywide security fully restored as confirmed by free access of goods and humanitarian services nationwide;  
- Government of national unity cohesive and functioning;  
- Disarmament and demobilization process finalized and ex-combatants discharged.  
- Creation of professional army and a trained police force.  

**B. Economic Policy Performance**  
- Program with IMF on track and high momentum in implementing structural and governance reforms;  
- Institutional and implementation capacity strengthened through capacity building or technical assistance and effective use of NGOs, private sector or community institutions;  
- Establishment of accounting procedures and controls for the monitoring of donor funds to support the new projects; and production and satisfactory review of a budget monitoring report at the expenditure program level;  
- Satisfactory provision of public services as per results of user benefit surveys through the SPP process;  
- Portfolio performance significantly improved. | World Bank proceeds with preparation of a CAS defining its medium- to long-term assistance strategy to support the overall government reconstruction program. |
| **2**    | **A. Security Developments**  
- Security stable albeit fragile in Freetown and the rest of the country (maybe pockets of insecurity);  
- Disarmament and Demobilization process under way and ex-combatants from the RUF, CDF and AFRC enrolled in the program;  
- Efforts at reconciliation and inclusive governance initiated;  
- Government of national unity functioning by and large.  

**B. Economic Policy Performance**  
- A framework for macro management and sectoral development, satisfactory to IDA, announced and implementation initiated;  
- IMF post-conflict program on track;  
- Capacity limitations being addressed;  
- Establishment of accounting procedures and controls for the monitoring of donor funds to support the new projects, satisfactory to IDA; and production and satisfactory review of a budget monitoring report at the expenditure program level;  
- Satisfactory provision of public services as per results of user benefit surveys through the SPP process;  
- Systems in place to improve governance and accountability;  
- Improved portfolio performance and improving environment for normal project supervision. | World Bank continues to implement the support program outlined in the Interim Support Strategy. If the interim period exceeds one year, we will submit to the Board for discussion, an Interim Strategy for the second year. |
| **3**    | **A. Security Developments**  
- Deterioration of security situation, with instability spreading;  
- Snags in implementation of DDR;  
- Government of national unity unstable; rebel members back in arms or likely to do so;  
- Government (de facto or de jure) still in place;  
- Residual hopes of an accommodation (with external mediation) and reconciliation;  
- Project supervision possible but only in Freetown and surrounding areas.  

**B. Economic Policy Performance**  
- Weaknesses developing in macro management, implementation of sectoral development programs, the IMF program, and the Bank’s portfolio as well as in the area of governance, as a result of a worsening political and security situation. | No new lending. Informal suspension of portfolio to allow a partial implementation of ongoing portfolio in safe areas and during a period of limited duration (about 9-12 months). If the situation does not improve after that period, to allow us to resume supervision of the portfolio, we will move to Scenario 4. |
| **4**    | **A. Security Developments**  
- Full resumption of fighting and total breakdown in security  
- No recognized government in place; speedy resolution of crisis highly unlikely;  
- Normal project supervision impossible and Bank’s interlocutors within government in hiding or out of country.  

**B. Economic Policy Performance**  
- IMF program off track; reversal of existing adjustment policies;  
- Serious deterioration of governance;  
- Serious deterioration in portfolio performance. | World Bank takes an “Exit Option” and suspends all operations and dialogue. |
40. The Bank Group's assistance to Sierra Leone is based on partnership and close synergy and coordination among donors, against the backdrop of strong country ownership of programs. The steps followed in the lead-up to the preparation of the interim support strategy, namely the fielding of a joint multi-donor assessment mission followed by a jointly-chaired donors' meeting in Washington, both exemplify and demonstrate the promise of the approach the Bank proposes to follow. This approach was enthusiastically received by the Government and donors during the mission and subsequent consultations and there was agreement to institutionalize it in the context of Sierra Leone and for the UNDP to explore possible modalities of operationalizing it. Working in close consultation with the Government of Sierra Leone, the UNDP has since submitted for consideration by the international donor community a draft report on a New Integrated Approach to Aid Coordination (IAAC) for Sierra Leone.

