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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA41460-Trust Fund No.:TF57287,TF56158)

ON A

CREDIT

IN THE AMOUNT OF SDR 2.7 MILLION
(US$ 4.0 MILLION EQUIVALENT)

REPUBLIC OF SIERRA LEONE

FOR A

INTEGRATED PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT

January 22, 2015

Public Sector Governance Practice
GGODR/GPSVP
Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective: July 25, 2014)

Currency Unit	=	Leones (LE)
LE 1	=	US$0.000229150
US$1.0	=	LE 4,363

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AGA	Autonomous Government Agencies
AGD	Accountant General's Department
ASSL	Audit Services of Sierra Leone
SLPP	Sierra Leone People's Party
APC	All People's Congress
ASSL	Audit Services of Sierra Leone
BFP	Budget Framework Paper
BoSL	Bank of Sierra Leone
BP	Bank Procedure
CAS	Country Assistance Strategy
CFAA	Country Financial Accountability Assessment
CPIA	Country Policy and Institutional Assessment
CQS	Consultants' Qualification Selection
CSM	Civil Service Management
DACO	Development Assistance Cooperation Office
DFID	Department for International Development of UK Governmen
DP	Development Partner
EC	European Commission
EU	European Union
EPRU	Economic Policy and Research Unit
FAD	IMF Fiscal Affairs Department
FAR	Financial Administration Regulations
FBS	Fixed Budget Selection
FM	Financial Management
FMR	Financial Management Reform
FS	Financial Secretary
FY	Fiscal Year
GBAA	Government Budgeting and Accountability Act
GDP	Gross Domestic Product
GoSL	Government of Sierra Leone
HCA	Human Capital Accountability
HIPC	Heavily Indebted Poor Countries
HR	Human Resource
HRMO	Human Resource Management Office
IAD	Internal Audit Department
ICASL	Institute of Chartered Accountants of Sierra Leone
ICB	International Competitive Bidding
ICR	Implementation Completion Report
ICT	Information and Communication Technology
IDA	International Development Association
IEG	Independent Evaluation Group
IFMIS	Integrated Financial Management Information System

IFR	Interim Financial Report
IMF	International Monetary Fund
IPAM	Institute of Public Administration and Management
IPFMRP	Integrated Public Financial Management Reform Project
IRCBP	Institutional Reform and Capacity Building Project
KPI	Key Performance Indicator
LC	Local Council
LCS	Least Cost Selection
LG	Local Government
LGA	Local Government Act
LGDG	Local Government Development Grant
LGFAR	Local Government Financial Administration Regulations
LTAs	Local Technical Assistants
MDAs	Ministries, Departments, and Agencies
MDBS-PAF	Multi-Donor Budget Support Performance Assessment Framework
MDTF	Multi-Donor Trust Fund
MEFF	Macro-Economic and Fiscal Framework
MEST	Ministry of Education, Science and Technology
MoFED	Ministry of Finance and Economic Development
MTEF	Medium-Term Expenditure Framework
MTR	Mid Term Review
NCB	National Competitive Bidding
NACSA	National Commission for Social Action
NPPA	National Public Procurement Authority
NPV	Net Present Value
NRA	National Revenue Authority
NSA	Non-State Actors
OP	Operational Policy
PAD	Project Appraisal Document
PAU	Project Administration Unit
IPAU	Integrated Project Administration Unit
PDO	Project Development Objective
PEFA	Public Expenditure and Financial Accountability
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PFMICP	Public Financial Management Improvement and Consolidatior
PFMRU	Public Financial Management Reform Unit
PIM	Project Implementation Manual
PRGF	Poverty Reduction and Growth Facility
PPA	Public Procurement Act
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Program
PSRU	Public Sector Reform Unit
SLPP	Sierra Leone People's Party
SOEs	State Owned Enterprises
SLIEPA	Sierra Leone Investment and Export Promotion Agency
ToR	Terms of Reference
UA	Units of Account
UNDP	United Nations Development Program

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SIERRA LEONE
INTEGRATED PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT

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SIERRA LEONE
INTEGRATED PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
BASIC DATA SHEET

A. Basic Information			
Country:	Sierra Leone	Project Name:	Integrated Public Financial Management Reform Project
Project ID:	P108069	L/C/TF Number(s):	IDA-H4930,TF-95389
ICR Date:	01/22/2015	ICR Type:	Core ICR
Lending Instrument:	TAL	Borrower:	REPUBLIC OF SIERRA LEONE
Original Total Commitment:	XDR 4.00M	Disbursed Amount:	XDR 4.16 M
Revised Amount:	XDR 4.00M		IDA Amount not revised
Environmental Category: C			
Implementing Agency: Ministry of Finance and Economic Development			
Cofinanciers and Other External Partners: European Union (EU) and Department of International Development of UK Government (DFID)			

B. Key Dates				
Process	**Date**	**Process**	**Original Date**	**Revised / Actual Date(s)**
Concept Review:	12/17/2007	Effectiveness:	12/15/2009	12/15/2009
Appraisal:	02/09/2009	Restructuring(s):	-	12/2010 06/2011 04/2013 03/2014
Approval:	06/04/2009	Mid-term Review:	12/05/2011	06/18/2012
		Closing:	07/31/2013	03/31/2014 07/31/2014

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	**Ratings**	**Borrower**	**Ratings**
Quality at Entry:	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Satisfactory	**Overall Borrower Performance:**	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	**Indicators**	**QAG Assessments (if any)**	**Rating**
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Public Administration – Financial Sector	80	80
Central Government Administration	20	20

Theme Code (as % of total Bank financing)		
Public expenditure, financial management & procurement	76	76
Administrative & civil service reform	20	20
Municipal finance	4	4

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Makhtar Diop	Obiageli Ezekweseli
Country Director:	Yusupha Crookes	Ishac Diwan
Practice Manager:	Guenter Heidenhof	Anand Rajaram
Project Team Leader:	Roberto O. Panzardi	Vivek Srivastava
ICR Team Leader:	Roberto Panzardi	
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F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The project development objective (PDO) is to support GoSL in sustainably improving the credibility, control and transparency of fiscal and budget management. The key recipients of the project benefits include several parts of the Ministry of Finance and Economic Development (MoFED), National Public Procurement Authority (NPPA), the Parliamentary Budget and Finance and Public Accounts Committees, other Ministries, Departments and Agencies (MDAs), local councils (LCs) and Non-State Actors (NSAs) qualifying for sub-grants.

Revised Project Development Objectives (as approved by original approving authority): -

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 (Original)	Variance in expenditure for the 20 largest budget heads.			
Value quantitative or Qualitative)	13.5%	<7%	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the mid-term review (MTR) in June 2012 and revised indicator was adopted starting March 2013. The revised indicator is shown immediately below.			
Indicator 1 (Revised)	Variance between total actual primary expenditures (outturn) and total originally budgeted primary expenditures (%).			
Value quantitative or Qualitative)	-	-	10%	7.9%
Date achieved	-	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. Variance was 7.9% against a target of 10% by project closure.			
Indicator 2	The share of actual to budgeted spending on pro-poor spending priorities compared to the ratio of actual to budget expenditures for all other discretionary primary expenditures.			
Value quantitative or Qualitative)	Poverty actual/budget = 57.5% (148.9/258.9); Other actual/budget = 69% (110.5/160.1)	% to budget on HIPC/PRSP priorities > % to budget on other expenditures	% to budget on HIPC/PRSP priorities > % to budget on other expenditures	Poverty actual budget = 114.1% Other actual budget = 130.0%
Date achieved	05/14/2009	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Not achieved. The share of poverty actual/budget not greater than other actual/budget by closure.			
Indicator 3	Domestic expenditure arrears (total from all years) as % of total expenditure for year (excluding interest and donor-financed project expenditure)			

Value quantitative or Qualitative)	9.4%	5%	8%	0.47%
Date achieved	05/14/2009	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. The ratio of domestic expenditure arrears at project closure was 0.47% against the target of 8%.			
Indicator 4 (Original)	Publication of financial and procurement documents (all six listed in PEFA indicator 10) through the Sierra Leone Gazette and MoFED's website in accordance with requirements of GBAA and PPA.			
Value quantitative or Qualitative)	Only budget documents, in-year execution reports, and resources available to primary service providers are published by due dates (total 3)	6	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and revised indicator was adopted starting March 2013. The revised indicator is shown immediately below.			
Indicator 4 (Revised)	Financial and procurement documents listed in PI-10 and in accordance with requirements of GBAA and PPA published in Sierra Leone Gazette and/or on MoFED or related institutions website.			
Value quantitative or Qualitative)	-	-	6	4
Date achieved	-	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved. Four (4) of the six (6) documents listed in PI-10 are regularly published in the MoFED/ASSL websites: (1) Audited Financial Statements; (2) Auditor General's Report; (3) Budget Speech; and (4) In-year Budget Execution Reports			
Indicator 5 (Original)	Timely audited Public Accounts with no material qualifications concerning basic control system failures.			
Value quantitative or Qualitative)	Disclaimer of opinion on Accounts for 2002-06	Opinion on 2010 with no more than 1 material qualification	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and the revised indicator was adopted starting March 2013. The revised indicator is shown immediately below.			
Indicator 5 (Revised)	Submission of audited Public Accounts by Auditor-General to Parliament within 12 months.			
Value quantitative or Qualitative)	-	-	Yes	Yes
Date achieved	-	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. The Auditor General submitted the 2012 annual audited public accounts to Parliament on December 16, 2013.			
Indicator 6 (Original)	Percentage of MDA contracts in compliance with provisions of the GoSL's procurement legislation and regulations			
Value quantitative or Qualitative)	49%	95%	-	-

Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and revised indicator was adopted starting March 2013. The revised indicator is shown immediately below.			
Indicator 6 (Revised)	Public Contracts signed by LCs and 20 largest budget heads (MDAs) using competitive bidding according to the National Procurement Law and regulations (%) (Disaggregated by LCs and 20 largest budget heads (MDAs).			
Value quantitative or Qualitative)	-	-	95%	89.28%
Date achieved	-	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved. The percentage of contracts using competitive bidding method for 2013 was 89%.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1.1.1	Deviation in own source revenues			
Value (quantitative or Qualitative)	4% (2008)	< 2% shortfall	Revenue not less than 94% and not more than 112%	% of actual to budget revenue was 112%
Date achieved	05/14/2009	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. Percentage of actual to budget revenue was 112% against the target of not more than 112% at project closure.			
Indicator 1.1.2 Original	Number of MDAs with acceptable strategic plans developed within resource ceilings and reflected in budget bids			
Value (quantitative or Qualitative)	3	15	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Indicator 1.1.2 Revised	MDAs using standard template for strategic plans as per MTEF guidelines			
Value (quantitative or Qualitative)	-	-	6	13
Date achieved	-	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. Target of 6 MDAs was achieved at project closure. There were MDAs with standard strategic plans: (1) MoFED; (2) MEST; (3) PSRU; (4) NACSA; (5) National Asset Commission; (6) SLEIPA; (7) Ministry of Tourism; (8) Human Rights Commission; (9) Sierra Leone Insurance Company; (10) National Youth Commission; (11) Office of the Administrator General; (12) Justice Sector Reform Unit; and (13) Tertiary Education Commission.			
Indicator 1.1.3	Capture of aid flows in government financial reporting.			
Value (quantitative or Qualitative)	Lack of agreed aid policy, including donor reporting; database under	Database used to check comprehensiveness of budget and accounts	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. %	This indicator was dropped during the MTR in June 2012 due to absence of credible data that can be monitored.			

achievement)				
Indicator 1.2.1	Appropriations backed by quarterly allocations (restricted to non-salary recurrent)			
1.2.1.1 Health	84.3%	100%	100%	122%
1.2.1.1 Agric	100.3%	100%	100%	106%
1.2.1.1 Grants to LC	78.9%	97%	97%	89%
Date achieved	05/14/2009	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved.			
Indicator 1.2.2	Quarterly allocations backed by approved commitments (restricted to non-salary recurrent):			
1.2.1.1 Health	85.5%	98%	100%	78%
1.2.1.1 Agric	94.2%	99%	100%	77%
1.2.1.1 Grants to LC	95.3%	100%	100%	120%
Date achieved	05/14/2009	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved.			
Indicator 1.2.3	Approved Commitments/MTEF/PETS form 2 backed by payments (restricted to non-salary recurrent):			
1.2.1.1 Health	94%	99%	99%	101%
1.2.1.1 Agric	98.8%	100%	100%	98%
1.2.1.1 Grants to LC	98.9%	100%	100%	100%
Date achieved	05/14/2009	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved.			
Indicator 1.2.4.1	New/additional payment arrears (Outstanding Commitments) during the year as a percentage of total primary expenditures (%).			
Value (quantitative or Qualitative)	1.9%	0.7%	3%	0.72%
Date achieved	05/14/2009	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. Outstanding Commitments for the FY 2013 was Le 15,986,200,660.50. This constituted 0.72% of total primary expenditure.			
Indicator 1.3 (Dropped)	Revised legal and institutional framework for debt management adopted by Cabinet.			
Value (quantitative or Qualitative)	Relevant laws scattered, criteria and ceilings unclear, lack of integrated organization or systems, weak capacity	-	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was dropped during the MTR in June 2012.			
Indicator 2.1a (Original)	Revised GBAA and FMR adopted and disseminated at all levels.			
Value (quantitative	The 2005 Government Budgeting and Accountability	-	-	-

or Qualitative)	Act and Regulations need updating for the new business processes arising from IFMIS rollout and new foreign aid and commitment control procedures			
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012. The revised version shown immediately below was adopted in March 2013.			
Indicator 2.1a (Revised)	Revised GBAA and FMR submitted to Cabinet.			
Value (quantitative or Qualitative)	-	-	Yes	Yes
Date achieved	-	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. Revised GBAA and FMR were submitted to Cabinet.			
Indicator 2.1b (Original)	New LG Financial Administration Regulations and Accounting Manual Budgeting Guidelines adopted and disseminated.			
Value (quantitative or Qualitative)	No Financial Administration Regulations in place to support the LGA 2004. No Accounting Manual in place for LCs	-	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and the revised indicator shown below was adopted in March 2013.			
Indicator 2.1b (Revised)	New LG Financial Administration Regulations (FAR) submitted to Cabinet.			
Value (quantitative or Qualitative)	-	-	Yes	In Progress
Date achieved	-	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved. The Final draft of the regulation had been developed and formally shared with the Ministry responsible for Local Government, the lead Ministry responsible for presentation of the draft Bill to Cabinet and ultimately laying in Parliament for ratification.			
Indicator 2.2 (Original)	Procurement units in MDAs functional as per PPA and Regulations.			
Value (quantitative or Qualitative)	Estimated 20 % of MDAs have dedicated procurement officers	85% of MDAs have dedicated procurement officers	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and the revised indicator shown below was adopted in March 2013.			
Indicator 2.2 (Revised)	MDAs and Local Councils with dedicated and trained Procurement Officers – baseline total of 60 MDAs and LCs.			
Value (quantitative or Qualitative)	Baseline set in the original Results Framework was 20% of the targeted 60 MDAs have dedicated procurement officers.	Target set in 2012 in the original Results Framework was “85% of MDAs have dedicated procurement	95%	83%

		officers".		
Date achieved	-	07/30/2012	09/01/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved. The percentage of dedicated and trained Procurement Officers was 83% against the target of 95% at project closure.			
Indicator 2.3 (Dropped)	Timely publication of comprehensive annual financial statements with reference to PEFA standards.			
Value (quantitative or Qualitative)	Public Accounts omit subvented agencies expenditure (about 40% of total expenditure captured); incomplete fiscal/monetary reconciliation	Submission of fiscal/monetary reconciliation of subvented agencies; (expenditure captured increase to 70%)	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was dropped during the MTR in June 2012.			
Indicator 2.4 (Original)	Own-operated personnel management system under HCA established at 3 MDAs within HRMO oversight framework following completion of verification exercise.			
Value (quantitative or Qualitative)	All Personnel management under HCA operationally consolidated within HRMO.	Personnel Management under HCA established at three of Sierra Leone Police/Ministry of Defense/ Ministry of Education, Youths and Sports	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and revised indicator shown below was adopted in March 2013.			
Indicator 2.4 (Revised)	MDAs with IFMIS Personnel Management aspect of Civil Service Management Module rolled-out.			
Value (quantitative or Qualitative)	All personnel management under HCA operationally consolidated within HRMO	Personnel Management under HCA established at **three** of Sierra Leone Police/Ministry of Defense/ Ministry of Education, Youths and Sports	3	3
Date achieved	-	07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. CSM (replacing the HCA) had been rolled out to three MDAs including; (1) Human Resource management Office; (2) Sierra Leone Police; and (3) Ministry of Defense.			
Indicator 2.5.a1 (Original)	Internal Audit Units in at least 15 MDAs functioning as evidenced through quarterly reports copied to Director of Internal Audit MoFED, with evidence of follow-up.			
Value (quantitative or Qualitative)	Only 7 effective internal audit units in MDAs; reports not effectively used by Vote Controllers.	Quarterly reports in at least 15 MDA's.	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and revised indicator shown below was adopted in March 2013.			
Indicator 2.5.a1	MDAs copying quarterly internal audit reports to Director of Internal Audit.			

(Revised)				
Value (quantitative or Qualitative)	0	Target value in the original Results Framework for the period ending July 2012 was "Quarterly reports in at least 15 MDA's.	15	17
Date achieved	05/14/2009	N07/30/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. There were 17 MDAs copying quarterly internal audit reports to the Director of Internal Audit against the target of 15 MDAs at project closure. These include MDAs related to pro-poor expenditures namely: (1) Ministry of Youth; (2) Ministry of Sports; (3) Ministry of Energy; (4) Ministry of Local Government and Rural Development; (5) Ministry of Internal Affairs; (6) Ministry of Lands; (7) National Fire Force; (8) Prisons Department; (9) Vice President Office; (10) Cabinet Secretariat; (11) National Registration; (12) Ministry of Health; (13) Ministry of Foreign Affairs; (14) Ministry of Transport and Aviation; (15) Ministry of Education; (16) Ministry of Defense; and (17) SLIEPA.			
Indicator 2.5.a2 (Original)	Audit Committees functioning in 4 key MDAs as evidenced by minutes of quarterly meetings containing review of internal audit reports. .			
Value (quantitative or Qualitative)	Three audit committees (Defense, National Electoral Commission, Police) established but not functioning effectively	Audit Committee functioning in at least 4 key MDAs as evidenced by minutes of quarterly meetings held.	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and the revised indicator shown below was adopted in March 2013.			
Indicator 2.5.a2 (Revised)	MDAs with Audit Committees meeting quarterly.			
Value (quantitative or Qualitative)	No functioning audit committees	-	6	5
Date achieved	05/14/2009	-	09/01/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved. Five (5) of the six (6) MDAs targeted had Audit Committees meeting quarterly at project closure namely: (1) Ministry of Information; (2) National Public Procurement Authority; (3) Immigration Department; (4) Ministry of Finance; and (5) Prisons Department.			
Indicator 2.5b (Dropped)	Annual PETS Report published within six months of completion of survey; evidence of material response (service improvement) by relevant agencies.			
Value (quantitative or Qualitative)	Proportion of essential drugs reaching Public Health Units: 75.7 % (2005)	95%	-	-
	Proportion of teaching and learning materials reaching primary schools: 82.2% (2007)	93%	-	-
	Proportion of textbooks reaching primary schools: 89.0% (2005)	100%	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was dropped during the MTR in June 2012.			