41. The World Bank's interim support strategy is closely involved with assistance provided by other donors in the three areas of security, humanitarian assistance and early reconstruction/development. In addition to supporting the DFID and UN in the areas of security and humanitarian relief, the World Bank will, in the spirit of the Brookings initiative, maintain an effective complementarity with other donors (particularly the UNHCR and UNDP) in bridging the gap between humanitarian assistance and early reconstruction/development, in which the Bank enjoys a comparative advantage. The CRRP will be co-financed with the AfDB and supports other donor activities in the areas of reintegration, reconstruction and rehabilitation. The ERRC will dovetail with a proposed IMF post-conflict arrangement of SDR 25.9 million (scheduled for IMF Board consideration in December 1999), EC support under the 8th EDF (amounting to 111 million euros) to activities in social sector rehabilitation, infrastructure, roads, electricity, governance and democracy, and budgetary support by DFID (amount yet to be determined).

RISKS

42. Successful implementation of the proposed interim support strategy faces two main risks: the unraveling of the peace process leading to further insecurity in the country; and the weak institutional and implementation capacity of the public administration. Also uncertainty continues to prevail over a number of critical factors, namely implementation of the DDR program, peaceful co-existence between the RUF and AFRC, and effective cohabitation within government between the co-opted ex-rebel ministers and the rest of the cabinet.

43. Implementation of the DDR would be pivotal to the restoration of sustainable peace. Some initial bottlenecks, e.g. the return of "rebels" leaders Foday Sankoh and Johnny Paul Koroma, have been lifted and the first disarmament and demobilization camps opened. This positive trend could continue leading to more sites being opened and the program quickly gaining momentum. However, a more pessimistic scenario can also be envisaged whereby latent hostilities between the RUF and AFRC escalate and impede the implementation of the DDR by restricting access to specific RUF or AFRC-held areas. Regarding the functioning of the government of national unity, strains may possibly appear over the distribution of ministerial portfolios, leading, at worst, to a fallout and renewed tension. Foday Sankoh's role as Chairman of the Commission for Strategic Resources, with equivalent status to vice president, also harbors possibilities of
friction with the Minister of Mines as well as misunderstandings on the exact responsibilities that go with that position.

44. National institutional and implementation capacity, with Sierra Leone just recently emerging from conflict and given the recent massive exodus of professionals, may also challenge implementation of the interim strategy. Ways of encouraging the return of Sierra Leonean professionals must be urgently sought.

45. **Possible Mitigating Factors and Bank Response.** Commitment to the peace process by the rebel leaders is believed to be high. One could therefore reasonably expect that they will eventually be able to bring their troops into line. The early progress in operationalizing the DDR program, giving ex-combatants viable alternatives as a reward for disarmament and peace, does lend some cause for optimism. Furthermore, the fact that ECOMOG will continue to play a leading role in maintaining national security, and the arrival of UN peace-keeping forces serve to reinforce such optimism. Regional powers also seem to be aligned in support of implementation of the peace agreement, most importantly Nigeria, Liberia, Guinea and the ECOWAS as a whole.

46. The phased nature of the Bank’s support strategy will limit potential losses in the event of a serious deterioration on the security front. At this stage the likely pay-out of the strategy (in terms of future lasting peace and resumed growth) if the situation in Sierra Leone appears to clearly outweigh the cost. We will move to a full CAS only if sustainable security is fully restored.

47. With regard to implementation and institutional capacity, initially there would necessarily be a trade-off between the need for quick and urgent service delivery in the short-term and longer-term capacity building. Implementation of the short-term transition strategy would therefore place heavy reliance on NGOs and technical assistance (similar to the TA support already being provided to the technical secretariat of the DDR program) by contractual employees under performance contracts (e.g. the technical personnel of the NCRRR and the NCDDR at regional and headquarters level).

48. In terms of financial management, the Office of the Accountant General is already seeking to enhance capacity throughout the public service by putting in place systems of control to ensure transparent and accountable use of financial resources. On the Bank’s side, the supplemental credit to the PSMS project, revival of the Judicial and Legal reform project and the LIL for decentralized service delivery are aimed at addressing these capacity constraints at the level of the core economic ministries/institutions and local communities. With regard to the CRRP, the decision to entrust this function to an independently staffed and managed Financial Management and Procurement Unit would counter weaknesses in financial management. Adoption of international bidding processes based on a short-list of reputable organizations with international credentials would mitigate weaknesses relating to procurement. Finally, the proposed six-monthly project audits, especially in the case of the new projects, should make for effective financial supervision and control, as should the lodging of the ERSF at the level of the communities themselves.

James D. Wolfensohn
President
by Shengman Zhang
MINUTES OF MINI DONORS’ MEETING ON SIERRA LEONE

Held on 28 September, 1999

1. The Mini Donors’ Meeting was held under the joint chairmanship of the DFID, the United Nations and the World Bank, reflecting the special interests of these three organizations in the three main areas of interest on the meeting’s agenda: security; humanitarian assistance; and early reconstruction. The meeting was attended by the Government of Sierra Leone delegation led by the Minister of Finance and many of Sierra Leone’s bilateral and multilateral partners as well as some NGOs.

Security

2. According to the Government’s update, the security situation was by and large holding following the signing of the peace accord, as recognized by the Secretary General’s Report to the General Assembly. However, implementation of the Peace Accord and the related DDR program was experiencing delays partly due to failure by the rebels to match the Government’s pro-activity in fulfilling specific provisions of the accord (e.g. relating to both parties ensuring accessibility of areas they controlled; membership of truth and reconciliation commission, etc.) and, importantly, because of the absence from Freetown of the rebel leaders, Foday Sankoh and Johnny Paul Koroma. With regard to the commissions provided for under the Peace Accord, the Government informed the meeting that all the required legislative acts had been approved by parliament but further progress had been stalled by lack of cooperation from the rebels. The Government was optimistic about an ultimate favorable outcome regarding the return of Messrs. Sankoh and Koroma, and informed the meeting of ongoing efforts by President Taylor to help resolve the matter.

3. The Government welcomed the recommendation by the UN Secretary General to deploy a peace-keeping operation in Sierra Leone, especially against the backdrop of the imminent withdrawal of ECOMOG troops. The peace-keeping force would consist of 6 battalions of 750 men each (including 4 ECOMOG battalions) and would include a helicopter-borne rapid reaction unit. The force would help facilitate implementation of the DDR, the activities of UN staff and the delivery of humanitarian assistance, as well as help monitor the cease-fire. The UN Department of Peace-keeping Operations (DPKO) planned to send 6 police advisors to, inter alia, help in the restructuring of Sierra Leone’s police force. ECOMOG’s logistical requirements were also under consideration.

4. Of the proposed demobilization centers, the one at Lungi and the 2 Port Loko sites were already open, and the Daru site was expected to be opened soon. The Government had committed to having all four sites operational by October 1.
On the security front the following four priorities were identified:

- the swift deployment of the new peace-keeping operation as soon as security council approval was obtained;
- the need for the international community to fully address ECOMOG's resource and logistics requirements;
- the need for the DDR program to get under way as soon as possible; and
- the need to continue to pursue efforts to secure Foday Sankoh and Johnny Paul Koroma's return to Sierra Leone.

Update on DDR

6. The structures for implementing the program are already all in place, e.g. the National Implementation Committee, the Executive Secretariat and the different technical committees.

During the pilot first phase of the DDR, about 1,500 ex-combatants were demobilized, including 500 child soldiers.

7. The overall cost of the DDR program is estimated at $50 million (based on an estimated ex-combatant caseload of 45,000). The program currently faces a funding gap of approximately $40 million. Additional funds (an estimated 7 billion leones, $3.5m) would be needed for pension and gratuity payments to former soldiers of the Sierra Leone army not integrated into the new army.

8. It was suggested that a broader more inclusive approach to reintegration would be necessary, one that covered, in addition to ex-combatants, refugees, internally displaced people (IDPs) and the local community at large. Additional resources would be necessary for this more comprehensive reintegration, which would itself have to be closely interwoven with the reintegration targeted at ex-combatants as part of the DDR program.

9. The Government took note of the need raised by UN OCHA for a clearer articulation of the roles and potential contributions of the humanitarian community in the implementation of the DDR.

10. Several participants (CIDA, Germany, etc.) requested more detailed information (including costing) on the DDR program to enable them to identify effective ways of supporting it (e.g. through the earmarking of funds).