Indicator 2.5 (New)	Subvented Agencies expenditure included in public accounts.			
Value (quantitative or Qualitative)	Public Accounts omit subvented agencies expenditure (about 40% of total expenditure captured); incomplete fiscal/monetary reconciliation	-	80%	100%
Date achieved	05/14/2009	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. All of subvented Agencies expenditures from the CF were included in the public accounts for the FY2013. (This indicator was introduced during the MTR in June 2012 and was adopted in March 2013).			
Indicator 2.6 (Dropped)	Backlog of Auditor-General reports cleared.			
Value (quantitative or Qualitative)	Delays in PAC review of audit reports (Review of Auditor General's reports for 2003 – 05)	Completion of 2010 Auditor General's Report.	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was dropped during the MTR in June 2012.			
Indicator 3.1 (Original)	Percentage of budgeted expenditures executed online through IFMIS rolled out ministries.			
Value (quantitative or Qualitative)	IFMIS online in AGD and 8 MDAs (62% of budgeted expenditure)	IFMIS online in AGD and to 16 MDAs (80% of budgeted expenditure)	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was introduced during the MTR in June 2012 and was adopted in March 2013.			
Indicator 3.1 (Revised)	Budgeted expenditures (other than Projects) executed online through IFMIS.			
Value (quantitative or Qualitative)	62%	Target in 2012 of the original indicator was "IFMIS online in AGD and to 16 MDAs (80% of budgeted expenditure)"	90%	100%
Date achieved	-	07/31/2012	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. All expenditures from CF other than projects are executed online through IFMIS.			
Indicator 3.2a (Dropped)	Timely publication of all MoFED statutory publications in MoFED website.			
Value (quantitative or Qualitative)	Lack of GoSL ICT policy; lack of MoFED website; insufficient support for ICT across government	All documents as per PDO objective 4 available on website	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was dropped during the MTR in June 2012. It is reflected as a PDO Indicator above.			
Indicator 3.3 (Dropped)	No of trained PFM officers in MDAs and MoFED.			
Value	Insufficient trained PFM	MoFED	-	-

(quantitative or Qualitative)	officers at technician or professional levels (estimated 34 technicians and professionals in December 2008)			
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was dropped during the MTR in June 2012.			
Indicator 3.4 (Dropped)	Salary Support for MOFED Civil Service Staff.			
Value (quantitative or Qualitative)	Development partners funding consultants/LTAs performing key functions in MoFED	Project provides salary support according to the policy and implementation plan on a declining basis; no consultants in line positions	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was dropped during the MTR in June 2012.			
Indicator 4 (Original)	Non-State Actors (NSA) active in the area of PFM monitoring and oversight.			
Value (quantitative or Qualitative)	Lack of capacity and a forum for an institutionalized and systematic approach.	At least 10 NSA are able to access funds through submission of acceptable technical proposals At least 6 publications from NSAs on completed activities related to monitoring and oversight disseminated Two joint Forums organized with Government on PFM issues NSA produce analytic report on budget preparation process that highlights challenges and constraints	-	-
Date achieved	05/14/2009	07/30/2012	-	-
Comments (incl. % achievement)	This indicator was revised during the MTR in June 2012 and the revised indicators were adopted in March 2013. The revised versions are shown separately immediately below as 4a, 4b, 4c, 4d & 4e.			
Indicator 4a (Revised)	Local Councils copying half-yearly internal audit reports to Director Internal Audit.			
Value (quantitative or Qualitative)	0	-	5	0
Date achieved	05/14/2009	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Not achieved.			
Indicator 4b	LCs with Audit Committees meeting quarterly.			

Value (quantitative or Qualitative)	No functioning audit committees	-	3	1
Date achieved	05/14/2009	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Partially achieved. Freetown City Council has Audit Committees meeting quarterly.			
Indicator 4c	Review and analytical reports on annual budget proposals and priorities in MDAs produced by NSAs.			
Value (quantitative or Qualitative)	0	-	2	2
Date achieved	05/14/2009	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved.			
Indicator 4d	Reports on PFM monitoring and oversight at Local Council level produced by NSAs.			
Value (quantitative or Qualitative)	0	-	6	15
Date achieved	05/14/2009	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Substantially achieved. There were 15 NSA organizations nationwide assessing PFM progress in MDAs and LCs through the NSA Sub-Grant program against the target of 6 NSA organizations at project closure. Interim reports had been submitted accordingly by Grantees.			
Indicator 4e	Citizen Budget yearly published, launched and disseminated at national, regional and district level.			
Value (quantitative or Qualitative)	No	-	Yes	Yes
Date achieved	05/14/2009	-	03/27/2013	03/17/2014
Comments (incl. % achievement)	Fully achieved. Citizens' budget produced annually since 2012 and is widely disseminated and published on the MoFED and NSAs website.			

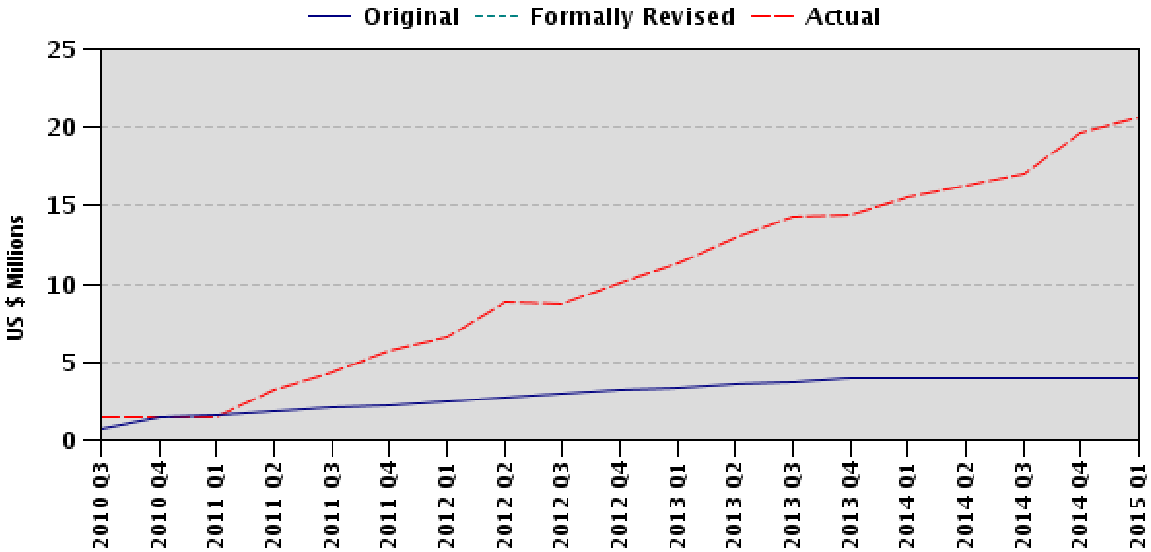
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	12/31/2009	Satisfactory	Satisfactory	0.00
2	07/29/2010	Satisfactory	Satisfactory	0.30
3	04/02/2011	Satisfactory	Moderately Satisfactory	1.03
4	08/20/2011	Satisfactory	Satisfactory	1.38
5	03/11/2012	Satisfactory	Satisfactory	1.38
6	08/29/2012	Satisfactory	Satisfactory	1.76
7	05/23/2013	Satisfactory	Moderately Satisfactory	2.72
8	02/08/2014	Satisfactory	Moderately Satisfactory	3.84
9	04/13/2014	Satisfactory	Moderately Satisfactory	4.15

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. Sierra Leone made strong progress in building peace after the end of the civil war in January 2002 by achieving macro-economic stability, re-establishing democratic institutions, strengthening core systems and bringing decisions and resources closer to citizens through a significant decentralization initiative. This was followed by the Cabinet approval of the 2004 Local Government Act (LGA). From 2004 to 2009, the adoption of key policies of the LGA was supported by the Institutional Reform and Capacity Building Project (IRCBP) funded by the Bank, the Department for International Development (DFID) and the European Union (EU). The IRCBP was successful in putting resources and strong implementation intent behind the government decision to pursue a policy of decentralization and improving PFM as core responses to the country's post-conflict predicament. In the process of actualizing this intent, the IRCBP generated credence for the decentralization initiative as well as helped to confer legitimacy for the newly established structure of sub-national government through the increasingly visible and effective operations of the Councils and improvements in PFM.

2. Growth averaged over 7.0% from 2004 to 2006 and moderated somewhat to about 6.4% in 2007 and 5.5% in 2008. In September 2007, the All People's Congress (APC), which had been in the opposition, won the presidential and parliamentary elections, which was followed by a peaceful transfer of power from the Sierra Leone People's Party (SLPP) to it.

3. The Republic of Sierra Leone's Poverty Reduction Strategy (PRS) for 2008-2012 set the direction and development priorities for the administration at the time of appraisal. With the central objective of faster growth and poverty elimination, the PRS focused the country's development priority toward investments in energy, transport, health, and education. The growth and poverty reduction strategy was based on a foundation of good governance that included strengthening the civil service, decentralization and local government, fighting corruption and strengthening public financial management (PFM). In order to adequately move forward, a budget system that fully reflected these and other GoSL priorities was required. In view of the importance of PFM to the effective implementation of the PRS, to reduce opportunities for corruption, and attract budget support assistance from the development partners (DPs), the effective functioning of PFM institutions and systems at central and local levels of government in Sierra Leone was considered high priority.

4. Beginning 2002, under a post conflict situation, the Government of Sierra Leone (GoSL) made good progress in strengthening its PFM framework and systems through the implementation of the key recommendations under the Country Financial Accountability Assessment (CFAA) of 2002. Notable achievements included the establishment of the legal and regulatory framework for budgeting, accountability and procurement; (a) implementation of a financial management information system (FMIS) in the Accountant General's Department in 2005 with roll out to several ministries, departments and agencies (MDAs); (b) removal of the backlog of annual financial statements; and (c) establishment of basic budgeting, procurement and accounting procedures in the local councils.

5. Despite the very low starting point at the end of the civil war, Sierra Leone scores from the 2007 Public Expenditure and Financial Accountability (PEFA) assessment were similar to the average for other countries in the region. It is worth noting, however, that modest improvements were achieved more recently based on the scores of the 2010-12 PEFA assessment done in early 2014 (see PEFA scores in Section 3.4). Although the timeliness of financial statements and audit reports had improved, budget credibility hit a low point in 2007 which was an election year. This and other

analyses such as the International Monetary Fund (IMF) report *Sierra Leone: Implementing Public Financial Management Reforms* indicated that PFM areas of major weakness remained.

6. The 2008 Integrated Public Financial Management Reform Program by the Ministry of Finance and Economic Development (MoFED) stressed that in order to build on the progress already achieved, there was urgent need to address the lack of budget credibility and predictability, fiscal management challenges, weaknesses in expenditure control (including payroll), and low levels of transparency. Among other things, the PFM Oversight Committee, chaired by the Financial Secretary of the MoFED, emphasized the importance of strengthening fiscal and budget management, accounting, reporting and oversight, payroll management and cross-cutting issues of capacity development and organizational strengthening. The program also identified the need for a phased reduction in the dependence on Development Partner (DP) funding for key line positions in the MoFED. These led to the development of the Integrated Public Financial Management Reform Project (IPFMRP) that was led by the MoFED's Public Financial Management Reform Unit (PFMRU) and which was previously funded by the Institutional Reform and Capacity Building Project (IRCBP).

7. The Bank appraised the project and determined that the PFM institutions and systems had critical impact on service delivery and on the implementation of the Poverty Reduction Strategy Program (PRSP). Critical factors noted at appraisal that would improve PFM practices were as follows: (i) timely resources availability to public service providers and in accordance with the budget; (ii) direction of resources to stated government priorities; (iii) using resources for the intended purposes; (v) preventing misappropriation of resources; (iv) executing the budget without running up arrears and creating macro-fiscal instability; and (vi) demonstrating to citizens how resources have been spent. Furthermore, the appraisal noted that social and infrastructure sectors are dependent on reliable and well-managed finances, and without this, the GoSL's ability to efficiently and effectively deliver key services and projects were fundamentally undermined. Building PFM from a rudimentary to a well-performing system was considered a central element of the development and governance agenda in Sierra Leone.

8. Bank support for public sector management and governance was initially delivered through the IRCBP (P078613) whose achievement of development objectives was rated "Satisfactory" when it closed in March 2009. IRCBP supported the process of decentralization and the strengthening of PFM. The IRCBP's key results included: (a) establishment of an improved local government system at the local level and local councils that were fully staffed with core skills in the areas of development planning, internal audit, monitoring and evaluation and procurement; (b) implementation of the Local Government Development Grant (LGDG) that successfully funded the development budget of all local councils that were released with minimum conditions in terms of implementation of capacity building activities for local staff in the areas of participatory planning, budgeting, financial management and project management; (c) introduction of budget transparency such as posting on notice boards at LC offices relevant financial information on a monthly basis; and (d) roll out of the IFMIS system to 10 MDAs that included the wide installation of the system and full implementation of the new IFMIS in MoFED and one line Ministry. The IRCBP also implemented the interim local government financial management system that resulted in 8 LCs using the simplified (PETRA) financial management system which interfaces directly with the central government chart of accounts. Follow up PFM support on decentralization was provided through a DFID and EC funded multi-donor trust fund (MDTF) managed by IDA.

9. The IPFMRP was designed to take into account the challenges identified and the priority actions needed to effectively address the various PFM challenges. The Bank played an important role as GoSL's key partner to further develop the achievements of PFM reforms. Since earlier support related to PFM was fragmented and lacked coherence and comprehensiveness, the project

implementation arrangement developed at appraisal ensured that PFM support was closely coordinated between IDA, EC, DFID and AfDB. GoSL and the DPs endorsed the coordination role in managing the joint DP support of EU and DFID to the core components of the IPFMRP through the MDTF Grant Agreement. GoSL also endorsed the role of IDA as a key partner in PFM reform with the required integrative and technical skills to complement policy engagement on PFM.

10. The IPFMRP was formally approved on streamlined procedures by the Bank's Board on June 4, 2009 and became effective on December 15, 2009. A launching mission visited Freetown in February 2010 and the first implementation support mission was carried out in May 2010. A mid-term review (MTR) mission was conducted in June 2012.

1.2 Original Project Development Objectives (PDO) and Key Indicators (*as approved*)

11. The project's original PDO "to support Government of Sierra Leone in sustainably improving the credibility, control and transparency of fiscal and budget management" was designed to contribute to the GoSL's higher level objective of improving strategic allocation of resources and quality of expenditures required for the implementation of the Poverty Reduction Strategy (PRS). The project aimed to contribute to the FY06-09 Country Assistance Strategy's (CAS) Strategic Priority 1: Governance, Decentralization and Public Financial Management, particularly those outcomes involving improved strategic orientation of the budget, transparency of resource envelope and allocation, accountability of spending units, transparency and accountability of procurement, and staffing. For example, with the project's support, GoSL carried out a number of PFM reforms at both the central and local levels. These contributed to the improvement of public budgeting, public procurement, public sector accounting and reporting, internal audit and external oversight of public finances in recent years but challenges remained in some specific PFM areas. To address the remaining challenges, GoSL developed a medium-term PFM Reform Strategy for the period 2014-2017. To this end, GoSL remains committed to improving fiscal discipline, strengthening budget credibility and ensuring value for money as agreed under the Multi-Donor Budget Support Performance Assessment Framework (MDBS-PAF). The implementation of this strategy is being supported under the new Public Financial Management Improvement and Consolidation Project.

12. The Key Performance Indicators (KPIs) of the project were based on the PEFA framework for the overall monitoring of PFM performance. The PEFA indicators guided the development of a common framework of objectives, indicators and targets to phase and monitor the project. Consistency with the PFM dimensions of Multi-Donor Budget Support was a key consideration. Specifically, the project's Results Framework (RF) was developed with the view to strengthening MoFED's capacity to track and monitor impact of spending. Although at the time of appraisal, the RF was considered adequate for monitoring and evaluation purposes, the MTR mission in June 2012 proactively revised the framework for better alignment of the intermediate indicators with the PDO indicators and so that the indicators are more focused on measurable outcomes (see also Sections 1.2; 2.3 & 3.2).

1.2 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

13. The PDO was not revised but as stated earlier the Results Framework was revised in order to make *the PDO indicators stronger and smarter and capture all aspects of the PDO at the intermediate indicator level so that they are more closely aligned to the PDO and more focused on outcomes* (see also Section 2.3). The Results Framework developed during appraisal was the basis for assessing progress from project launch until the end of December 2013, and the revised version was the basis in assessing the final outcomes and results at the ICR stage.

1.4 Main Beneficiaries

14. The main beneficiaries of the project included the Ministry of Finance and Economic Development (MoFED), the National Public Procurement Authority (NPPA), the Parliament responsible for the implementation of PFM reforms and Non-State Actors (NSA) that received supply and demand driven funds intended to promote its role in scrutinizing use of public resources and building constituency for reform of PFM system across an array of NSAs. Other beneficiaries included the National Revenue Authority, Audit Service of Sierra Leone that received separate DP support and relevant local councils.

1.5 Original Components (*as approved*)

15. The original components, as approved are presented in Table 1 below (see Annex 2 for detailed description of the components/sub-component and relevant outcomes and results). Project components remained relevant to the PFM reform strategy of GoSL throughout the implementation period and beyond. For example, with the project's support under Component 1 (Macro-fiscal Coordination and Budget Management), the regulations for effective implementation of the new Public Financial Management Bill were prepared and will be submitted to the Parliament shortly. The new PFM Bill: (a) presents clear and comprehensive definitions of Government entities; (b) introduces fiscal responsibility principles; (c) improves macro-fiscal planning and management of fiscal risks; (d) strengthens budget discipline to enhance budget credibility; (e) improves cash management; and (f) strengthens accounting, reporting and auditing. Progress in the establishment of the Treasury Single Account (TSA) has also advanced. It was scheduled for completion in September 2014 but technical assistance was delayed due to the Ebola outbreak. Under Component 2 (Key Aspects of the Control System), the project provided funds to address issues related to costs and risks of domestic debt burden. In this regard, GoSL with the new tools will be able to review the Medium Term Debt Management Strategy in 2015 to assess the impact of Ebola outbreak on the debt sustainability thresholds. GoSL will also be able to adopt a comprehensive framework within which it can make informed choices on how financing requirements could be met at the lowest possible cost consistent with a prudent degree of risk.