Financing

11. Clarifications were sought on the nature and management of the Multi-Donor Trust Fund created by DFID as a funding instrument for the DDR, and which the World Bank would administer. It was explained that the Fund's main purpose was to support the DDR and not provide budgetary support to the Government. It would be managed outside the government budget by a qualified and competent private firm hired with the non-objection of DFID, the World Bank and other key stakeholders.
12. Attention was drawn to the potential for duplication between the Multi-Donor Trust Fund and the UN Trust Fund for Sierra Leone (designed to support ECOMOG activities as well as some demobilization programs) through which some bilateral donors were already channeling support. Future consultations would be needed to address existing ambiguities. In some cases, prospective contributions to the UN Trust Fund could be routed to the Multi-Donor Trust Fund if this was felt to be more expedient.

13. CIDA pledged new financial support for Sierra Leone amounting to $4.5 million, of which $2.5m would be contributed to the DDR Trust Fund and $500,000 would support peace-building activities in the context of the DDR.

14. The UK had already contributed about $10m (6.5 million pounds sterling) to the Multi-Donor Trust Fund, in addition to having funded the pilot DDR exercise and provided a 10 million pound grant to support ECOMOG, $1.76m for the training of the police, and $2.7m for capacity building of the Ministry of Defense.

15. World Bank support to the DDR program would amount to $9 million, comprising $2 million to finance technical assistance for institution-building (at the level of the Executive Secretariat), and $7 million to directly fund training and employment-generation activities for ex-combatants.

16. The UNDP was reviewing its Country Cooperation Framework with Sierra Leone with a view to directing additional resources to reintegration. UN headquarters were ready to contribute an additional $8 million. Greater involvement in demobilization was also anticipated.

17. The US’s focus in the area of security had been on supporting ECOMOG efforts and, to date, $18.8m had been committed to this. An additional $2.6m was recently approved to finance logistical support to ECOMOG.

18. The Netherlands had already pledged $1 million to the UN Trust Fund. Its involvement had hitherto been in the area of humanitarian relief and in providing budgetary support ($3 million) to defray Mali’s involvement in ECOMOG operations. Further such budgetary support was anticipated depending on the status of the peace-keeping operation under consideration by the Security Council.

19. Germany, which had thus far focused on humanitarian assistance, was considering supporting the DDR, through bilateral aid, as required by German budget law.

Humanitarian Assistance

20. The meeting took note of the relatively poor response to the UN Appeal (only one third of pledges collected). Only 27% of a modest $25 million requested had been mobilized. With the humanitarian case load expected to triple as more and more areas become accessible, a serious financing gap was imminent.

21. Benefiting from a high level of cooperation from both the Government and the RUF and AFRC leadership, the humanitarian community had since the signing of the Peace Accord been able to reach previously inaccessible areas in the Northern and Eastern regions (where 2.6 m
people had been without assistance since 1989) to provide food assistance and help in restoring damaged infrastructure (e.g. health centers). About 100,000 Sierra Leoneans still remained out of reach, particularly in Kambia, parts of Port Loko and across large swathes of the northern and eastern provinces. With the cassava harvest expected to run out, Sierra Leone was one of 16 countries faced with looming food emergencies.

22. The availability of food aid would depend closely on the security situation and the question of access. The need for aid requests from the Government to allow sufficient lead-time for a timely response was emphasized. A more detailed breakdown of Sierra Leone’s humanitarian needs was recommended to facilitate the earmarking of donor financial assistance.

23. The need for the Government to be kept fully informed of humanitarian NGO activities in Sierra Leone was stressed both to facilitate better overall coordination, permit better appreciation of the impact of programs implemented by and/or through NGOs, and reduce to a minimum the potential for abuse of the privileges enjoyed by NGOs (duty waivers, etc.).

24. The United States announced a proposed multi-donor mission to Sierra Leone in November to focus on Sierra Leone’s humanitarian assistance needs.

Financing

25. CIDA committed to providing $1.5 million (out of the above $4.5m of new funds) in support of humanitarian assistance programs.

26. For the current year, the United States had reserved $31 million for food relief and humanitarian assistance to Sierra Leone. Although legislative restrictions precluded provision of food and other assistance to combatants, once they were demobilized the required assistance could be provided.