16. Table 1 below also presents the allocations of the various components and the final status of the use of project funds. The allocation of Component 1 (Macro-fiscal Coordination and Budget Management) was increased due to the procurement of additional computers and other equipment. The allocation of Component 2 (Key Aspects of the Control System) was increased due to the higher than estimated cost of the PETS exercise and increased support for capacity building of Parliamentary committee members. Component 3 (Sustainable and Capable Central Finance Functions) received the highest allocation due to the relatively high cost associated with the IFMIS software (Freebalance) and hardware although the allocation was not fully utilized due partly by the suspension of Freebalance and delays in procurement of various items during the last 3 months of the project (see also Section 7 for the Bank's explanation on the underutilization of MDTF funds) and the closure of Sub-component 3.4 (Salary Support for MoFED Civil Service Staff). The allocation of Component 4 (Supporting NSAs) was higher than the estimate due to additional support for the capacity building support to key NSA stakeholders. Component 5 (Project Coordination and Administration) required additional funds for administration due to the extension of the project. The unutilized portion of the funds was cancelled.

Table 1: Original Project Components [1]

Project Components/Sub-Components	Original US $ million	% of Cost	Final US $ million	% of Cost
1: Macro-fiscal Coordination and Budget Management	2.149	10.6%	3.291	17.6%
1.1: Macro-fiscal Management and Budget Formulation	0.983	4.8%	1.532	8.2%
1.2: Budget Execution	0.927	4.6%	1.010	5.4%
1.3: Debt Management	0.239	1.2%	0.749	4.0%
2: Key Aspects of the Control System	3.042	15.0%	3.989	21.3%
2.1: Legal and regulatory framework	0.290	1.4%	0.218	1.2%
2.2: Public Procurement	1.292	6.4%	1.241	6.6%
2.3: Accounting, Recording, and Reporting	0.163	0.8%	0.162	0.9%
2.4: Payroll Strengthening	0.314	1.5%	0.281	1.5%
2.5: Other Aspects of Internal Control and PETS	0.784	3.9%	0.875	4.7%
2.6: Parliamentary Oversight	0.201	1.0%	1.212	6.5%
3: Sustainable and Capable Central Finance Functions	12.199	60.0%	8.454	45.1%
3.1: Financial Management Information Systems	5.081	25.0%	4.802	25.6%
3.2: ICT	0.891	4.4%	1.368	7.3%
3.3: Organizational Strengthening and Capacity Building	2.228	11.0%	1.978	10.6%
3.4: Salary Support for MOFED Civil Service Staff	3.000	14.8%	-	-
3.5: Salary Support for MOFED Consultants	1.000	4.9%	0.306	1.6%
4: Supporting Non-state Actors	1.000	4.9%	1.096	5.8%
4.1: Supply Driven Support	0.400	2.0%	0.617	3.3%
4.2: Sub-grants to Non-state Actors	0.600	3.0%	0.479	2.6%
5: Project coordination and administration	1.928	9.5%	1.909	10.2%
5.1: Project Administration	1.300	6.4%	1.720	9.2%
5.2: Monitoring and Evaluation	0.200	1.0%	0.189	1.0%
5.3: Non-salary Operations Costs	0.428	2.1%	-	-
Total Original Cost	**20.319**	**100.0%**	**18.739**	**100.0%**

1.6 Revised Components

17. The components were not revised. However, sub-component 3.5 "Phased Exit and Transitional Support for Staff Remuneration" was closed on February 2, 2010. The reason for the closure is explained in Section 1.7 of this ICR.

1.7 Other significant changes

18. The project was funded by IDA and MDTF grants, and restructured four times during the implementation period.

19. The first restructuring dated December 21, 2010 amended the IDA Grant (H493-SL) and MDTF Grant (TF095389) to allow for the retroactive financing of: (a) outstanding invoices (US$227,806.35) and 10% contract hold back (US$146,451.00) incurred during the implementation of the Institutional Reform and Capacity Building Project (IRCBP) related to the 5-year IFMIS Contract

[1] According to the World Bank's Disbursement Office, the original allocation was US$21.446 million and the revised amount was US$20.49. The amounts shown in Table 1 are derived from the final Interim Financial Report prepared by GoSL. The totals are not identical to those recorded by the Disbursement Unit of the World Bank due to the different dates used by GoSL and the World Bank in converting the amounts to US dollars. Also according to World Bank records, the cancelled amount was US$946,743.38 (US$362.85 IDA and US$946,380.53 MDTF).

(US$2,018,318) with FreeBalance Inc. of Canada for the supply, integration testing, commissioning and support of an Integrated Financial Management Information System (IFMIS) (IRCBP/IFMIS/01/2004) dated October 21, 2004. This included the cost of hardware, network infrastructure and related services; and (b) outstanding invoices under the FreeBalance Master Software Contract (Software License Agreement signed by GoSL on August 25, 2005 and countersigned by FreeBalance on September 9, 2005) for annual product support, license fees, maintenance, training and other services. The IFMIS contract was originally procured and approved by the Bank under the IRCBP. According to GoSL, the IRCBP closed in March 2009 but the FreeBalance contracts ended in November 2009. GoSL explained that the outstanding invoices were not brought to the attention of the Bank when the IPFMRP was being prepared because GoSL thought that these contractual obligations would automatically roll over as an eligible expenditure under sub-component 3.1 (Financial Management Information Systems) of the IPFMRP.

20. The second restructuring dated June 2011 amended the MDTF Grant Agreement (TF095389) for the following reasons: (a) to accommodate additional resources (EUR 2.0 million) approved by the Administrative Agreement signed by EC on April 8, 2001; and (b) to reflect the reallocation of these additional funds across the various expenditure categories.

21. The third restructuring dated April 19, 2013 amended the MDTF Grant (TF095389) for the following reasons: (a) deletion of Part 3.4 of Schedule 1 (Project Description) of the MDTF Grant Agreement; (b) amendment of Section II.A.1 (Project Reports) of Schedule 2 of the MDTF Agreement; (c) amendment of Section IV.A.2 of Schedule 2 of the MDTF Agreement pertaining to the allocation of the Grant proceeds; and (d) extension of the closing date to March 31, 2014.

22. The fourth and last restructuring dated March 21, 2014 amended the IDA Grant (H493-SL) and MDTF Grant (TF095389) for the following reasons: (a) reallocation of IDA and MDTF Grant proceeds; (b) amendment of the total Grant Amount of the MDTF Agreement (TF095389); and (c) extension of the closing date of the project from March 31, 2014 to July 31, 2014. With regards to the last restructuring, the amount allocated under Category 2 of Schedule 1 of the IDA and MDTF Grant agreements (US$0.30 million of the IDA Grant and US$1.4 million of the MDTF Grant) for Sub-component 3.4 "Salary Support for MoFED Civil Service Staff" were reallocated to other categories. The reallocation was done because GoSL was unable to provide the Bank with the following documents within the deadline of March 31, 2011: (a) an overall policy for the establishment of sustainable human resource capacity within MoFED; and (b) an implementation and financing plan for each respective Fiscal Year in which civil service staff salaries are to be financed under the Project with details on the numbers, names, conditions of service, salaries and other benefits of MoFED civil service staff proposed to benefit from transitional support, the proportion of the wage bill to be supported and other relevant information. The unutilized portion of the allocation under sub-component 3.5 "Salary Support MoFED Consultants" was also reallocated to other categories as a result of GoSL's inability to meet the disbursement condition of sub-component 3.4 within the deadline stipulated in the legal agreement. Funds under sub-component 3.4 provided interim funding for salaries of selected PFM consultants in MoFED to enable the performance of key line functions of MoFED prior to such consultants becoming eligible for support under sub-component 3.4 until March 31, 2011 (see also Sections 2.1 and 3.5). While our intention was not to reward the GOSL for lack of performance, donor partners recommended to reallocate the resources to core PFM components to allow for better use of the funds.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

23. **Soundness of the Background Analysis**. The background analysis was sound. Project context was based on priority areas for PFM improvement that were reflected in the action plan of the Republic of Sierra Leone, Poverty Reduction Strategy 2008-2012 and the key findings of the International Monetary Fund (IMF) report *(Sierra Leone: Implementing Public Financial Management Reforms*[2]*)*. The project focused appropriately to strengthen areas of major PFM weaknesses identified during project preparation. The appraisal correctly identified the urgent activities that would enable GoSL to more vigorously move the system from one that is functioning at a rudimentary level to one that is able to direct resources to priority areas and support high quality expenditure outcomes.

24. The project was prepared in close collaboration with all stakeholders from GoSL, Development Partners, Non State Actors and relevant Local Councils.

25. The close collaboration during project preparation was strongly endorsed due to the fragmented and incoherent support for PFM provided by IDA, EC, DFID and AfDB in earlier projects. It is worth noting that despite the modest contribution of the Bank (US$4.0 million), the preparation team successfully mobilized the equivalent of about US$17.4 million from the Donors (DFID and EU) through the establishment of an MDTF agreement. Another positive aspect agreed at preparation was the funding by the Donors of an international consultant based in Freetown that served as the "boots on the ground" of the project. Among other things, the Donor funded an international consultant to help address day-to-day implementation bottlenecks that arose during the life of the project including closer monitoring of implementation progress. Financial issues related to accounting, reporting and audit of project funds were also minimized that led to greater synergies in the use of the resources. These actions also contributed to relatively more efficient FM reporting which was instrumental in rating the project's financial management as "Satisfactory".

26. The project also accommodated the continued IDA support to public sector management and governance delivered through the IRCBP on decentralization (PFM reforms) through the DFID and EC funded multi-donor trust fund (MDTF) managed by the Bank. This ensured uninterrupted implementation of decentralization activities that were linked to the achievement of the objectives of the project.

27. During project appraisal, an assessment was made to support the salaries of MoFED civil service staff that was subject to a disbursement condition requiring GoSL to first provide an acceptable HR Policy before funds could be released. Funds equivalent to US$3.0 million (IDA and MDTF) were budgeted under Sub-component 3.4 (Salary Support for MoFED Civil Service Staff). The rationale for allocating the resources was based on GoSL's heavy reliance on DP-financed Sierra Leonean contract staff ("Local Technical Assistants" – "LTAs") who were performing key line functions in the Ministry of Finance and Economic Development (MoFED). The appraisal team noted that DP-funded LTAs made up 40% of the total staff of the MoFED and at the professional level (grades 7 and above) significantly outnumbered the regular civil servants and were paid considerably more than their regular civil service counterparts that affected negatively on the morale of other civil servants. However, this sub-component was dropped from the project because GoSL was unable to provide the Bank an acceptable HR pay policy within the timeline. GoSL eventually provided the Bank with a strategy entitled "Government of Sierra Leone – A Multi-Year Public Sector Pay Reform

[2] D. Last, L. McKenzie, R.Tibana, and C. Karamaga, IMF FAD, June, 2008.

Strategy" that called for the implementation of pay reform within a holistic and integrated public sector reform framework over a five year period (2011-2015). Since the deadline had already passed, the Bank and GoSL agreed that the issue of LTAs at MoFED would be addressed under Component 1 (Support to the GoSL's Reform Program) of the Pay and Performance Project that was approved on May 31, 2012. The Bank's preparation team had overestimated GoSL's commitment to carry out this PFM reform action in a post conflict environment that led to the delay by more than 3 years in approving the HR pay policy.

28. Project components were oriented towards achieving the project objectives. Institutional design was rated as "Moderately Satisfactory" in terms of the oversight and monitoring of reforms by the PFM Oversight Committee chaired by the Financial Secretary (FS) and composed of members that included relevant stakeholders across GoSL. Project management was carried out by a project administration unit partly staffed with mainstreamed civil servants whose skills were strengthened through capacity building support of the project. Overall, the administration and coordination of the project was rated moderately satisfactory (see Section 5.2).

29. During project preparation, the overall risk was rated moderate to substantial. At the country level, the risks were judged as substantial. This was due to the historically weak performance in governance and control of corruption in Sierra Leone, revenue volatility and the uncertainty created by a change in government. At the project level, risks were judged as moderate.

30. Two key areas of challenges were identified. The first challenge was related to the achievement of budget credibility and predictability which was central to the project. At the time of project preparation, it was assessed that the budget management system had allowed expenditure beyond the means of the GoSL through the creation of arrears and MDAs reported that when cash was highly constrained their ability to continue to function relied on these arrears. For the procedures and systems to improve the realism of estimates and tools for commitment control to be able to work, it was noted that political commitment was required to an aggregate spending ceiling that will force very hard political choices between expenditure priorities, as well as depend on rapid MDA adjustments to changing resource flow projections. Earlier increased involvement of the cabinet in the budget decision-making process including the setting of the expenditure framework at the outset of the budget process was a measure that built ownership of the budget framework. In addition, the increases in control, in particular commitment control, had to be matched by a timely release of authority to incur expenditure so that the MDAs see the benefits to their operations of a more orderly process of budget execution. The emphasis of the project was therefore on the MoFED meeting its obligations for realistic budgeting and predictable budget execution. The challenge on predictability was partly addressed with the implementation of the 2010 Goods and Services Tax and passage of the 2011 Customs Act. All taxes now have separate, consolidated, single, and easy-to-follow piece of legislation. The National Revenue Authority (NRA), however, still exercised discretionary powers, particularly waivers of custom duties. Delays in transfers from commercial banks to NRA were reduced with the introduction of the new Memorandum of Understanding (MOU) with the banks. Revenues outside of NRA, in particular extractive industries, were more systematically determined by the newly established Units within NRA. The project addressed the challenge with respect to political commitment in setting expenditure framework and budget decision-making through the implementation of activities that promoted stronger awareness on these issues through closer interaction between program management and Parliamentary committee members. There is now increased oversight and scrutiny of public finances by Parliament through the Parliamentary Finance Committee (PFC), Public Accounts Committee (PAC) and Transparency & Accountability Committee (TAC). The reviews which are usually open to the public are now organized regionally covering MDAs, local councils and school authorities. Extensive capacity building support had been afforded Members of the respective Committees and the clerks assigned thereof. These included exchange

visits to UK Parliament and other Parliaments in Sub-Saharan Africa and attendance at regional meetings. All of these are positive outcomes that helped achieved project objectives.

31. The second area of challenge identified during preparation pertained to the sustainability of the systems, procedures and capacity developed. The project involved an exit strategy from the current DP funding for contracted MoFED staff and the building of capacity of permanent staff that was perceived to be very challenging especially with regards to the prevailing public sector pay environment at that time. To increase the likelihood of success, design had been undertaken in consultation with the Public Sector Reform Unit (PSRU), in the Office of the President that ensured consistency with the evolving public sector and pay reforms and strong support from the relevant agencies of government concerned with human resource management, planning, development and remuneration. In addition, the design of the capacity building approach built on a process already commenced wherein the Accountant General was filling vacancies arising through attrition with accounting graduates, and using professional training and accelerated career development as incentives to stay in the public service at least for some time. Funds were, therefore, allocated to Sub-component 3.5 (Salary Support for MOFED Consultants) to avoid possible disruption in the implementation of project activities during the pre-determined period.

32. Finally, the issue of the GoSL's heavy dependency on the donor-funded local technical assistants posed a risk of attracting new development partners who work outside of the framework and fund staff positions of the project. This challenge was addressed by the pooling of Bank and DPs funds under an MDTF Agreement managed by the Bank and the allocation of US$3.1 million under Sub-component 3.4 (Salary Support for MOFED Civil Service Staff) of the project. Unfortunately, the sub-component was cancelled due to the inability of GoSL to meet the disbursement condition within the deadline. To avoid disruption of project activities, LTAs were funded by GoSL during the life of the project and a holistic HR strategy was eventually developed by GoSL and is currently being implemented under the ongoing Pay and Performance Project.

33. The project preparation team also assessed the challenge on sustainability of systems and procedures. This challenge was addressed through the institutionalization of the management of the reform program and by the processing of all government expenditures from the Consolidated Fund through the Integrated Financial Management Information System (IFMIS) by key rolled out MDAs from their respective locations and the rest by the AGD for and on behalf of the respective MDAs. Furthermore, the ICT infrastructure supporting the IFMIS had been strengthened, the FreeBalance Accountability Software (including Performance Budgeting Module, Fixed Assets and Inventories) upgraded to version 6.5E and the Civil Service Management Module introduced replacing the previously utilized Human Capital Accountability Module. The aforementioned modules are now being utilized by the respective stakeholders (Budget Bureau, AGD and HRMO) in executing their responsibilities. Last but not least, the current PFM Reform Strategy 2014-2017 provides for full roll out to all MDAs which had been captured in the new Public Financial Management Improvement and Consolidation Project (PFMICP). In ensuring sustainability, continuous training on the respective modules is provided internally for MDA officials by MoFED. Over 300 officials across rolled out MDAs had been trained on the use of the FreeBalance under the project.

2.2 Implementation

34. Between the periods December 2009 (Effectiveness Date) to July 2014 (Closing Date), the project's nine (9) Implementation Status Reports (ISRs) recorded the "Development Objective" (DO) rating was "Satisfactory". With respect to "Implementation Progress" (IP), the rating was mixed during the implementation period. The IP rating was "Satisfactory" from December 2009 (project launch) to July 2010 but was downgraded to "Moderately Satisfactory" in April 2011. The Bank's

rationale for the downgrading of the IP rating in April 2011 was associated with the risks posed by the transition to an Integrated Project Administration Unit (IPAU) arrangement proposed by GoSL. The Bank was concerned about: (a) the lack of clarity in the roles and relationship between the Director for PFM Reforms and the proposed IPAU; (b) the non-alignment of functional responsibilities with the accountability for results under IPFMRP; and (c) the risk of weakening the project's internal control mechanisms, as a result of the consolidation of fiduciary, project implementation and coordination responsibilities under one unit. The project was managed at that time by a "central" project team headed by a Director established by GoSL that performed coordination and procurement responsibilities for IPFMRP and other Donor-funded development projects in Sierra Leone. The Bank was also concerned that the various component managers were not familiar with the procurement plan associated with their component. During this period, the project management arrangements continued under the original design without major problems except for slight delays in execution of procurement activities while awaiting government's response to the issues raised by the Bank. The IP rating was eventually upgraded to "Satisfactory" in August 2011 when GoSL agreed to move away from the PIU model to pilot the mainstreaming/integration of project management fiduciary systems into government.

35. The mid-term review (MTR) in June 2012 reviewed the implementation progress, M&E reports and levels of results achieved under the various components with respect to targets set for the various indicators. The MTR found that generally substantial progress had been made towards achieving the project's performance indicators as outlined in the PAD. However, the MTR noted that certain delays in procurement affected implementation. The Bank's procurement expert carried out vigorous follow-up to resolve the delays and the PAU's procurement officer was sent to external training. This and other actions helped to resolve most of the implementation issues. The Bank also facilitated the provision of a short term expert who provided hands on training to staff of the procurement unit of the PAU.

36. Between the MTR in June 2012 until the ISM in March 2013, the IP rating remained "Satisfactory". The IP rating was downgraded to "Moderately Satisfactory" during the ISM in March 2013 due to procurement delays and modest progress in the implementation of outstanding activities during the previous eight months. On the project level, there were recurring delays in the approval of the Budgeting and Accountability Act and subordinate fiscal rules and debt regulations, the commissioning of an IFMIS Audit by an independent reviewer, and the lack of a MoFED IFMIS Strategy Plan inclusive of an ICT Security Policy. The downgrading rationale on the macro level was attributed to the overall domestic conditions supporting macroeconomic and fiscal stability that remained fragile due to marginal progress in structural reform, as suggested by the external audit reports and the Public Expenditure and Financial Accountability Assessment (PEFA) for the period 2010-2012. The PEFA report stated that the lack of budget credibility proved to be a serious weakness during the review period although there were signs of improvement in 2013. The PEFA highlighted several weaknesses such as: (a) lack of capacity in planning and budget formulation in line ministries; (b) the process of budget ceilings revision linked to IMF missions hindered allocative efficiency and service delivery; (c) approximately 40% of procurement was operated under non-competitive bidding and the appeals process required significant additional effort and resources to be fully implemented and independent; (d) the single Treasury Account was still not operational in practice; (e) there were many autonomous government Agencies (AGA) and project accounts outside the ambit of the IFMIS; (f) Accountant General's (AG's) reports were not acted on in a timely manner and sometimes were not forthcoming at all; and (g) despite significant improvements, Audit Services of Sierra Leone (ASSL) still did not cover all of the general government expenditures. Actions taken by GoSL to address some of these concerns under the project included: (a) acceleration of the introduction of a Treasury Single Account (TSA), strengthening of the infrastructure to facilitate the smooth operation of the TSA and establishment of a Cash Management Unit in the AGD; (b)

institutionalization of procurement in MDAs, through the establishment of a Procurement Cadre; (c) recruitment of Procurement officers for at least 30 MDAs and local councils that resulted in approximately 90% of contracts across government above the $100,000 threshold in 2013 that used open competitive methods; (d) rolling out of FreeBalance Financial Package to 12 key of the 15 targeted spending MDAs; and (e) further rolling out of the Treasury, Purchasing and HR functions of IFMIS. The follow-on Public Financial Management Improvement and Consolidation Project (PFMICP) is expected to continue to address the remaining relevant outstanding PEFA issues.

37. The IP rating remained "Moderately Satisfactory" until project closure (July 31, 2014), although the Bank proposed various corrective actions and recommendations to help upgrade the rating. However, the IP rating could not be upgraded during the last ISM in March 2014 because among other things, GoSL was unable to share documents such as more detailed training reports/assessments and IFMIS rollout verification statements to adequately validate an upgrading. The Bank team scheduled an ICR mission to Sierra Leone in September 2013 to get these documents and carryout consultation with GoSL to discuss the final outcomes of the project including the preparation of the ICR. However, due to the Ebola outbreak, the field visit was cancelled and the Bank team had relied on written and audio communications and documents sent by GoSL to Bank during the preparation of the ICR to validate some of the final outcomes and other results of the project. The PFMICP that became effective recently is expected to obtain copies of these documents and carryout the required assessment of these documents within the context of its objectives.

38. About US$0.95 million of the MDTF allocation was not utilized due primarily by the suspension of Freebalance, cancellation of procurement of ICT equipment during the final months of the project and the cancellation of Sub-Component 3.4 for the mainstreaming of LTAs at MoFED. The reason for the underutilization is explained in Section 3.5 (c) of this ICR.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

39. **M&E design**. The Quality at Entry Review (QER) conducted in July 2008 confirmed that the M&E framework of the project contained a number of good quality outcome measures and indicators but that it needed to focus on a sub-set that is simple in order to be manageable, ensure effective monitoring and understandable to a wide audience. The QER made the following recommendations: (a) to the extent possible, the indicators should be selected from within the overall PEFA set, and any additional indicators should be well justified; (b) it was appropriate that the revenue variance measure captures revenue under-forecasting as well as over-forecasting; (c) the performance of donors in terms of transparency and predictability was weak which impacts on budget planning and execution, and this could be included in the results framework; (d) Cabinet engagement and oversight of the budget could be included; (e) it was inappropriate to have an indicator that suggests the Auditor General should not give a qualified audit opinion; (f) tax expenditures and non-tax revenue had major implications for budget management, and could be captured in the framework; (g) the definition of "poverty reducing expenditures" was problematic; and (h) variance of actual to budgeted total expenditure (PEFA PI-1) could be considered. The M&E framework was, therefore, developed based on these recommendations. However, the MTR mission in June 2012 found that the framework was still not fully adequate and assessed that: (a) some of the indicators did not lead logically to the achievement of project objectives; (b) some indicators were not fully centered on outcomes; and (c) there was need to improve the alignment between the PDO and intermediate indicators. As a result, GoSL and the Bank worked closely to revise the framework that led to some indicators being changed (or) dropped and new intermediate indicators introduced. The M&E framework in the Project Appraisal Document (PAD) provided for the monitoring and evaluation of six (6) PDO indicators and twenty four (24) intermediate indicators. The revision of the M&E framework during the MTR resulted in nine (9) intermediate indicators being changed, eight (8) indicators being dropped and five (5) new

indicators being introduced. As such, the revision of the framework resulted in the reduction of the number of intermediate indicators from twenty four (24) to twenty one (20). This is a positive reflection of the Bank's team proactive approach towards implementation support.

40. Implementation progress was monitored from project launch until the MTR using the original framework as per PAD of May 14, 2009 and the revised M&E framework was used from March 2013 until project closure in July 2014.

41. It is worth noting that at least two of the PDO indicators, one of which measured the impact of public spending in key sectors, were partly validated by the results of the Public Expenditure Tracking Surveys (PETS) carried out by GoSL. Data generated from PETS were instrumental in the identification of areas for corrective action with regards to: (a) whether all essential facilities funded during a particular period, including medical supplies and educational materials, actually reached the intended beneficiaries; (b) proper distribution of essential drugs to health centers; (c) outcome of payment of school fees subsidy; (d) distribution of textbooks to targeted primary schools; (e) procurement and distribution of seed rice to farmers; (f) utilization of public resources at service delivery facilities and civil works carried out by contractors in the reconstruction and rehabilitation of schools. There were at least 2 surveys conducted during the project period.

42. **M&E implementation.** The periodic monitoring and evaluation of the project had been undertaken in a relatively satisfactory manner. The consistency between the overall PEFA framework and the project's Results Framework enabled component managers to more coherently measure outcomes on a periodic basis based on agreed targets that were consistent with the PEFA indicators. With regards to M&E data management, a focal person at the project administration unit was appointed to collect, compile and analyze data received from various component managers of the project.

43. This arrangement helped ensure the timely compilation of M&E data for inclusion in the Quarterly Progress reports that were shared with the Bank. Both the original and revised indicators were closely monitored and progress assessed based on periodic targets throughout the project life.

44. **M&E Utilization.** Project progress reports – prepared quarterly and annually - utilized the information from the M&E framework to assess progress during the implementation period. Both the original and revised frameworks were utilized effectively and provided data necessary to adequately assess progress.

45. In terms of data utilization, GoSL was able to measure progress more effectively and the Bank was also able to recommend more focused corrective actions to facilitate/accelerate implementation. Data was also useful in tracking and monitoring the impact of spending such as those generated by the Public Expenditure Tracking (PET) surveys. PETS data allowed MoFED to identify areas of improvement in budget formulation and execution. Two (2) PETS reports published in (October 2010 and September 2011) were both instrumental in the identification of mitigation measures to correct systematic failures in financial programming and procurement of essential goods on service delivery in key sectors such as health and education. Unfortunately, MoFED decided that the surveys will no longer be done on an annual basis. The PETS exercise was not carried out in 2014. Therefore, the surveys can no longer be considered a regular feature of the PFM monitoring system.

2.4 Safeguard and Fiduciary Compliance

46. **Financial Management.** The project's financial management risk was rated substantial at appraisal. The risk was associated with the possible delays in disbursement by different contributing

partners that could undermine project implementation and increase transaction costs. The risk was mitigated by the establishment of pooled funds under an MDTF agreement managed by the Bank and close supervision by the Bank's FM Specialist and provision of appropriate training to the Project Accountant in processing withdrawal applications electronically and real-time basis through "Client Connection". The task team also closely coordinated with the relevant DPs to help ensure timely transfer of MDTF funds to GoSL. For the most part, project audits were carried out as stipulated in the IDA Grant Agreement within the required deadline. Interim financial reports were prepared and submitted by GoSL to the Bank on a relatively timely manner. At the Bank's advice, MoFED also modified the quarterly financial report formats by including the status of funds utilization by project components as well as cash projection/forecast which helped improved financial planning and accountability. These and other positive actions helped maintain the overall financial management performance rating of "satisfactory" throughout the project period.

47. **Procurement.** At appraisal, procurement risk was rated as "Moderate". This risk rating was based on the assessment that procurement capacity was weak and good practices were not yet well established at project preparation stage. During the early part of the project, procurement responsibility was vested in a central Project Administration Unit (PAU) within MoFED under the supervision of the Director of PFM Reforms and overall purview of the Financial Secretary (FS). At the early stage of project implementation, the central PAU procurement specialist handled IPFMRP procurement tasks and was also responsible in building capacity of the MoFED procurement unit especially in ensuring that agreed procedures were followed and requisite reports were submitted on time. This arrangement was established to mitigate the procurement risk associated with compliance with fiduciary requirements of the project. The person appointed to carryout IPFMRP procurement tasks worked closely with component managers who were not fully familiar with the procurement plan associated with their components. This procurement arrangement was interrupted when MoFED proposed an Integrated Project Administration Unit (IPAU) that resulted in some changes of the procurement arrangements. The proposed IPAU organizational set-up raised concerns from the Bank that the alignment of functional responsibilities was not clear and could weaken internal control mechanisms. The Bank, therefore, downgraded the IP rating to "Moderately Satisfactory". However, procurement fiduciary perspective remained "Satisfactory". The IP rating was eventually upgraded when GoSL agreed to mainstream the functions of project administration including procurement. MoFED appointed a procurement officer within the civil service. However, the latter was not fully knowledgeable in Bank's procurement guidelines and encountered challenges. He was eventually replaced by a relatively more skilled and well trained individual. This transition resulted in delays in finalizing the 2012-13 procurement plan. In order to address this problem, GoSL engaged an external consultant within the region but the appointment was short lived. The external consultant arrived but worked only for a few days in Freetown to take another assignment. In order to minimize further delays, the Bank recommended to mobilize an international consultant immediately from its own sources. MoFED agreed and the latter visited Freetown in October 2013, provided hands on training to the project's procurement staff and assisted in finalizing the 2012-13 procurement plan in December 2013. The protracted delays in finalizing the procurement plan, however, resulted in the downgrading of the procurement performance to "Moderately Satisfactory" during the last ISM.

48. **Disbursement.** The original credit amount of XDR 2.70 million (USD 4.00 million equivalent) was approved by the Board on streamlined procedures on June 4, 2009, and it became effective on December 15, 2009. As of September 3, 2014, the project disbursed XDR 2,699,752.19 (USD 4,161,701.10 historical equivalent) or almost 100% of the original grant amount. With respect to the MDTF Grant, of the original grant amount of USD 17,445,566, USD 16,516,914.05 was disbursed or 94.7% of the total grant. Approximately USD 946,743.38 (USD 362.85 of IDA and USD 946,380.53 of MDTF) was cancelled.

49. **Environmental Assessment.** The environment category of the project at appraisal was "C" and therefore, there were no environmental or safeguards issues that had to be addressed.

2.5 Post-completion Operation/Next Phase

50. Two ongoing projects, the Pay and Performance Project (P128208) approved in May 31, 2012 and the Public Financial Management Improvement and Consolidation Project (P133424) approved on November 27, 2013 continue to support the GoSL in pursuing its strategic agenda on PFM reform. The objectives of these projects are linked to the IPFMRP. The development objective of the Pay and Performance project is to improve competitiveness in pay, performance management and accountability, and increase staffing of middle and senior staff in the civil service in Sierra Leone. The development objective of the Public Financial Management Improvement and Consolidation Project is to improve budget planning and credibility, financial control and accountability, and legislative and public oversight management and use of government finances in Sierra Leone.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

51. **Relevance of Objectives.** The objectives of the IPFMRP were to support GoSL in sustainably improving the credibility, control and transparency of fiscal and budget management. These objectives were relevant since the activities were developed in order to contribute to the outcomes of the *FY2010-13 Country Assistance Strategy (CAS)* related to improved strategic orientation of the budget, transparency of resource envelope and allocation, accountability of spending units, transparency and accountability of procurement and staffing. The project's objectives were also consistent with the *GoSL's Poverty Reduction Strategy Paper (PRSP-III) – the Agenda for Prosperity (2013-2017)* on governance particularly with respect to further decentralization to local government and strengthening public financial management. It was also consistent with the Budget Submission to Parliaments during the life of the project. The project's PDO were monitored using indicators based on the PEFA framework remained highly relevant from design to completion stage.

52. The CAS Progress Report for the period FY2010-13 dated July 12, 2012 (CAS Report No. 69913-SL) assessed that while the CAS objectives and priorities remained fully relevant, important adjustments were proposed in light of the significant changes in the country context and key lessons learned. The changes proposed included: (a) continued support through measures like disseminating the Citizens Budget, and contract monitoring activities; (b) continued provision of TA on strengthening Public Investment Management capacity; (c) helping GoSL generate options for managing the fiscal space; (d) effective use of revenues to deliver results by helping GoSL prepare strong credible sector plans and expenditure frameworks in anticipation of rising domestic revenues; and (e) putting emphasis on building capacity for improved governance and service delivery within government and within civil society – in other words emphasizing both the 'supply' and 'demand' side of good governance. All of these changes were appropriately addressed during the implementation of the IPFMRP.

53. **Relevance of Design & Implementation.** The design and implementation of the M&E framework made project monitoring more effective in terms of assessing the degree to which the project activities contributed to the achievement of the PDO. The M&E framework indicators were designed to assess achievement of the PDO along three (3) dimensions, 'Credibility', 'Control' and 'Transparency'.

54. The project also supported GoSL's key PFM reform initiative related to "Core PFM components relating to budget management, accounting and transparency in the use of public funds". The support was provided through the implementation of activities under Components 1, 2 and 3. Last but not least, the project provided technical support to budget decentralization and innovative approaches (rather than pre-determined models) to Non-State Actor (NSA) oversight through Component 4. These approaches included: (a) development of analytic and dissemination of capacity of civil society and NSAs in exercising scrutiny over the use of public resources, as well as building a constituency for PFM reforms; (b) more proactive, diverse and independent NSAs with support mechanisms for sustainability; (c) improved access and flow of information between NSAs and MDAs particularly at the district level; and (d) improved public transparency and accountability of development activities, contributing to the enabling environment for good governance.

55. The Bank in coordination with the DPs leveraged its experience as a lead and strategic partner in supporting large scale capacity building programs, improved governance, accountability, and the scale, efficiency, and responsiveness of public service delivery at national and local levels through an incremental approach.

56. The GoSL took action to bolster and mobilize revenue and strengthen PFM. The initiative was fully supported by the project and was prompted by the need to maintain prudent borrowing policies based on the projection by the IMF that growth would accelerate to 15.2% in 2012 to 13% in 2013 due to increased iron ore exports and solid growth in the non-mining sector. The GoSL, therefore, was in a position to balance its budget in the medium term and undertake major reforms in PFM to facilitate fiscal consolidation and better allocate and prioritize government resources. The time was also propitious for better targeting of project investments and subsidies as a platform for better service delivery to the most vulnerable social groups. The government acknowledged that reforms in budget formulation and management, including greater emphasis on prioritizing spending and delivering results, would require greater effort to improve public expenditure policy and management. These factors led GoSL to start implementation of a renewed and wide-ranging PFM improvement program. Several DPs agreed to provide technical and financial support for targeted PFM actions in core budget support operations. To this end, the PFM regulatory framework was updated and the process of making further revisions had commenced. Budgeting and treasury management systems and processes also started to be strengthened.

3.2 Achievement of Project Development Objectives

Rating: **Moderately Satisfactory**

57. There were 6 PDO indicators and 20 intermediate results indicators (Table 2) that measured the achievement of the project's objectives. Of the 6 PDO indicators, 3 were fully achieved, 2 were partially achieved and 1 was not achieved. Of the 20 intermediate indicators, 11 were fully achieved, 8 partially achieved and 1 not achieved. The following paragraphs provides a detailed analysis of level of achievement according to the three PDO dimensions towards improving fiscal and budget management: Credibility, Control and Transparency.

58. **Credibility.** Three (3) of the six (6) PDO indicators assessed the achievement of the 'Credibility" dimension of fiscal and budget management. The final targets for the "reduction in variance in expenditure for the 20 largest budget heads" and "reduction of payment arrears" were fully achieved. The first one was achieved through the effective implementation of the IFMIS system that facilitated the issuance of various in-year budget execution reports by MDAs to inform on the use of public resources in conformity with legal authorizations, as well as the balance of undisbursed commitments and uncommitted resources. The second one was achieved after the successful

development of the Medium-Term Debt Strategy (MTDS) that provided a comprehensive framework with which central authorities made more informed decisions in the financing of Government operations over the medium term without endangering the overall fiscal position. The third PDO indicator that measured "the increase in the share of actual to budgeted spending on pro-poor spending priorities" was not achieved because the share of budgeted spending priorities compared to the ratio of actual to budget expenditures for all other discretionary primary expenditures was 114.1% (poverty actual budget) and 130.0% (other actual budget).

59. **Control.** There was one (1) PDO and 12 intermediate results indicator that assessed the achievement of the 'Control' dimension of fiscal and budget management. The indicator that measured the timeliness of the submission of audited public accounts by the Auditor General to the Parliament was fully achieved. This positive outcome was mainly due to the successful strengthening of the capacity of Internal Audit Units in MDAs and effective support to internal auditors across central government. Among other things, the capacity building support funded by the project strengthened the ability of Internal Auditors in conducting review sessions that identified issues and challenges faced that led to prompt action by relevant officials in addressing and resolving these issues. With respect to payroll strengthening, system controls developed within IFMIS provided hard budget control to ensure that spending did not exceed overall quarterly budget allocations – the focus being to keep payments within approved limits. The Accountant General Department (AGD) was able to produce monthly statements comparing approved budget with the total of the executed budget and the outstanding contractual commitments. The central processing controls operated within AGD – Other Controls Unit - did not allow the budget/cash limits to be exceeded.

60. **Transparency.** Two (2) PDO indicators assessed achievement of 'Transparency' dimension of fiscal and budget management. One indicator measured the increase in percentage of MDA contracts in compliance with provisions of GoSL's procurement legislation and regulations and the second indicator measured the increase in the number of financial and procurement documents listed in PEFA-10 published regularly. These indicators were both partially achieved. The indicator on procurement compliance showed that only 89% against the final target of 95% of contracts were signed using competitive bidding methods. It is worth noting, however, that despite the partial achievement, the project funded activities that led to the revision of the National Public Procurement Act 2004 and its subsequent approval by Cabinet. The revisions were based on recommendations of the Country Procurement Assessment Review (CPAR) led by the Bank. The second indicator was also partially achieved because only 4 of the 6 targeted documents were published.