27. The EC countries, focusing mainly on emergency assistance, had thus far pledged support to the tune of 21m Euro, including 10 million Euro on refugees and IDPs, 6 million Euro on emergency agricultural programs, and a recently approved 5 million Euro covering the areas of nutrition, health, water and sanitation, and to support displaced children and child ex-soldiers. Programs (public works, rehabilitation activities) interrupted by hostilities could be resumed with successful implementation of the Peace Accord.

28. DFID had since January provided support totaling 2 million pounds sterling and was considering a further equal tranche over the next 4-5 months.

29. Norway and Sweden had so far this year committed 30 million kronas and $3.1m respectively, while the Netherlands had provided about $3m (6.5m Dutch guilders).

30. Japanese aid channeled through UNHCR and UNICEF amounted to approximately $1.2m.

Early Reconstruction Activities

31. Key issues in this domain would include questions of macro stability, delivery of basic services to communities beyond the emergency phase against the backdrop of a much lower
revenue base, the strengthening of absorptive capacity following the years of war, and matters of governance and corruption.

32. In terms of public expenditure management, it would be essential to ensure that scarce resources go to priority sectors and reach the front line, rather than being diverted, for instance, to military expenditure.

33. In terms of basic service delivery, it would be important to determine what the essential needs in the different sectors are during the emergency transition period. A broader approach (Reintegration writ large) to targeting service delivery recipients would also be required. There would necessarily be a trade-off between quick delivery of essential services in the short term (using TA and NGOs) and longer term capacity building. To restore Sierra Leone’s much eroded capacity (owing to brain drain), a way would have to be found to attract back home qualified professionals (without creating islands of privilege).

34. The need to strengthen local NGOs, possibly through twinnings between them and international NGOs, was stressed.

35. Maintaining good governance and fighting corruption would be important in the early reconstruction phase, along the lines of the Government’s ongoing three-pronged anti-corruption drive based on enforcement, prevention and education.

36. Traditional approaches to donor coordination based on separate initiatives such as the World Bank CG, the UNDP Round Table or the more recent UN Strategic Framework may not be as adapted to providing quick emergency assistance in post-conflict situations as a more synergistic one based on simultaneity and close coordination from the outset among all major donors. This latter multi-donor approach, typified by the recent assessment mission to Sierra Leone and the present jointly chaired mini-donors’ summit, offers the advantage of speed while capitalizing on the comparative advantages of different donors. By way of institutionalizing such an approach in Sierra Leone, the UNDP offered to come up with a proposal for consideration by its other donor partners and has already submitted a preliminary draft.

Financing

37. In support of early reconstruction in Sierra Leone, the World Bank proposed to draw on two sources: the existing portfolio which had an undisbursed balance of $83m; and 2 new operations, a Community Reintegration and Rehabilitation project (CRR) and an Emergency Recovery Credit (ERC). In terms of the existing portfolio, sector experts, based on the findings of the recent assessment mission and follow-up consultations with the Government, would be able to restructure ongoing projects to respond to Sierra Leone’s emergency needs in the different sectors (power, health, agriculture, transport, etc.). With regard to the CRR ($25m), $9m would complement the DDR as described above, whilst the remaining $16 million would be used to set up a fund at the level of the various communities to finance priority projects identified by the communities themselves. Use of these funds would be closely monitored through regular biannual audits.

38. In the context of the Government’s anti-corruption campaign and renewed interest in strengthening the legal and judicial system, resumption of a Legal and Judicial Reform project,
whose preparation had been interrupted by the 1997 coup and follow-up hostilities, may be considered.

39. The AfDB announced the existence of an undisbursed portfolio balance of 40 million UA (Units of Account) which could be tapped by Sierra Leone in future. Resources for two new projects that had been ready for the Board in 1997 were still available, and there were plans to provide additional resources for reconstruction and development. The focus of its ADF8 would be on poverty reduction.

40. In the context of implementation of the Peace Accord, the USAID indicated its readiness to provide support to the different commissions to be set up, particularly the Commission for Strategic Resources. It also hoped to support youth literacy and numeracy programs targeted at ex-combatants and youth groups.

41. In addition to undisbursed EC resources under the seventh EDF, the 5-year 8th EDF signed in November 1998 provides a total of 111 million Euro to support activities in the areas of social sector rehabilitation, health, education, infrastructure, roads, electricity, governance and democracy.

42. DFID was already working with the Government to strengthen its service delivery institutions and was involved in civil service reform, legal and judicial reform, strengthening of the media, and local government. It was also looking to provide budgetary support but its amount was yet to be determined.

43. The IMF was expecting to take a post-conflict arrangement (25.9 m SDR) for Sierra Leone to its Board around mid-December.
**THE SIERRA LEONE PORTFOLIO**

1. **The Health Sector project** was approved by the Board in March 1996 and is due to close on June 30, 2001. Currently, it has an undisbursed balance of US$14.4 million (as of November 8, 1999) out of an original credit amount of US$20.0 million. Since September 1998, the Ministry of Health has been implementing activities according to quarterly Immediate Response Plans (elaborated by the Directorate of Planning and non-objected by IDA) to respond to the urgent needs of devastated health services and cope with growing health problems. These plans have targeted activities in safe areas for which the Government has not identified other sources of funding. An Annual Health Transitional Plan for the Year 2000 has been formulated based on the results of a four-day workshop organized by the Ministry of Health in August 1999 and attended by health personnel from districts and central programs, donors and NGOs. Under the IHSIP approach, any activity included in the plan, with a convincing rationale but no available financing (either by GOSL or other donors) is eligible for IDA funding. The MOHS has recently finalized the activities to be funded by IDA. These include: drugs and vaccines, strengthening capacity at central level (equipment, training and technical assistance to improve financial management, procurement and planning); support to decentralization through strengthening of District Health Administrations and developing District Health Plans; and activities to improve maintenance of vehicles, equipment, bio-medical equipment and buildings. The Bank is also supporting cost-effective interventions in priority areas such as STD/HIV/AIDS, family planning, malaria and nutrition. A review of the IHSIP is planned for end January 2000 to evaluate the extent to which the project's development objectives are still relevant and reprogram project activities accordingly. The remaining US$14.4 million of this credit will be fully disbursed by the closing date, judging from disbursement rates when the situation in the country was relatively normal, disbursements during the last year and the procurement and disbursement plan for the year 2000, which accounts for about US$5 million.

2. The **Sierra Leone Power Sector Rehabilitation project**, which has an undisbursed balance of $9.4m (as of November 8, 1999) was reviewed at the Amsterdam meeting between donors and the Government of Sierra Leone on 31 May, 1999 and a number of agreements reached on necessary steps to rehabilitate the power sector and on a division of responsibilities among different donors. The sector assessment mission carried out in September, 1999, however, established that none of the actions under the Amsterdam Action Plan had been implemented, with the exception of the recruitment of a consultant to prepare bidding documents for the selection of a private power provider. The mission also noted that there has been no increase in the installed capacity of the country and that the NPA is still struggling to meet fast growing demand with its limited available capacity of 7 MW. As a result, electricity (lasting up to 4 hours a day) interruptions are the rule in Freetown, increasing risks of insecurity. Under these circumstances, the primary objectives of the sector are: to restore and rehabilitate key power infrastructure with a view to re-establishing the previous installed capacity and enhancing the efficiency of the utility's operations, while laying down the groundwork for the creation of an enabling legal and regulatory environment. An emergency short-term assistance program has been agreed with the Bank, including: (i) support for emergency generation (20 MW) through
finalization of bidding process for the private provider; (ii) short-term generation following rehabilitation of the three operating plants by an engineering firm; (iii) support for the installation of a computerized management information system, including an appropriate billing and revenues collection system; (iv) rehabilitation works/repairs of the NPA’s building; (v) mandatory audit of the NPA’s financial statements as well as technical and managerial audits of NPA to determine capacity building requirements.