Table 2: Summary of PDO & Intermediate Indicators

PDO Indicators	Level of Achievement: Fully Achieved	Level of Achievement: Partially Achieved	Level of Achievement: Not Achieved	Description of Final Outcome
Credibility				
1. Reduce the variance in expenditure for the 20 largest budget heads	x			The variance between total actual primary expenditures and total originally budgeted primary expenditure was 7.9% against the target of 10%.
2. Reduce payment arrears (excluding interest and donor-financed project expenditure).	x			Domestic expenditure arrears (total from all years) as % of total expenditure for the year (excluding interest and donor-financed project expenditures was 0.47% against the target of 8%.
3. Increase in the share of actual to budgeted spending on pro-poor spending priorities compared to the ratio of actual to budget expenditures for all other discretionary primary expenditures.			x	The share of actual to budgeted spending on pro-poor spending priorities compared to the ratio of actual to budget expenditures for all other discretionary primary expenditures was 114.1% (poverty actual budget) and 130.0% (other actual budget).
Control				
4. Timely audited Public Accounts with no material qualifications concerning basic control system failures	x			Audited Public Accounts by Auditor-General were submitted to parliament within the target of 12 months.
Transparency				
5. Increase in percentage of MDA contracts in compliance with provisions of GoSL's procurement legislation and regulations		x		In value terms, the percentage of contracts signed using competitive bidding method for 2013 was 89% against the target of 95%.
6. Increase the number of financial and procurement documents listed in PEFA-10 published through the Sierra Leone Gazette and the MOFED's website		x		4 out of 6 documents published. (The year-end financial statements, the budget documents, audited financial report and in-year budget execution reports)
Total	3	2	1	

Intermediate Indicators	Component Attribution	Level of Achievement: Fully Achieved	Level of Achievement: Partially Achieved	Level of Achievement: Not Achieved	Final Outcomes/Results
Credibility					
1. Deviation in own source revenues	All	x			Percentage of actual to budget revenue was 112% against the target of not more than 112% at project closure.
2. New/additional payment arrears (Outstanding Commitments) during the year as a percentage of total primary expenditures (%).	All	x			Outstanding Commitments for the FY 2013 was Le 15,986,200,660.50. This constituted 0.72% of total primary expenditure.
Control					

3. MDAs with IFMIS Personnel Management aspect of Civil Service Management Module rolled-out.	3	x			CSM (replacing the HCA) had been rolled out to three MDAs including; (1) Human Resource management Office; (2) Sierra Leone Police; and (3) Ministry of Defense.
4. MDAs copying quarterly internal audit reports to Director of Internal Audit.	2	x			There were 17 MDAs copying quarterly internal audit reports to the Director of Internal Audit against the target of 15 MDAs at project closure. These include MDAs related to pro-poor expenditures namely: (1) Ministry of Youth; (2) Ministry of Sports; (3) Ministry of Energy; (4) Ministry of Local Government and Rural Development; (5) Ministry of Internal Affairs; (6) Ministry of Lands; (7) National Fire Force; (8) Prisons Department; (9) Vice President Office; (10) Cabinet Secretariat; (11) National Registration; (12) Ministry of Health; (13) Ministry of Foreign Affairs; (14) Ministry of Transport and Aviation; (15) Ministry of Education; (16) Ministry of Defense; and (17) SLIEPA.
5. Budgeted expenditures (other than Projects) executed online through IFMIS.	3	x			All expenditures from CF other than projects are executed online through IFMIS.
6. LCs with Audit Committees meeting quarterly.	3		x		Freetown City Council has Audit Committees meeting quarterly.
7. Appropriations backed by quarterly allocations (restricted to non-salary recurrent)	All		x		Health target 100% vs final outcome of 122%. Agric target 100% vs final outcome of 106%. Grants to LC target 97% vs. final outcome of 89%
8. Quarterly allocations backed by approved commitments (restricted to non-salary recurrent):	All		x		Health target 100% vs final outcome of 78%. Agric target 100% vs final outcome of 77%. Grants to LC target 100% vs. final outcome of 120%
9. Approved Commitments/ MTEF/PETS form 2 backed by payments (restricted to non-salary recurrent):	All		x		Health target 99% vs final outcome of 101%. Agric target 100% vs final outcome of 89%. Grants to LC target 100% vs. final outcome of 100%
10. MDAs and Local Councils with dedicated and trained Procurement Officers – baseline total of 60 MDAs and LCs.	3		x		The percentage of dedicated and trained Procurement Officers was 83% against the target of 95% at project closure.
11. MDAs with Audit Committees meeting quarterly.	2		x		Five (5) of the six (6) MDAs targeted had Audit Committees meeting quarterly at project closure namely: (1) Ministry of Information; (2) National Public Procurement Authority; (3) Immigration Department; (4) Ministry of Finance; and (5) Prisons Department.
12. Local Councils copying half-yearly internal audit reports to Director Internal Audit.	3			x	Not achieved.
Transparency					
13. Review and analytical reports on annual budget proposals and priorities in MDAs produced by NSAs.	4	x			Review and analytical reports on annual budget proposals and priorities in MDAs were produced by NSAs.
14. Revised GBAA and FMR submitted to Cabinet.	2	x			Revised GBAA and FMR were submitted to Cabinet.
15. Subvented Agencies expenditure included in public accounts.	2	x			All of subvented Agencies expenditures from the CF were included in the public accounts for the FY2013. (This indicator was introduced during the MTR in June 2012 and was adopted in March 2013).
16. MDAs using standard template for strategic plans as per MTEF guidelines	1	x			Target of 6 MDAs was achieved at project closure. There were MDAs with standard strategic plans: (1) MoFED; (2) MEST; (3) PSRU; (4) NACSA; (5) National Asset Commission; (6) SLEIPA; (7) Ministry of Tourism; (8) Human Rights Commission; (9) Sierra Leone Insurance Company; (10) National Youth Commission; (11) Office of the Administrator General; (12) Justice Sector Reform Unit; and (13) Tertiary Education Commission.

17. Reports on PFM monitoring and oversight at Local Council level produced by NSAs.	4	x			There were 15 NSA organizations nationwide assessing PFM progress in MDAs and LCs through the NSA Sub-Grant program against the target of 6 NSA organizations at project closure. Interim reports had been submitted accordingly by Grantees.
18. Citizen Budget yearly published, launched and disseminated at national, regional and district level.	4	x			Citizens' budget produced annually since 2012 and is widely disseminated and published on the MoFED and NSAs website.
19. New LG Financial Administration Regulations (FAR) submitted to Cabinet.	2		x		The Final draft of the regulation had been developed and formally shared with the Ministry responsible for Local Government, the lead Ministry responsible for presentation of the draft Bill to Cabinet and ultimately laying in Parliament for ratification.
20. Financial and procurement documents listed in PI-10 and in accordance with requirements of GBAA and PPA published in Sierra Leone Gazette and/or on MoFED or related institutions website.	3		x		Three (3) financial and procurement documents listed in PI-10 and in accordance with GBAA and PPA were published against the target of six (6) at project closure.
Total		11	8	1	

61. The project supported key PFM reform initiatives that led to the achievement of PDO indicators related to the reduction in expenditure of several targeted MDAs, reduction of payment arrears and timely audit of public accounts. However, it is recognized that public sector reform is a huge undertaking that deserves a structured and phased approach. The project supported GoSL in the strengthening its PFM mandate in some areas but the 2014 PEFA assessment highlighted that budget credibility was still a serious weakness during the period 2010-2012 despite some demonstrated improvements in 2013 (Table 3). For example, the PEFA assessment noted that inflated growth estimates of 52% was used as the basis for planning expenditures in 2010, with the GoSL initiating public investments from the government budget. These long term contracts resulted in over expenditures, impacting negatively on aggregate financial discipline. Furthermore, on the domestic side, there remained a tendency to over-estimate expected revenues relative to actual revenue and non-transparent discretionary exemptions that led to the undermining of the tax base. Budget support from donors had also not been predictable, although the cancelation of the IMF program in early 2013 did not impact negatively on donor support since the new IMF program was signed in October 2013. Successes in IFMIS implementation, however, facilitated the control of commitments so that the overhang of arrears that built up during the war was largely addressed. Whilst IFMIS provided a significant number of system controls, there were continuing challenges on connectivity and frequent loss of power which undermined some aspects of control. This and other weaknesses will be addressed by the recently approved follow-on PFMICP operation and at the same time build upon the positive achievements of the IPFMRP.

Table 3: PEFA Scores - 2007, 2010 & Initial Score 2014

		Initial Score 2014[3]					Score 2007	Score 2010				
		Indicator	Dimension					Indicator	Dimension			
			(i)	(ii)	(iii)	(iv)			(i)	(ii)	(iii)	(iv)
A. PFM-OUT-TURNS: Credibility of the budget												
PI-1	Aggregate expenditure out-turn compared to original approved budget	D	D				B	B	B			
PI-2	Composition of expenditure out-turn compared to original approved budget	D+	D	A			C	C	C			
PI-3	Aggregate revenue out-turn compared to original approved budget	D	D				B	C	C			
PI-4	Stock and monitoring of expenditure payment arrears	B+	A	B			No Score	D+	D	C		
B. KEY CROSS-CUTTING ISSUES: Comprehensiveness and Transparency												
PI-5	Classification of the budget	C	C				A	C	C			
PI-6	Comprehensiveness of information included in budget documentation	A	A				C	A	A			
PI-7	Extent of unreported government operations	D	D	D↑			No Score	Not Rated	NR	D		
PI-8	Transparency of inter-governmental fiscal relations	B	A	D	B		B	A	A	A	A	
PI-9	Oversight of aggregate fiscal risk from other public sector entities.	C+	C	A			C	Ci-	C	B		
PI-10	Public access to key fiscal information	B	B				B	B	B			
C. BUDGET CYCLE												
C(i) Policy-Based Budgeting												
PI-11	Orderliness and participation in the annual budget process	C	C	C	C		C+	D+	C	C	D	
PI-12	Multi-year perspective in fiscal planning, expenditure policy & budgeting	C	C	A	D	D	D+	C	C	A	D	D
C(ii) Predictability and Control in Budget Execution												
PI-13	Transparency of taxpayer obligations and liabilities	B	B	A	D		C+	B	C↑	A	C↑	
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	B+	B	B	A		C	B	B	B	B	
PI-15	Effectiveness in collection of tax payments	B+	A	B	A		D+	D+	D	B	A	
PI-16	Predictability in the availability of funds for commitment of expenditures	D+	C	C	D		C+	C+	C	B	C	
PI-17	Recording and management of cash balances, debt & guarantees	C+	C	C	B		C+	C+↑	B↑	C	C↑	
PI-18	Effectiveness of payroll controls	D+↑	D↑	C	B	C	D+	D+	D	D	B	C
PI-19	Transparency, competition and complaints mechanisms in procurement	C	A	D	C	D	C	C+	B	C	C	
PI-20	Effectiveness of internal controls for non-salary expenditure	C	C	C	C		C+	C+	B	B	C	
PI-21	Effectiveness of internal audit	D+↑	C↑	B	D↑		D+	D+↑	C	C	D↑	
C(iii) Accounting, Recording and Reporting												
PI-22	Timeliness and regularity of accounts reconciliation	B	B	B			C	B	B	B		
PI-23	Availability of information on resources received by service delivery units	C	C				A	A				
PI-24	Quality and timeliness of in-year budget reports	B+	B	A	B		C+	B+	B	A	B	
PI-25	Quality and timeliness of annual financial statements	D+	D	A	C		D+	C+	C	A	C	
C(iv) External Scrutiny and Audit												
PI-26	Scope, nature and follow-up of external audit	C+	B	C	B		D+	C	C	C	C	
PI-27	Legislative scrutiny of the annual budget law	D+	C	C	D	D	C+	C+	C	C	A	C

[3] It should be noted that PI-1, 3 and 19 were revised after the 2010 PEFA thereby rendering comparisons difficult for these indicators.

		Initial Score 2014[3]					Score 2007	Score 2010				
		Indicator	Dimension					Indicator	Dimension			
			(i)	(ii)	(iii)	(iv)			(i)	(ii)	(iii)	(iv)
PI-28	Legislative scrutiny of external audit reports	C+	C	A	C		D+	D+↑	D↑	A	C	
D. DONOR PRACTICES												
D-1	Predictability of Direct Budget Support	D	D	D			C+	D	D	D		
D-2	Financial information provided by donors for budgeting and reporting on project and program aid	D	D	D			D+	D+	D	C		
D-1	Proportion of aid that is managed by use of national procedures	D	D				D	D				

62. The Audit Service of Sierra Leone (ASSL) had seen a significant increase in the coverage of audit work performed from 69.3% in 2009 to 83.7% in 2013 on the 2012 Annual Statement. The Audit Service had completed nine performance audits of which seven had been subjected to PAC hearings. Performance audit had become a regular aspect of the external auditor's scope. The Finance Committee carried out scrutiny function on the budget and the Public Accounts Committee on audited accounts although delay in submission of the budget to the Finance Committee remained. The submission on December 16, 2013 of the 2012 Accounts met the Auditor General's constitutional mandate to submit to Parliament the report on the accounts to the legislature within 12 months of the end of the period covered. In addition, all of the Value for Money (VFM) reports undertaken by ASSL were submitted to Parliament and subjected to PAC hearings.

63. Other favorable outcomes worth mentioning include: (a) development of the Local Governments Equitable Grants Distribution Formulae that provided clear and timely information on allocations to each of the 19 local councils for each of the devolved services (although the timing of transfers remained "reliably late"); (b) hiring of Budget, accounting, planning, procurement, and administrative personnel in the 19 local governments; and (c) implementation of a simplified PFM systems solution (PETRA). The support by local governments was the single most compelling aspect in Sierra Leone's quest for public sector reform. Another positive outcome worth noting relates to the follow up on the monitoring of budget execution that was put in place and the regular audit that was carried out on the local councils report. However, the focus of reporting was on the use of the central government transfer, and not own resource revenues. A system for overseeing fiscal risk from public enterprises was in place, but did not consider overall fiscal risk. Both national leaders and external donors favored support to city and town councils that had been the most affected by internal social conflict and strife and this represented a platform on which to build a sound decentralized PFM reform.

3.3 Efficiency

64. An Economic Rate of Return (ERR) for this project was not calculated since attempts to determine an ERR was not useful for a technical assistance operation. In order to quantify some of the direct and indirect benefits arising from the project interventions, the following results that led to more efficient management and utilization of fiscal resources are being presented: (a) a substantial reduction of over execution rate from 20% to 13% between the years 2012 and 2013 as a result of the execution online of all expenditures as part of the IFMIS roll out; (b) successful elaboration by the Revenue and Tax Policy Department of an Administrative Guideline on Tax Exemptions which set out clear criteria for eligible individuals and companies that led to a reduction of fiscal losses by 23% in 2013; and (c) validation of personnel data using the IFMIS personnel Management module "CSM Version 7.0" that resulted in the removal of 365 staff from the payroll due to late retirement status.

65. Efficiency in the use of project funds was achieved through the use of the least cost approach in procurement of goods and best value for money in the hiring of consultants. Similarly, cost efficiency of training activities were measured by approving in advance all training proposals on the basis of a properly budgeted training plan and expensed in accordance with agreed unit rates for fees, accommodation, travel and per diem. For local training, government guidelines were used and for international training, the prevailing UNDP rates were used. This ensured cost efficiency in the use of project funds. The Bank's FM Specialist also closely monitored utilization of resources associated with training activities.

66. Unintended outcomes discussed earlier negatively affected project efficiency. The unplanned retroactive financing of the FreeBalance contract caused delays in processing payments of the product support and maintenance. It also affected MoFED's ability to get technical support and additional software licenses and delayed some of the rollout of the IFMIS. The second extension of the closing date also led to the inability of GoSL to utilize the remaining MDTF funds of about US$0.9 million. As explained earlier, the closing date could only be extended until July 31, 2014 since it was not possible to process a longer extension because the time needed to formalize the administrative and legal formalities of the MDTF Agreement was too short (see also Section 7).

67. The actual cost for preparation, supervision and ICR preparation was US$1,056,195. The cost estimated during appraisal for project preparation and supervision was US$1,265,356. The actual cost was therefore 17% lower (US$209,161) than the cost estimated at appraisal. Furthermore, the average annual cost of the IPFMRP is US$211,239. This amount is about 22% lower when compared to the annual cost of US$258,581 of a similar project that closed in March 2014, the Mauritania Public Sector Capacity Building Project's (P082888). Given that the IPFMRP was also extended for one year, the cost incurred to undertake the Bank's support and oversight role was a strong evidence of the effective use of Bank and donor resources.

3.4 Justification of Overall Outcome Rating

Rating: **Moderately Satisfactory**

68. This ICR rates the overall outcome rating as "Moderately Satisfactory." based on the assessment that while the relevance of the objectives, design and implementation was highly satisfactory, the achievement of the PDO and efficiency/efficacy had moderate shortcomings.

69. The project was implemented beginning with building foundations by doing an incremental approach, starting with basics and focusing on priority areas and avoiding the risk of pursuing reforms across a wide front, which could lead to the ineffective spreading of scarce resources. On the positive end, however, it must be recognized that although the IDA contribution of US$4.0 million was relatively small when compared to the US$16 million contributed by EU and DFID, the Bank had successfully mobilized the additional resources and made a significant contribution to the effective implementation support to GoSL's PFM reform agenda.

70. On balance, the project contributed to developing the foundations for further reform and improving the ability of a wide variety of actors to manage complex change. However, implementation problems related to planning, sequencing and alignment of outcomes emerged.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

71. As explained earlier, the Project context was based on priority areas for PFM improvement that were reflected in the Action Plan of the GoSL Poverty Reduction Strategy 2008-2012. The project supported PFM and service delivery improvements through capacity building in ministries that are of critical importance for achieving poverty reduction goals. In particular, achievement of the PDO was based on the key indicator related to the share of actual to budgeted spending on pro-poor expenditure priorities as reflected in the Heavily Indebted Poor Countries Initiative (HIPC) and the PSRP.

72. Gender aspects had always been given due attention by GoSL especially in the implementation of capacity building initiatives. Furthermore, although gender was not a specific focus of the project, 22% out of the 280 officials that were awarded certification of merit during the courses provided by Institute of Public Administration and Management (IPAM) were women. With regards to social development aspects, the support to non-state actors under the project led to broadened participation of civil society in its interaction with the state. Among other things, the project supported strengthening of advocacy activities and dissemination of information on all aspects of PFM at national and local government levels.