3. The Urban Water Supply Project was approved by the Board in April 1995 and has an undisbursed balance of US$19.33 million (as of November 8, 1999) out of an original credit amount of US$36.0 million, and is scheduled to close on December 31, 1999. The project was seriously affected by the recent conflict, which interrupted implementation of several contracts (e.g. extension of the water distribution system, reservoir improvement, completion of bulk transfer pipelines). Billing and collection are serious problem areas, with a large segment of the population not paying for water consumption. The situation of Guma Valley Water Authority’s payment arrears needs to improve, with the Government, major industries and households still owing GVWC a very high cumulative debt. To improve service, performance and bill collection, the Bank has recommended the establishment of additional payment offices in different parts of Freetown to facilitate access of the population to GVWC outlets, the acceleration of technical support in billing and staff training for introduction of a new computer system next year, and supply of necessary technical tools for the GVWC’s day-to-day work. Extension of the credit will require the resumption of pending contracts and submission of a time-table for their implementation to IDA and submission of a satisfactory audit report for 1998. The latest Bank supervision mission of September/October 1999 recommended that, the Government should commence preparation of a secondary cities’ water supply and sanitation systems rehabilitation project, which should be an important priority of the Government’s reconstruction program.

4. The Public Sector Management Support project was approved by the Board in November 1992 and has an undisbursed balance of US$0.59 million out of an original credit amount of US$10.0 million, and is scheduled to close in February, 2000. The Government considers this project as the one with potentially the most significant contribution to make to rebuilding government capacity following the civil war, but preferably under an extended mandate that includes support to decentralization. The balance of the PSMS credit will be used to finance the completion of outstanding activities and replace equipment and items destroyed, looted or otherwise lost during the last coup. Other priorities are: implementation of fiscal monitoring policies; establishment of an independent revenue authority; establishment of a procurement agency; restructuring of the Central Statistics Office; preparation of the Liberalized Petroleum Strategy; and capacity building for local government. Given the limited remaining balance under the project and the urgent need to continue supporting the capacity building program, the Government has requested a supplementary credit (of approximately US$3 million) which we are proposing to accommodate under the Interim Support Strategy.

5. The Roads Rehabilitation and Maintenance project, which was approved by the Board in December 1992, has an undisbursed balance of US$4.9 million (as of November 8, 1999) out of an original credit amount of US$45.0 million, and will be closed as scheduled in June 2000. Contracts suspended during the conflict for completion of the rehabilitation of the Freetown Central Business District and the Freetown-Wellington Highway are about to be resumed.
6. **The Freetown Infrastructure Project** approved by the Board in June 1993 has an undisbursed balance of about US$3.68 million out of the original credit amount of US$26.0 million, and is scheduled to close on December 31, 1999. Remaining components under the project include: (i) the Urban Roads and Drainage Contract; (ii) the structure plan and Investment Program for Greater Freetown; and (iii) the setting up of the Freetown City Council Maintenance Unit. An independent audit of the current situation on the ground is being conducted as agreed with the Government.

7. **The Transport Sector Project** was approved by the Board in June 1996 and has an undisbursed balance of US$30.14 million (as of November 8, 1999) out of the original credit amount of US$35.0 million, and is currently scheduled to close on June 30, 2001. The September assessment mission concluded that there was no immediate need to restructure the Transport Sector project, as its objectives remain consistent with emerging government needs. However, under the portfolio management program, an assessment would be made soon to determine whether the specific development objectives of the project can be achieved during the remaining life of the project. An interim one-year strategy has been agreed, which would, over the next four months, focus on capacity building (with emphasis on the accounting system), project management reporting, and special account and counterpart fund analysis. The Government has been asked to prepare and implement a satisfactory action plan for improvement of the financial and procurement management system and its implementation, and effective mobilization of counterpart funds prior to the resumption of physical construction.
## Sierra Leone Key Indicators Table, 1996-2000