(b) Institutional Change/Strengthening

73. The project in itself included Sub-component 3.3 that supported capacity building activities for technical FM staff across the government (including, inter alia, fiscal economists, budget and planning officers, procurement officers, internal auditors, accountants and ICT officers) and the capacity building of staff of NPPA and various units of MoFED to strengthen their specialized skills and knowledge of state-of-the-art standards and practices. The Project also supported the capacity building of non-state actors (NGOs, civil society and media groups) including their monitoring and oversight functions of PFM. The institutional arrangement of the project included a project administration and coordination team that was staffed partly by civil servants and LTAs. The project provided funds to strengthen further the skills of members of the project unit with the goal to institutionalize and mainstream its functions within government.

74. The project helped the establishment of new government units and adoption of key functions such as: (a) creation of the Human Resource Planning Directorate responsible for determining critical staffing needs and formulation of the HR Plan and Budget of MDAs; (b) creation and staffing of a Public Investment Management Division which is now integrated into the budget formulation, execution and monitoring and evaluation processes; (c) establishment of a Procurement Cadre and recruitment of Procurement Officers that were assigned to more than 30 MDAs and local councils; and (d) establishment and strengthening of budget committees in all MDAs and District Budget Oversight Committees (DBOCs) in 19 councils.

(c) Other Unintended Outcomes and Impacts (positive or negative)

75. The cancellation of Sub-component 3.4 “Salary Support for MoFED Civil Service Staff” funded by IDA and the MDTF (US$3.0 million, or 14% of the total project cost) was an unintended outcome. This sub-component aimed to provide transitional funding for salaries of selected civil service staff in MoFED to enable the establishment of sustainable human resource capacity for performing key line functions of MoFED through the mainstreaming of donor-funded local technical assistants (LTAs) performing key PFM functions into the civil service. The donor funded LTAs

made up 40% of the total staff of the MoFED and at the professional level (grades 7 and above) significantly outnumbered the regular civil servants.[4] It was cancelled because GoSL was unable to meet the disbursement condition in the Grant Agreement within the stipulated deadline. GoSL recognized the importance of retaining the LTAs to avoid possible disruption of PFM activities. MoFED, therefore, used local funds to retain the services of these LTAs.

76. Another unintended outcome pertained to the inability of GoSL to utilize all the resources within the life of the project. Approximately US$0.9 million of the MDTF resources were undisbursed because GoSL was unable to complete the procurement activities between the months of March 2014, the first closing date extension, to July 2014, the second project closing date extension. The closing date could only be extended for four months from March 2014 July 31, 2014, because extending the closing date beyond July 31, 2014 required the approval of senior HQ officials of the EU in Brussels and would have taken a relatively longer period of time to finalize. The extension until July 31, 2014 could be approved by the local EU Office in Freetown. The project was, therefore, extended only until July 31, 2014. Despite the Bank's Task Team support to facilitate the procurement approval process, GoSL was unable to implement all of the remaining procurement activities.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops. -

4. Assessment of Risk to Development Outcome
Rating: **Moderate**

77. The main risks are:

a) Vested interests may oppose measures to tighten financial controls, introduce ICB-based PFM systems, and strengthen transparency in all areas of PFM and procurement. Such measures reduce the scope for rent-seeking and corruption;
b) The incidences of low paid, under-facilitated and inadequately managed civil servants especially those in the PFM functions, may seek better opportunities elsewhere and erode the human resource capacity to sustain reform implementation;
c) There is continued potential risk associated with delays in the processing of procurement actions can impair gains achieved under the project;
d) The "temporary suspension" of FreeBalance (the proprietary owner of the IFMIS applications software) poses an attendant risk that progress in the GoSL's IFMIS implementation may be undermined; and
e) The ongoing review of the central finance functions in the MoFED could impair the design and quality of the coordination arrangements of the PFM Reform program.

78. The Public Financial Management Improvement and Consolidation Project (PFMICP), successor of IPFMRP, would adopt the following mitigation measures: (a) GAC action plan particularly the demand side interventions would help mitigate the negative effects brought by rent-seekers and corrupt individuals; (b) The "Public Sector Reform" strategy under the Pay and Performance Project (P12808) will address HR related issues on PFM staffing; (c) strong collaboration between the Bank's TTL of the PFMIP and the implementing entities, as well as by ensuring that qualified procurement professionals continue to serve the procurement requirements of the program; (d) continued suspension of FreeBalance would be mitigated by securing financing from GoSL's

[4] According to the report *"Design of an Exit Strategy and Arrangements for Transitional DP Support for Remuneration of Contract PFM Staff*" (GHK in association with Positive Change HR Consultancy Services), of the approximately 70 staff in grades 7 and above, 39 were DP-funded LTAs and 6 others were on the GoSL payroll making a total of 45 who were paid significantly higher than civil service salaries..

domestic budget or other development partners to directly acquire additional licenses as well as cater to the sustenance of the annual support and maintenance of the system and substitution with a new application software funded partly by PFMICP and any other shortfall funded through 'additional financing' although this is potentially an expensive option; and (e) while mainstreaming of overall strategic coordination of the PFM reform at MoFED rests with the institutional and governance arrangements designed under the follow-on project, PFMIP, GoSL confirmed that a strengthened project management unit at MoFED will not be impacted by the proposed restructuring of the central finance functions.

79. **Nevertheless, continued risks to the Development Outcome are considered substantial due to the persisting fragile country context.** Adoption of the mitigation measures will require significant engagement from the Bank side to ensure adequate supervision and to maintain structured flexibility during the implementation of the IPFMRP's successor.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: **Moderately Satisfactory**

80. Quality at entry is rated "Moderately Satisfactory" for the following reasons. On the positive side: (a) the project design applied a number of lessons drawn from experience in PFM and public sector management reforms in other countries and the PFM reforms undertaken in Sierra Leone; (b) the task team was composed of the right skills mix during preparation; (c) preparation was well coordinated with development partners; (d) Bank support focused on the GoSL's agenda and priorities; (e) the Bank team correctly identified the need for appropriate institutional arrangements for managing the reform process to ensure reforms are institutionalized and linked to a clear strategic framework developed by GoSL with only limited input from the development community. However, on the negative side and as explained earlier, despite reflecting the comments received from QER on the formulation of the results framework (RF), the MTR mission still found that the RF was not fully adequate and several indicators had to be revised.

(b) Quality of Supervision

Rating: **Satisfactory**

81. Visits were undertaken at least twice each year from December 2009 to July 2014 and this allowed the task team to provide implementation support to relevant stakeholders. Although two (2) different task team leaders (TTLs) led the project, the transition occurred in a relatively smooth manner when the new TTL took over in December 2011.

82. The task team provided prompt responses to procurement requests from the Project Director and Component managers. The average period of response to requests for no-objections and review of terms of references was five working days except when documents were incomplete and/or the procedures used were not consistent with the agreed guidelines and therefore, took longer to process than the norm of five working days.

83. For the most part, the Bank's team and its approach was pro-active, demonstrating flexibility in addressing issues. The task team supported the GoSL towards achievement of developmental impact in accordance with the agreed timetable for implementation of key activities that were sequentially phased. Action oriented mission reports were prepared at the end of each mission and the ISRs were frank with justifiable ratings.

84. The MTR in June 2012 assessed progress and highlighted issues, as well as proposed remedial actions that were agreed upon which led to more focused attention to resolution of priority issues.

85. The Bank's task team was composed of technical experts that were qualified and possessed experience in the various key areas of the project (i.e. accounting & budgeting, internal controls, IFMIS & ICT, procurement, parliament, civil society & non-state actors and project management). As such, the implementation support missions yielded very detailed and constructive recommendations for reaching or meeting practical and beneficial results.

86. The Bank closely coordinated with the DPs to ensure that relevant funds were mobilized and transferred to GoSL in accordance with agreed modalities on the use of these funds. The Bank provided the needed fiduciary oversight on the use of both the IDA and MDTF grants.

87. Overall, the Bank was able to craft a constructive partnership with the Government that led to an informed, relatively steady relationship over the medium term.

(c) Justification of Rating for Overall Bank Performance

Rating: **Moderately Satisfactory**

88. Given the "Moderately Satisfactory" rating for quality at entry and the satisfactory rating for supervision, ICR guidance requires overall Bank performance to conform with the outcome rating, which was "Moderately Satisfactory".

5.2 Borrower Performance

(a) Government Performance

Rating: **Moderately Satisfactory**

89. The rating assigned in this ICR to the performance of the borrower is "Moderately Satisfactory" for the following reasons.

a) Capacity building initiatives funded by the project were successfully implemented. Key officials from NPPA, Revenue and Tax Policy Division, Budget Bureau, Economic Policy and Research Unit, Internal Audit Department, NSA Secretariat, PFMRU, ICT Division, Public Debts Management Division, Multilateral Projects Division and Accountant General's Department attended relevant courses within Sierra Leone and outside of the country during the project period. Approximately 290 officials across MDAs and Local Councils were also trained at the Institute of Public Administration and Management (IPAM) University of Sierra Leone in the areas of public procurement, internal audit, human resource management and administration;

b) The draft Citizens' Budget 2014 that complied with international standards and deadline was prepared on time and published annually and the fact that non-state actors were financed by the GoSL from its resources was a case that deserves special recognition;

c) The disbursement condition associated with Sub-component 3.4 "Salary Support for MoFED Civil Service Staff" was not met. This resulted in the non-utilization of funds and cancellation of this sub-component from the project. Although the component was included under the Pay and Performance Project, implementation of this component could have contributed to more immediate results to the institutional strengthening objectives of the project;

d) The GoSL took full ownership and management of the project beginning in 2009 and managed it according to the agreed arrangements during project design. In 2011, GoSL proposed to transition to an Integrated Project Administration Unit (IPAU) that raised concerns with the Bank regarding the institutional arrangements of the project. Among other things, the proposal presented uncertainties related to non-alignment of functional responsibilities and possible risk of weakening the project's internal control mechanisms. Although GoSL subsequently adopted a mainstreamed administration unit that was agreed with the Bank, the time it took to formally adopt the arrangement resulted in delays in the implementation of some activities; and

e) Implementation rating was downgraded from "Satisfactory" to "Moderately Satisfactory" in May 2013 due to procurement delays and modest progress in the implementation of outstanding activities during the previous eight months. Most critical were the recurring delays in the approval of the Budgeting and Accountability Act and subordinate fiscal rules and debt regulations, the commissioning of an IFMIS Audit by an independent reviewer, and the lack of a MoFED IFMIS Strategy Plan inclusive of an ICT Security Policy. This rating remained unchanged until project closure due to the lack of progress in resolving these outstanding activities and overall domestic conditions and the fragile macroeconomic and fiscal situation.

(b) Implementing Agency or Agencies Performance
Rating: **Moderately Satisfactory**

90. Project management under the IPFMRP was rated "Moderately Satisfactory" for the most part of the implementation period. The rating is based on the following:

a) The IPFMRP maintained the appropriate number of project staff (project management, procurement, financial management and monitoring and evaluation) for implementing the project. It was able to utilize effectively technical assistance that contributed to the achievement of deliverables. With adequate resources at hand, the IPFMRP was able to implement work plans and effectively meet its fiduciary requirements in relation to financial management, procurement and external audit. For the most part, financial records were maintained, annual external audits were commissioned on time and the reports were delivered to the Bank within the stipulated six months after the preceding financial year. Progress reports were also prepared and the Results Framework was managed annually in a timely manner and shared with the Bank and DPs;

b) The Project Director generally discussed project's achievements and bottlenecks in coordinating the reform agenda with relative frankness and openness with both the Bank and the DPs;

c) Extended delays in the finalization of the 2012-2013 procurement plan resulted in undue delays in the processing of urgent procurement activities towards the end of the project; and

d) Overall, component managers were not fully familiar with the procurement plan associated with their components and this sometimes led to misunderstanding of the correct process and caused undue delays in procuring urgently needed goods and services.

(c) Justification of Rating for Overall Borrower Performance

Rating: **Moderately Satisfactory**

91. Given the "Moderately Satisfactory" rating for the Government's performance and the performance of the implementing agency, ICR guidance requires overall Borrower performance to conform to the outcome rating of "Moderately Satisfactory".

6. Lessons Learned

92. Some key lessons learned can be drawn from the implementation of IPFMRP in Sierra Leone. The following lessons could be useful for developing public sector projects in post conflict countries.

a) The need to clearly understand the political economy and authorizing environment in the country and therefore adequately sequence the interventions.

- **Fragile domestic conditions.** The design underestimated the implementation challenges inherent in managing such a complex program. During project implementation, the IPFMRP faced challenges due to the fragile domestic conditions that affected fiscal stability and resulted in marginal progress in structural reform. This should be taken into account when designing similar operations in the future.

- **Comprehensive planning framework.** The project in retrospect lacked a more comprehensive planning framework, and consequently a sustained effort aimed to strengthen core PFM components is needed. PFM reform was the result of several interventions. The 2010-2012 PEFA Assessment stated that the government reform agenda could have been aided with a more focused approach to strengthen the treasury management system as well as other core financial management functions in the central government. Also, the sequencing of the reform was at least lacking in the areas of training, institutional capacity, ICT audit and legal and regulatory framework. It is therefore, important to design similar future operations that strongly reflect sustained, focused, well-sequenced, long-term approach embedded in the government reform agenda.

- **Institutional weaknesses.** An examination of the major donor interventions[5] identified the contributions to PFM reform and pointed to a number of institutional weaknesses coming into view since its approval. Institutional weaknesses have emerged during the agenda dialog about key areas of PFM reform not directly targeted by the IPFMRP. Institutional constraints pertain to human resource management, tax administration, and external audit. The lesson that can be learned from this experience is that needed PFM reforms are pervasive and much larger than was previously recognized and should be given due attention by developing mitigation measures to minimize the implementation risks to future reform activities especially those projects funded by the Bank.

- **Adherence to proposed implementation plans.** The interdependent nature of some of the key PFM reform activities especially ICT-related necessitate the need for continued enhanced collaboration amongst various agencies especially those engaged in IFMIS-related functions. This was addressed through the PFM Reform Strategy 2014-2018 and accordingly aligned in the PFMICP. Although, key inter-related Agencies including MoFED, NRA, HRMO and ASSL have all been adequately provided for in the succeeding PFMICP operations it is still necessary to ensure close monitoring so that the agreed sequencing of the activities are adhered to. Mitigation measures also need to be put in place to ensure adherence to proposed timing of the implementation of various activities of the next stage of the PFM reform process.

- **Mainstreaming of LTAs.** It is necessary to mainstream LTAs in the Ministry of Finance and strengthen PFM units at the MDA level, improve the procurement system and identify IT requirements. The accounting system, PFM's legal and regulatory base--all are likely to require strengthening or change to mobilize the needed political will to move the PFM system and agenda beyond the core level. These are valuable lessons that could be applied in similar projects and more importantly should be taken into account during the implementation of the successor project, the PFM Improvement and Consolidation Project. PFM reform needs a solid platform before moving on to more advanced reforms.

- **Effective and efficient leadership.** The establishment of the PFM Reform Directorate within MoFED and appointment of a civil servant as Director has ensured that PFM reform receives the level of authority and attention it requires under the supervision of the Office of the Financial Secretary. The complex and challenging reforms embarked upon during the IPFMRP straddling various MDAs (including HRMO, NPPA and Parliament) and all nineteen local councils received the due attention through the effective and efficient leadership of the PFM Directorate. This has been seen as critical in advancing PFM reforms as recognized in the PFM Reform Strategy 2014-2017 which mandates that

[5] Among the relevant projects are the AFDB's Economic Governance Reform Program II (UA10M), World Bank's Decentralized Service Delivery Program II's Component 2 (Capacity Development and Technical Assistance to Strengthen LCs and MDAs Capacity, US$3M) and Component 3 (Results and Social Accountability, US$4.1M), EC Support to Civil Service Reform Program (EUR 15.7M) and the World Bank's Pay and Performance Project (US$17M), among others.

the Director PFM Reform shall have overall responsibility for coordination and Monitoring & Evaluation of the PFM Reform. This institutional arrangement should be replicated in future similar PFM operations.

b) The need to focus on capacity development during reform implementation in order to secure adequate sustainability

- **Knowledge of financial and procurement arrangements.** There is the need for sound understanding of IDA's financial management practices especially procurement guidelines by all components associated with operations of the Project. Key to this is a strengthened Procurement Unit with vast knowledge of IDA procurement and financial management rules which must in turn be cascaded to the respective implementing agencies through well-structured capacity building initiatives. This facilitates project implementation and eliminates challenges encountered midstream resulting from weak knowledge of IDA fiduciary rules. It is, therefore, important that the World Bank team continue to provide capacity building support to relevant GoSL staff especially when new guidelines are introduced.

- **Capacity building of NSAs.** The establishment of a NSA Secretariat in MoFED and appointment of a NSA Coordinator has created the space for NSAs to engage officials of MoFED and other PFM agencies including oversight bodies such as ASSL and Parliament. The introductory training afforded these NSAs on core PFM issues and subsequent release of grants to qualifying organizations has increased awareness and aroused their interests on PFM matters. This has ultimately improved the engagement between State and NSAs in addressing PFM issues including those at the service delivery level of local councils. Introductory training needs to be sustained and formally adopted as a pre-condition to the Grant scheme.

c) The need to look at technical complexities particularly in the ICT aspects of the reform program

- **Comprehensive and targeted medium-term capacity building strategy and work plan.** A comprehensive and targeted medium-term capacity building strategy and work plan must be developed in order to provide the basis for core annual budget and procurement processes and subsequent program implementation centrally and to local levels. The lack of this type of strategy seriously affected the ICT/IFMIS planning and management, as there was no (i) long-term ICT strategy, (ii) proper institutional arrangement, and (iii) fully functional ICT security policy supporting PFM reform. A long-term ICT strategic plan aligned with the government objectives for its IFMIS needs to be in place for effective planning, management and would help identify the most critical IFM infrastructure requirements to be met before moving to reforms beyond the core. Moreover, it is critical to put in place a government-wide information security policy approved by an appropriate government body and reviewed on a periodic basis to accommodate new requirements.

- **Combining PEFA based indicators with other relevant dimensions.** Three PEFA assessments have been completed during the implementation of the project (2007, 2010, and 2014) and evidence of some positive developments in a number of key dimensions collected through PEFA assessments. However, existing indicators heavily relied on measuring the budget performance (plans / actuals) and controls based on the reports (mostly generated from IFMIS and other sources). These may not be adequate to monitor all expected outcomes (regular publication of results/contracts, usefulness of citizens' budget, feedback from NSAs, etc.). The same pattern is visible in the new IFMIS project as well. Assessment of similar future IFMIS operations could benefit from combining PEFA based indicators with other relevant dimensions to measure citizen participation and accountability aspects as well.

d) The need to build well-articulated coalitions both within stakeholders in government, beneficiaries and donor community

- **More frequent joint meetings.** The integrated approach adopted by Government and key budget support partners towards addressing PFM reform issues helped create the platform for a more coordinated approach in strengthening public financial management. This has been further strengthened through the establishment of the PFMICP which is also supported by the key budget support partners in achieving the objectives outlined in the National PFM Reform Strategy 2014-2017. There is the need for more frequent joint meetings of GoSL representatives and Development Partners (DPs) supporting PFM Reform to facilitate improved collaboration and avoid duplication of PFM support by DPs.

- **Integrated legislative agenda.** PFM reform is an ongoing effort that needs consistent management with responsibility shared across reform areas. The PFM reform program is meant to be a living document that should be updated annually at a minimum, planned with a medium term view, supported by lawmakers by means of an integrated legislative agenda, steered by a focal group of decision makers and regulators, and implemented by a team of committed task leaders. IPFMRP sought the active participation of national and local authorities, including non-state actors. The intention was to execute it on behalf of the government through a dedicated PFM Reform Unit, with adequate targeted interventions from donors but among other things, the inability of GoSL to update the program annually and the lack of an integrated legislative agenda affected sequencing of project activities. Future reform activities, therefore, need to consider better sequencing, narrowing the reform to core financial management functions as a priority, and then deployment of planning and policy bodies and sector line agencies based on assessed capacity with subsequent capacity transferred to other MDAs and LCs.

- **Medium-term expenditure framework (MTEF).** Institutional weaknesses were also identified within IPFMRP that will require improved coordination by the government. The medium-term expenditure framework (MTEF), whose purpose was to enhance financial planning and monitoring, was not linked to a medium-term performance framework (MTPF). This will require strengthening institutional linkages within MOFED to enable synchronization of programs and results structures, and improved flow of financial and non-financial data. Capacity building in the use of MTEF will require a continued and sustained effort from MDTF donors.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners
(a) Borrower/implementing agencies

93. Table 5 below lists the issues raised by the Borrower that require Bank's comments.

Table 5: Issues Raised by the Borrower & Bank's Comments

Implementation Issues Encountered by GoSL	Bank's Comments
Reconciling available funding in Multi Donor Trust Fund (MDTF). The World Bank experienced challenges in reconciling the MDTF resources available for execution of Project activities during the final year of the Project which resulted in the Government being notified of additional funding of $4.5m in March 2014 which was the final month of Project operations[6]. This led to a further extension of the Project by four months although this was visibly too short a period for the execution of the remaining activities of the Project. This resulted in an unutilized balance of $946,380.53 in respect of withdrawal applications not timely recorded within the bank's system by Project closure of 31st July 2014.	The Bank did not experience a challenge in reconciling the MDTF resources available for the execution of project activities for the final year of the project. For more clarity, the US$4.5 million comprised of US$2.0 million unutilized project funds and about US$2.5 million supplemental contribution from the EU. What happened was the Task Team advised GoSL that the US$2.0 million was being withheld by the Bank's Disbursement Office because the project's closing date of March 31, 2014 was fast approaching. Bank's Disbursement Guidelines calls for Borrowers to ensure that the IDA/MDTF allocation is not exceeded. Borrowers are therefore required to provide financial information on the status of current and planned expenditures when projects are about to close. However, prior to sending the financial information, the Project Unit submitted a disbursement request for the transfer of the supplemental contribution to the Project Account. Since the financial information has not yet been submitted, the procurement plan (PP) was pending Bank's approval since June 2013 and the Grant Agreement was not yet amended, no transfer of resources could be effected. The Task Team reiterated to the Project Unit that it was necessary to quickly send the financial information and submit the procurement plan for approval before action can be taken regarding the remaining resources. The financial information and the approval of the PP was concluded in December 2013 after a prolonged delay. Since the current closing date of March 31, 2014 was too short to implement the remaining activities, GoSL submitted a request to further extend the closing date to July 31, 2014. In early March, 2014, a project restructuring was initiated for the US$2.5 EU supplemental contribution and the closing date extension until July 31, 2014. Unfortunately, despite the extension, GoSL was still unable to utilize all the remaining resources. The closing date could not be extended beyond July 31, 2014 because of the limitations on time associated with the legal formalities of the MDTF Agreement.
Indefinite Suspension of FreeBalance Inc. by the World Bank. MoFED was notified by the World Bank that the IFMIS software service provider, FreeBalance Inc. was indefinitely suspended in 2013. Thus, further contracting of FreeBalance Inc. for additional licenses and other services could not be financed by the funds managed by the Bank. As the IFMIS has largely been financed directly through the PFM Projects managed by the Bank since 'go-live', the uncertainty regarding the outcome of the indefinite suspension imposed by the World Bank hindered the scaling up and further rollout of the IFMIS to additional MDAs as was initially envisaged. This situation currently remains the same.	The temporary suspension of FreeBalance is an unexpected event that was beyond the control of the Project. The follow-on project, PFMCIP, identified this as a potential risk. The PFMCIP preparation team, however, indicated that the mitigation measures for the continuing suspension of FreeBalance are limited but could include: (a) GoSL securing financing from its domestic budget or other development partners to directly acquire additional licenses as well as cater to the sustenance of the annual support and maintenance of the application and its abandonment would be very cost-ineffective; and (b) the cost of substituting the 'application' with a new application software could be factored as part of the project costs and the funding shortfall sourced through 'additional financing', although this would be an exceedingly expensive option. Implementation services for the rolling out the FreeBalance application to the remaining MDAs can be carried out with individual expert consultants available in the market, supported by the in-house technical team currently in the MoFED.

(b) Cofinanciers

94. The cofinanciers of the project are DFID and EU.

(c) Other partners and stakeholders

(e.g. NGOs/private sector/civil society)

[6] The Project Team had utilized over 99% of the resources within the confirmed IDA and MDTF initially made available, by 31st January 2014 and had earlier requested confirmation regarding additional MTDF resources to be provided as per Project records.

Annex 1. Project Costs and Financing[7]

(a) Project Cost by Component (in USD Million equivalent)

Project Cost By Component and/or Activity	Appraisal Estimate (USD millions)*	Revised (USD millions)	Disbursed (USD millions)
1. Strengthening Macro-fiscal Coordination and Budget Management	2.15	3.70	3.63
2. Reinforcing the Control System for Improved Service Delivery	3.04	4.48	4.40
3. Strengthening Central Finance Functions	15.32	9.94	9.32
4. Assisting Non-State Actors' Oversight	1.00	1.24	1.21
5. Project Management	1.93	2.15	2.11
Total Financing Required	**23.44**	**21.49**	**20.66**

(b) Financing

Source of Funds	Appraisal Estimate (USD millions)	Revised (USD millions)	Percentage of Appraisal
GoSL	2.00	1.00	50%
IDA	4.00	4.00	100%
MDTF	17.44	16.49	95%
Total	**23.44**	**21.49**	**87%**

[7] Amounts shown are as per World Bank Disbursement Office. The numbers in the cost table shown in the main section of this ICR were provided by GoSL and are not fully identical to the numbers in this Annex since the USD were derived using different exchange rates.

Annex 2. Outputs by Component

1. As indicated in section 3.2, an examination of the achievement of project intermediate results provides enhanced explanatory value in support of the project rating.

2. **Component 1 -** Strengthening **Macro-fiscal Coordination and Budget Management**. ***Objective****: Improved budget credibility associated with a more appropriately developed and managed aggregate fiscal position, delivery by the MoFED of predictable funding in accordance with budgets, constrained MDA budgets and control of the in year position contributing to Platform 1 objectives, and improved strategic prioritization contributing to Platform 2 objectives. The component financed consulting services, vehicles, and office equipment.* ***Rating****:* ***Moderately Satisfactory****.*

3. **Sub-component 1.1 – Macro-fiscal Management and Budget Formulation.** ***Outcomes/Results****:* ***Objective:*** Replacement of the overly-complex and detailed multi-year budgeting that existed during the early part of the project through the establishment of a credible and policy-oriented budget process through, *inter alia*: (i) the development of a macro-economic and fiscal framework incorporating realistic aggregate fiscal estimates; (ii) the development of improved procedures and the building of capacity for revenue forecasting by MOFED; (iii) the establishment of expenditure ceilings through the medium term expenditure framework; (iv) the design and implementation of arrangements for transparency and participation in the budget formulation process; (v) the strengthening of the strategic planning capacity of MDAs; and (vi) the strengthening of aid policy and management processes. The formulation of the budget on the basis of a robust fiscal framework, with realistic revenue forecasts, was linked to the achievement of Platform 1 objectives.

4. ***Highlights of Results & Outcomes:***

- Budget Framework paper now developed as part of the budget process and MDAs now prepare their budget in accordance with MTEF guidelines.
- New macroeconomic forecasting model-Sierra Leone Integrated Macroeconomic Model (SLIMM) has been introduced and training conducted for key forecasting staff within MoFED, National Revenue Authority and Statistics of Sierra Leone
- Budget Committees established in MDAs and Local Councils are trained on Strategic Planning and Forecasting.
- Medium Term Debt Strategy developed incorporating policy on public debts and guarantees.
- Debt Sustainability Analysis (DSA) updated regularly.
- Aid Policy developed for Sierra Leone and District Working Groups established and trained.
- Cash Management Committee established in MoFED.

5. The Annual Economic Assessment Surveys by the Economic Policy and Research Unit (EPRU) that was geared towards the development of a macroeconomic and fiscal framework that incorporated realistic aggregate fiscal estimates was successfully completed. Capacity enhancements of EPRU staff resulted in the production of relatively higher quality forecasts. A Mining Revenue Forecasting Model that forecast mining output, mining exports and mining revenues was successfully developed with the IMF. The model was subsequently integrated with the SLIMM model that produced more comprehensive and realistic resource forecasts. Other achievements of EPRU were the following: (a) A Macro-fiscal unit in EPRU and Cross-Government Steering Group were established; (b) A macro-economic model that provided MoFED with accurate forecasts of key macro-fiscal indicators such as GDP, inflation, exchange rate, government revenues,

as well as non-discretionary expenditure and financing terms was developed; (c) GDP data provided by Statistics of Sierra Leone and IMF was harmonized; (d) The SLIMM model with the new series was updated; and (e) The Freetown based CPI and national CPI was harmonized. The forecasts generated by the model provided a strong basis for discussions on the medium-term outlook with the IMF review missions under the ECF program.

6. The Revenue and Tax Policy Department (RTPD) prepared and submitted to Cabinet Secretariat the Finance Bill 2012 and a Statutory Instrument for revision of taxation rates for MDAs. RTPD led and provided the Secretariat for the Mining Revenue Forecasting Team guidance in utilizing the IMF Model and provided training on the calculations of new taxes in the draft of the Extractive Industry Revenue Bill (EIRB). It actively participated and continued to be involved in mining contract negotiations. Another notable outcome was the successful elaboration by RTPD of an Administrative Guideline on Tax Exemptions which set out clear criteria for eligible individuals and companies. These efforts led to a reduction of fiscal losses by 23% in 2013.

7. On budget formulation, the Budget Bureau (BB) championed the revision of the MTEF Guidelines and their implementation as part of the efforts to strengthen the 2014-15 budget formulation process. The introduction of the revised Chart of Accounts and the transitioning to Activity-Based Budgeting (ABB) helped improve budgetary planning and performance monitoring. Another notable outcome was the printing of the Citizens Budget Handbook that was distributed and disseminated nationwide to relevant stakeholders in the regions and local government. Participatory discussions for MTEF 2012-2014 budget were held and actions were taken to educate the general citizenry about the key budget objectives, its benefits, and specific roles they can play in budget monitoring and implementation especially service delivery at the local level.

8. The Development Assistance Coordination Office (DACO) organized and successfully conducted two (2) Development Partnership Committee (DEPAC) meetings in March and July 2013. The meetings created more meaningful partnership and dialogue between GoSL and international development agencies. With 40% of capital expenditures being funded by foreign aid, DACO, PIM Unit and the Budget Bureau recognized that it would pursue further the development of a methodology to align the planning and budgeting of externally-funded programs and projects and prevent any error or inefficiency in the process of recording and reporting development aid data.

9. The Local Government Finance Department (LGFD) within MoFED carried out activities that led to LGFD’s ability to more effectively manage the fiscal decentralization process in Sierra Leone. Financial reports, technical progress reports, M&E and internal audit reports were prepared and submitted in a relatively timely manner. Furthermore, quarterly transfers were more predictable and annual local council budgets were more consistent with sectoral national goals.

10. **Sub-component 1.2 - Budget Execution.** ***Objective:*** *Development of a more realistic budget in 1.1 above provided the basis for 1.2 to establish a predictable budget execution process through, inter alia: (i) the design and implementation of improved MOFED procedures for cash forecasting, cash management and quarterly releases; (ii) the streamlining and implementation of commitment control procedures for all central government expenditures; and (iii) the strengthening of the budget execution capacity of the MDA budget committees. These were all Platform 1 activities.*

11. A Cash Management Committee that met weekly was established under the leadership of MoFED, in collaboration with AGD and BoSL. A Public Financial Management Act and fiscal rules were drafted. MoFED also promoted awareness amongst relevant stakeholders about the importance of restraint in the growth of non-essential expenditure and prevention of serious overruns when executing investments. Based on the data presented in Table 1, it can be deduced that

MoFED successfully raised awareness since the budget over execution rate decreased to 13% from above 20% on average during 2010-12.

Table 1: Primary expenditure, 2010-12 (in billion of LE)*

	2010	2011	2012	2013
Budget	1,138.3	1,371.2	1,754.0	2,047.2
Actual	1,488.3	1,595.0	2,169.1	2,307.1
%	30.7%	16.3%	23.7%	12.7%

Sources: MOFED, and PEFA (2014), draft.
*Data exclude debt service obligations and externally-funded capital expenditure.

12. A Public Investment Management (PIM) Unit was formally established in November 2013 by PIP Regulation dated June 27, 2012. The project successfully funded the capacity building of the PIM unit that: (a) improved guidance from MoFED on the design and costing of domestic capital projects; (b) capacitated MDAs on the design and costing of domestic capital projects; (c) planned future MoFED-led PIM reforms for 2014-15; and (d) capacitated the Director on other country reforms via South-South peer learning. It is expected that the PIM Unit will continue to eventually evolve into a well-functioning unit by virtue of the capacity building funds provided under the project.

13. **Sub-component – 1.3 – Debt Management.** ***Objective:*** *Development of an improved legal, policy and institutional framework for sustainable debt management through, inter alia: (i) the development of a policy on the criteria and limits regarding the government's public debts and guarantees; (ii) the adoption and implementation of a plan to reduce the stock of domestic debt and expenditure arrears; (iii) the strengthening of MOFED's debt database; (iv) the drafting of revisions to relevant legal instruments governing debt management; (v) the establishment of a system for regular analysis of the fiscal position and risks arising from state-owned enterprises; and (vi) the setting-up of mechanisms for cross-government coordination on debt management policy and analysis. Strengthening data on debt for cash management purposes and reducing the stock of arrears were priorities for Platform 1.*

14. Various positive actions were undertaken by MOFED in the domain of public debt management. A national Medium-Term Debt Strategy (MTDS) was developed in collaboration with the World Bank, IMF, West African Institute for Financial and Economic Management (WAIFEM) and Public Debt Management Division (PDMD). The MTDS provided a comprehensive framework with which central authorities made more informed decisions in the financing of Government operations over the medium term without endangering the overall fiscal position. The PDMD also facilitated the completion of a follow-up survey of contingent liabilities in Local Councils and State-Owned Enterprises and the issuance of an annual debt bulletin. The CS-DRMS database was reallocated from Bank of Sierra Leone to the PDMD. PDMD officials had been trained in the use of the CS-DRMS. System administration support provided by BSL and MOFED resulted in the regular updating of debt transactions, issuance of flash reports and proper monitoring.

15. **Component 2 – Reinforcing Key Aspects of the Control System to Support Improved Service Delivery**. ***Objective:*** *Development of an updated legal framework, robust public procurement practices, tightened* payroll *controls, strengthened internal audit, improved accounting procedures in the MoFED and MDAs and further publication of Public Expenditure Tracking Survey*

(PETS) contributing to an effective control environment in MDAs. Strengthened scrutiny of public finances by Parliament was expected to reinforce internal controls. More effective internal controls were designed to support Platforms 1 and 3. This component financed consulting services, vehicles, office equipment, and workshop.
Rating: Satisfactory.

16. ***Highlights of Results & Outcomes:***

- A Draft PFM Bill had been approved by Cabinet. The Bill provides for the introduction of a Treasury Single Account, Revenue Resource Management including the establishment of a Transformational Development Fund and management of fiscal risk amongst others. Once enacted, it shall secure the prudent, efficient, effective, and transparent use of public financial resources throughout the public sector. It will replace the Government Budgeting and Accountability Act 2005.
- A Draft Bill to revise the National Public Procurement Act 2004 had also been approved by Cabinet. This incorporates recommendations from the Country Procurement Assessment Review (CPAR) led by the World Bank.
- The Financial Administration Regulations for the Local Government Act 2004 had been drafted and agreed upon by key local government stakeholders and had been forwarded to the Ministry of Local Government and Rural Development for onward submission to Cabinet.
- A Public Debts Management Law which lays out the framework for public sector borrowing and debts management was enacted by Parliament in 2011. Regulations for this Law had been drafted and submitted to the Office of the Solicitor General for final review prior to submission to Cabinet.
- Websites of the Ministry of Finance and Economic Development[8] and The National Public Procurement Authority[9] (NPPA) were revamped, publishing key fiscal, financial and procurement information.
- Procurement had been institutionalized in MDAs, through the establishment of a Procurement Cadre. Procurement Officers had been recruited and assigned to more than 30 MDAs and all 19 Local Councils who now undertake day to day procurement activities of MDAs and local councils. These officials have received extensive training on procurement methods and operations useful in carrying out their functions. Approximately 90% of contracts across government above the $100,000 threshold in 2013 used open competition method.
- In strengthening records management at the Accountant General's Department (AGD), Records Management Manuals[10] were developed for the AGD and training conducted for Stores and Records Officials of the AGD. A New Accounting Manual covering all operations of the Accountant General’s Department (AGD) had also been developed. This is also utilized by Accounting Officers assigned to MDAs.
- Major progress in the introduction of a Treasury Single Account (TSA) in Government to enhance effective cash planning and management, and ultimately reduce borrowing costs. Survey of all bank accounts operated across MDAs has been conducted and opening of further bank accounts rationalized. The infrastructure to facilitate the smooth operation of the TSA is now being put in place and a Cash Management Unit established in the AGD.
- Verification and validation of civil service employees undertaken resulting in the removal of obsolete names from the payroll.

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[8] http://mofed.gov.sl/
[9] http://www.publicprocurement.gov.sl/
[10] Electronic Records Management Manuals are also in the process of being developed

- Internal Audit had been strengthened through the recruitment of various levels of staffing across the Internal Audit Cadre assigned to MDAs. From an initial seven MDAs prior to the IPFMRP, Internal Audit Units were established in thirty seven MDAs by the completion of the Project. All nineteen local councils too now have Internal Auditors in post. These Internal Auditors further received extensive training both locally and internationally in various aspects of internal audit work. Audit Committees had also been established in MDAs and Local Councils and training provided for the members respectively.
- There is now increased oversight and scrutiny of public finances by Parliament executed through the Parliamentary Finance Committee (PFC), Public Accounts Committee (PAC) and Transparency & Accountability Committee (TAC). The reviews which are usually open to the public are now organized regionally covering MDAs, local councils and school authorities. Backlogs of audited public accounts were cleared by the PAC including performance audit reports submitted by the Auditor General. Extensive capacity building support had been afforded Members of the respective Committees and the clerks assigned thereof. These included exchange visits to UK Parliament and other Parliaments in Sub-Saharan Africa and attendance at regional meetings.