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<td><strong>Growth rates (%)</strong></td>
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<td><strong>(In percent of GDP unless specified otherwise)</strong></td>
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<td>93.9</td>
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<td>Investment</td>
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<td>Private</td>
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<td>-6.6</td>
<td>4.8</td>
<td>3.4</td>
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<td>Gross domestic savings</td>
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<td>9.7</td>
<td>13.1</td>
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<td>12.7</td>
<td>12.8</td>
<td>23.7</td>
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<td>Including official transfers</td>
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<td>-19.4</td>
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<td>Excluding official transfers</td>
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<td>-7.1</td>
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<td>-8.3</td>
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<td>Total revenue (excl. current grants)</td>
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<td>7.3</td>
<td>7.0</td>
<td>8.1</td>
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<td>Total expenditures and net lending</td>
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<td>Current expenditure</td>
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<td>Fiscal balance (commitment basis)</td>
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<tr>
<td>Including all grants</td>
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<td>-7.0</td>
<td>-10.4</td>
<td>-10.3</td>
<td>-14.1</td>
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<tr>
<td>Excluding all grants</td>
<td>-6.8</td>
<td>-7.5</td>
<td>-12.8</td>
<td>-17.4</td>
<td>-22.3</td>
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<tr>
<td>Primary fiscal balance(^2)</td>
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<td>-4.1</td>
<td>-3.8</td>
<td>-7.4</td>
<td>-4.2</td>
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<tr>
<td>Domestic financing</td>
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<td>4.3</td>
<td>5.1</td>
<td>6.2</td>
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<td><strong>Other Items</strong></td>
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<tr>
<td>GDP (billions of local currency)</td>
<td>867.1</td>
<td>834.5</td>
<td>1,051.3</td>
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<td>1,447.2</td>
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<td>Exchange rate (local/US)</td>
<td>920.7</td>
<td>981.5</td>
<td>1,563.6</td>
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</table>

Source: Sierra-Leone authorities and IMF staff estimates and projections

1/ Goods only
2/ Domestic revenue less total expenditure and net lending (excluding interest payments and externally financed capital expenditure)
### ANNEX 4

#### STATUS OF BANK GROUP OPERATIONS IN SIERRA LEONE OPERATIONS PORTFOLIO

(as of November 8, 1999)

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Fiscal Year</th>
<th>Borrower</th>
<th>Purpose</th>
<th>Original Amount in US$ Millions</th>
<th>IBRD</th>
<th>IDA</th>
<th>Cancel.</th>
<th>Undisb.</th>
<th>Last PSR</th>
<th>Supervision Rating</th>
</tr>
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</table>
| Number of Closed Projects: 20
| SL-PF-2411 | 1992        | GOVERNMENT OF SIERRA LEONE POWER REHABILITATION PROJECT | 0.00 | 21.00 | 0.00 | 9.40 | HU | U |
| SL-PF-2433 | 1993        | GOVERNMENT OF SIERRA LEONE FREETOWN INFRASTRUCTURE | 0.00 | 26.00 | 0.00 | 3.68 | S  | U |
| SL-PF-2407 | 1993        | GOVERNMENT OF SIERRA LEONE PUBLIC SECTOR MANAGEMENT | 0.00 | 10.00 | 0.00 | 0.59 | .96 | 0.00 | U |
| SL-PF-2428 | 1995        | GOVERNMENT OF SIERRA LEONE ROADS REHAB & MAINTENANCE | 0.00 | 45.00 | 0.00 | 4.90 | 4.14 | .36 | NA |
| SL-PF-2420 | 1996        | GOVERNMENT OF SIERRA LEONE URBAN WATER SUPPLY | 0.00 | 36.00 | 0.00 | 19.33 | 19.58 | 0.00 | U |
| SL-PF-2421 | 1996        | GOVERNMENT OF SIERRA LEONE HEALTH SECTOR INVESTMENT | 0.00 | 20.00 | 0.00 | 14.43 | 6.34 | 0.00 | U |
| SL-PF-2422 | 1996        | GOVERNMENT OF SIERRA LEONE TRANSPORT SECTOR PROJECT | 0.00 | 35.00 | 0.00 | 30.14 | 21.05 | 4.92 | U |
| Total | | | | 0.00 | 193.00 | 0.00 | 82.47 | 52.07 | 5.28 |

Total Disbursed (IBRD and IDA): 70.43 | 255.43 | 325.86
Total now held by IBRD and IDA: 146.00 | 232.46 | 379.46
Amount sold: 0.00 | .54 | .54
Of which repaid: 0.00 | .54 | .54
Total Undisbursed: 82.47 | 18.13 | 100.6

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a. Intended disbursements to date minus actual disbursements to date as projected at appraisal.
b. Following the FY94 Annual Review of Portfolio performance (ARPP), a letter based system was introduced (HS = highly Satisfactory, S = satisfactory, U = unsatisfactory, HU = highly unsatisfactory); see proposed Improvements in Project and Portfolio Performance Rating Methodology (SecM94-901), August 23, 1994.

Note: Disbursement data is updated at the end of the first week of the month.