17. **Sub-component – 2.1 – Legal and Regulatory Framework.** ***Objective:*** *Updating of the legal and regulatory framework that was* ***substantially*** *revised in 2005. Drafting of revisions to key legal instruments governing public financial management, including revisions to the GoSL's Government Budgeting and Accountability Act of 2005 and the Financial Management Regulations of 2007, and finalization and dissemination of local government financial administration regulations*.

18. The drafting of the revisions of the following key legal instruments governing public financial management was completed: (a) Government Budgeting and Accountability Act (2005); (b) Financial Management Regulations (2007); (c) Procurement Act (2005); (d) Debt Regulations (2011); and (e) Local Government Financial Administration Regulations.

19. **Sub-component – 2.2 – Public Procurement.** ***Objective:*** *Strengthening of MDAs' capacity and practices in public procurement through, inter alia: (i) the drafting of revisions to the legislation, regulations and standard bidding documents governing procurement; (ii) the development and adoption of a plan for full application of transparency and monitoring arrangements by NPPA; and (iii) the strengthening of the capacity of MDAs to carry out procurement in accordance with the applicable legal framework and procurement plans.*

20. The drafting of the revised Public Procurement Act (PPA) had been completed after extensive consultation and discussion with stakeholders and several pre-cabinet sensitizations. Other achievements were: (a) The public procurement legal framework documents were revised; (b) Specific standard bidding documents (SBDs) for Information Technology (IT) and health were developed; (c) The Arbitration Act for Sierra Leone was drafted; (d) The National Public Procurement *Authority* (NPPA) website was updated and upgraded; (e) Regular compliance monitoring and follow-ups on MDA/Local Councils was implemented and compliance of selected MDAs and Local Councils (about 5 of the 6 planned compliance monitoring) were carried out; (f) The 2012 procurement compliance and performance assessment was completed; (g) The 2010 price norm to reflect current market trends was updated; (h) Cabinet ministers, Parliamentarians and Local Councils chairmen, mayors and councilors were sensitized and trained on the existing PPA and the proposed amendments of the 2004 PPA; and (i) An annual Procurement Forum was implemented. Procurement Planning workshops were also carried out by NPPA in collaboration with the Public Financial Management Reform Unit, Budget Bureau, and the Accountant General's Department. The workshops included a procurement plan validation exercise that served as a platform for

reaching out to MDAs and ensuring that all procurement plans were realistically linked to the approved budget and were also received on time.

21. **Sub-component – 2.3 – Accounting, Recording and Reporting.** ***Objective:*** Further improvement of the quality and maintenance of the timeliness of financial accounting, recording and reporting through, *inter alia*: (i) the re-design and documentation of accounting processes by the AGD in line with the IFMIS; (ii) the introduction of stores and asset management systems; (iii) the introduction of improved procedures for the management of accounting records; and (iv) the establishment of requirements for improved financial reporting by various parastatal and public agencies and in respect of donor-funded projects.

22. The frequency and timeliness of financial reporting had improved. MoFED also enhanced the quality of accounting and reporting in response to the performance monitoring needs set forth in the Agenda for Prosperity. The IFMIS system had facilitated the issuance of various in-year budget execution reports by MDAs to inform on the use of public resources in conformity with legal authorizations, as well as the balance of undisbursed commitments and uncommitted resources. An Accounting Procedures Manual that integrated transactional flows and public accounts across government, including those related to Cash and Banks, Human Resources and Payroll, General Purchasing and Stores had been developed. A Treasury Single Account (TSA) policy framework paper had been drafted. Sensitizations to various stakeholders were held and internal consultative process for the most feasible option was undertaken.

23. **Sub-component – 2.4 – Payroll Strengthening.** ***Objective:*** *This was an ongoing sub-component from the IRCBP that aimed to improve the management and control of personnel spending through, inter alia: (i) the* roll-*out of the personnel management (Human Capital Accountability (HCA)) component of the IFMIS; and (ii) the development of improved medium-term budgeting for civil service payroll costs as part of the budget preparation process*.

24. The upgrading of the IFMIS personnel management module (CSM version 7.0) was completed and targeted personnel were trained on its proper use. A comprehensive Manpower Plan and Budget was developed for MDAs as part of the 2013 budget planning process. HR Planning and Budgeting training of about 65 newly recruited HR Managers and Officials in the preparation of the FY2014 budget cycle was successfully implemented. Validation of personnel data in the CSM system was undertaken and this action resulted in the removal of 365 staff from the payroll due to late retirement status. Manpower Plan and Budget Hearings were organized for the civil service that enabled the determination of critical staffing needs across MDAs. A five-day retreat was conducted where information on the planned HR resources were compiled and costed. The retreat produced a proposal of a comprehensive manpower and payroll component of the budget for the MTEF period 2013-2015 that was submitted to Parliament as planned.

25. **Sub-component – 2.5 – Other Aspects of Internal Control.** ***Objective:*** *Establishment of improved internal audit functions in MOFED and other MDAs, and support for the implementation of the PETS* through, *inter alia, (i) the capacity building of internal audit staff of MOFED and other MDAs; (ii) the creation and capacity building of MDA audit committees; and (iii) the support for timely publication of PETS reports*.

26. The capacity of Internal Audit Units (IAUs) in MDAs was strengthened through capacity building funds provided by the project. The internal auditors across central government were also supported through review sessions where issues and challenges faced were addressed and recommended actions communicated to relevant officials. At the local level, seven (7) Local Councils (LCs) have formed Internal Audit Committees (IAC). Mentoring and coaching exercises

were given to all Local Councils IACs for reviewing the efficiency and effectiveness of local council finance operations. Training on audit techniques were successfully completed for about 100 internal auditors on both central government and local councils. The Public Expenditure Tracking Survey (PETS) for October 2010/September 2011 was published in the MOFED website in the second quarter of 2013.

27. **Sub-component – 2.6 – Reinforcing Controls through Parliamentary Oversight.** ***Objective:*** *Strengthening of the capacity of the members and support staff of the budget and finance committee and the public accounts committee of the GoSL's Parliament to analyze budgets and audit reports and exercise oversight on the use of public resources.*

28. Training funds provided under the project strengthened the capacity for Parliamentary oversight. In particular, members of the Parliamentary Accounts Committee were better able to exercise oversight responsibilities especially with respect to the conduct of the hearings with MDAs and Local Government and Schools on the Auditor General's reports for 2011 and 2012. The Parliamentary Finance Committee and the Transparency and Accountability Committee has also visited local councils and MDAs and, *among* other things, raised awareness on the need for better oversight and capacity support from MoFED (and by extension the Ministry of Local Government and Rural Development) to improve accounting and financial reporting practices at local government level.

29. **Component 3 – Strengthening Central Finance Functions**. *Rating:* ***Moderately Satisfactory***. Key achievements *under* this component are described below.

30. **Sub-component – 3.1 – Financial Management Information Systems.** ***Objective:*** *Implementation of various cross-cutting activities including IFMIS rollout, all aspects of training and human resource (HR) capacity development that are required to support the main PFM functions that are being strengthened in the other components and other steps to help establish sustainable HR capacity in the MoFED. This component financed consulting services, vehicles, office equipment, IT equipment, training, study tours, salaries, and workshops.*

31. ***Highlights of Results & Outcomes:***

- Roll out of the Treasury, Purchasing and HR functions of the IFMIS – FreeBalance Financial Package has been rolled out to 12 key spending MDAs.
- Petra Accounting Package introduced (same chart of accounts consistent with Central Government) and rolled out to all local councils.
- Yearly Financial Statements for local councils are now produced timely in accordance with Cash Basis International Public Sector Accounting Standards.

32. IFMIS had been rolled out to 12 of the 16 targeted MDAs. The IFMIS disaster recovery site (DRC) that was identified for the reliable *offsite* backup system for the IFMIS was refurbished. The personnel management aspect of Civil Service Management module was rolled out to all of the 3 targeted MDAs. Petra Accounting Package was rolled out to all of the 19 targeted local councils. Local councils are now able to formulate their budgets in accordance to the 27-digit Chart of Accounts adopted by central government and uploaded to the Petra Accounting Software.

33. Table 2 below presents the progress in IFMIS capabilities in Sierra Leone since 2004.

Table 2: Development of IFMIS in Sierra Leone

Sierra Leone IFMIS Development	IRCBP 2004-2009	IPFMRP 2009-2014
Interfaces with other systems	▪ None	▪ None
Single Treasury Account functionality	▪ None	▪ Infrastructure and equipment in support of TSA supplied and installed at the following sites: (a) Ministry of Finance and Economic Development; (b) Bank of Sierra Leone (BSL); and (c) Bank of Sierra Leone backup site. ▪ Fiber Link between Centre and BoSL in place. ▪ Equipment insurance Awaiting consultants for installation of software application
Technology Architecture	▪ Client-server based platform. Use of 32 bit technology between 2004 - 2009. ▪ LAN installation at the IRCBP headquarters. ▪ LAN installation at Ministry of Local Government. ▪ Installation of LANs and provision of computers in support of IFMIS to Local Councils.	▪ Moved to 64 bit technology between 2010 and 2014. ▪ Upgraded to Blade Servers and Virtual Technology in 2014. ▪ Installation of LAN at Ministerial Building. ▪ Installation of LAN at Treasury Building. ▪ Support and maintenance missions for desktop computers and LANs at 19 Local Councils.
Application Software (ASW)	▪ Acquired Free balance software for the FA, Payroll and Budgeting modules for the main Government accounts in 2004. ▪ Petra Accounting Package installed at 6 Local councils.	▪ Vendor upgrades on both Free balance and Petra Applications. ▪ Petra installed at all 19 local councils
Number of offices connected	▪ Proof of concept for Wide area connectivity. 4 top Ministries connected using point to point wireless Morse technology and MoFED as central hub.	▪ 14 MDA's including Police and Military Headquarters (Payroll). ▪ Refurbishment of WAN interconnectivity and expansion of proof of concept from 7 sites to 15 sites.
Number of system users	▪ 85 Using FA	▪ 254 Using FA ▪ 10 Civil Service Management (HR & Payroll) ▪ 72 CSM for Fixed Asset & Inventory ▪ 40 Performance Budgeting
Number of concurrent users		
IT Capacity	▪ ICT Consultants (Local Technical Assistants): 2 (WB)Analyst/Programmer: 2 (EU) ▪ Government Consultants 2	▪ Analyst/Programmer: 2 ▪ NW/Telco manager: 1 ▪ Technical support: 9 ▪ DB administrator: 2 ▪ Director: 1 ▪ Deputy Director: 1
IT Assessment or IT Audit	▪ None	▪ None
Business Continuity Solution	▪ Backups of the databases and applications to Network-attached storage. ▪ Removable network storage drives stored offsite. Bank of Sierra Leone.	▪ Lease of site at Wilberforce Earth Station. ▪ Offsite replication and Backup site prepared. ▪ Network Drive at the Central Bank now used for Backups for Databases.

34. **Sub-component – 3.2 – ICT.** ***Objective:*** *Strengthening of ICT planning and management through, inter alia: (i) the setting-up of a structure and function within MOFED to support ICT systems development and maintenance in MOFED and other MDAs; (ii) the development of an ICT policy; and (iii) the timely maintenance and updating of MOFED's website.*

35. The ICT Department was formally established in January 2010. All ICT activities across MoFED are now vested to one organizational unit. This means that ICT Department became responsible for supporting ICT systems development and maintenance in MoFED and other MDAs. In general, the establishment of the ICT Department led to improvements in the overall reliability and availability of ICT services. *The* IFMIS implementation audit and development of an ICT strategy had been undertaken. The exercise was completed towards the end of the project, The strategy would be the basis for determining the optimum way forward for MoFED in its proposed and future investments in computing and communications infrastructure and would also shape MoFED's ICT investment and operations strategy for the coming years. The report of the consultant will be shared through the Bank's follow-up project. The Disaster Recovery/Business Continuity aspect of the project was implemented. MoFED signed a lease for the DRC site and the site was prepared and equipment purchased, delivered, installed and tested.

36. **Sub-component – 3.3 – Organizational Strengthening and PFM Capacity Building.** ***Objective:*** *Development of PFM capacity through the provision of: (i) general professional training for technical PFM staff across government (including, inter alia, fiscal economists, budget and planning officers, procurement officers, internal auditors, accountants and ICT officers); and (ii) specific training for staff of NPPA and various units of MOFED (including, inter alia, the budget bureau, the Accountant General's Department, the debt management unit, the revenue and tax policy unit, the internal audit unit, and the units in charge of IFMIS and ICT) to meet specialized skills needed to achieve Project objectives*.

37. Key officials from NPPA, Revenue and Tax Policy Division, Budget Bureau, Economic Policy and Research Unit, Internal Audit *Department*, NSA Secretariat, PFMRU, ICT Division, Public Debts Management Division, Multilateral Projects Division and Accountant General's Department attended relevant courses within and outside the region during the project period. The comprehensive PFM training program conducted by the Institute of Public Administration and Management (IPAM) University of Sierra Leone resulted in the capacity building and award of certificates to approximately two hundred ninety (290) officials across MDAs and Local Councils in the areas of public procurement, internal audit, human resource management and administration.

38. **Sub-component – 3.4 – Salary Support for MOFED Civil Service Staff.** ***Objective:*** *Provision of transitional funding for salaries of selected civil service staff in MOFED to enable the establishment of sustainable human resource capacity for performing key line functions of MOFED through the mainstreaming of donor-funded PFM consultants into the civil service.*

39. This sub-component was *cancelled* because GoSL was unable to meet the disbursement condition in the Grant Agreement within the stipulated period.

40. **Sub-component – 3.5 – Salary Support for MOFED Consultants.** ***Objective:*** *Provision of interim funding for salaries of selected PFM consultants in MOFED to enable the performance of key line functions of MOFED prior to such consultants becoming eligible for support under Part 3.4.*

41. **Component 4 – Assisting Non-state Actors' Scrutiny**. ***Objective:*** *Support for the development of the analytic and dissemination capacity of non-state actors in exercising scrutiny over the use of public resources, as well as building a constituency for reform of the PFM system across an array of non-state actors. Funding of supply driven (sub-component 4.1) and demand driven (sub-component 4.2) activities. Financing of a NSA Coordination Officer, consulting services for evaluation of grant proposals and for providing training and capacity building services, training, workshops, goods and sub-grants to NSAs*. ***Rating: Satisfactory***.

42. ***Highlights of Results & Outcomes:***

- Non State Actors Secretariat established in MoFED and network of NSAs established
- Over 170 Non-State Actors (NSAs) trained on basis of financial management.
- Citizens budget published annually
- Demand driven grants awarded to 15 NSAs nationwide.

43. **Sub-component – 4.1 – Provision of Supply Driven Support.** ***Objective:*** *Support for the engagement of NSAs on PFM reform issues through, inter alia: (i) the creation of a network for information sharing and collaboration among NSAs and government on PFM issues; (ii) the preparation and dissemination of PFM information materials at national and local levels; (iii) the building of capacity on PFM for NSAs; and (iv) the provision of support for the administration of Sub-grants under Part 4.2, including the recruitment of a Sub-grants Evaluation Agent.*

44. Specific achievements of this component includes the following: (a) the www.nsal.org website on public financial management was developed and it is now available to provide an avenue of communication among NSA and to the public presenting their view on different PFM issues including budget allocation and execution of public investment programs; (b) The Open Budget Initiative/Survey for Sierra Leone was officially launched in late January 2013; (c) The Citizens' Budget prepared on a retreat held with technical staff from the Budget Bureau, Local Government Finance Department, and a core NSA technical committee was launched in early 2013; (d) The draft Citizens' Budget 2014 that complies with international standards and deadline was also prepared on time (e) Members of Parliamentary Press Gallery were trained on budget and finance reporting with the participation of high level official from MOFED including Budget Bureau, Revenue and Tax Policy and the Accountant General Office; and (f) funding was secured to invite NGOs resulting in series of workshops and inputs from civil society on the Agenda for Prosperity, the Public Financial Strategy 2014-2017 and the 2014 Budget formulation and the discussion of policy priory areas and service delivery at the MDAs level.

45. **Sub-component – 4.2 – Sub-grants to Non-State Actors (NSAs).** ***Objective:*** *Provision of sub-grants to eligible NSAs to* support *demand-driven activities related to PFM including but not limited to (i) analysis and monitoring of the national and local government budgets at various stages of the budget preparation, approval and execution cycle; (ii) support for advocacy activities and dissemination of information on all aspects of PFM at the national and local government levels; and (iii) media training for journalists on covering government budget and spending matters.*

46. Fifteen (15) Demand-driven Grants were awarded after the PFM Oversight Committee on the NSA Grants approved the first evaluation report in March 2013 wherein 23 eligible concept submissions were invited to submit full proposals. Table 3 below shows an overview of the 15 grants.

Table 3: Report of the Demand Driven NSA Project

No	Name of Qualifying NSA	Amount Granted (USD)	Areas of PFM Focused On	Outcome of the NSA Review in PFM
1.	**Action for Community Development and Good Governance**	43,277	District Budget Expenditure monitoring, basic social service delivery and fostering social accountability in local social and economic governance processes	Citizens-driven structures established for increased fiscal accountability and transparency, providing oversight, scrutiny and assessment of local budget expenditure, service delivery provisions and budget policy debates with local policy stakeholders and local authorities.
2.	**Animated Area Development Committee**	42,953	Local tax revenue generation and monitoring of tax collection administration and revenue accountability for effective service delivery	Increased collaborative efforts between local tax authorities and citizens' group addressing gaps in tax collection efforts and a high level of awareness created in citizens to pay local tax leading to increased revenue collection as well as systematic monitoring of the use of tax revenue for local development projects.
3.	**Budget Advocacy Network**	41,384	National Budget analysis and advocacy to assess and influence national budgetary allocations towards social poverty-related expenditures	The provision of evidence based analysis of the local budget allocations by citizens that is contributing to sound budget policy debates with PFM Stakeholders with a view of shaping informed budget allocation decisions as well as increased focus on budget oversight and scrutiny.
4.	**Centre for the Coordination of Women and Children Activities**	17,050	Promoting compliance with procurement regulations, value for money and service delivery accountability	The putting in place a result-based monitoring and assessment of development projects and procurement practices leading to the availability of evidence-based data on status of project implementation and enabling environment for fiscal scrutiny and citizens oversight of projects for development results
5.	**Concern for Public Accountability and Transparency**	33,907	Local revenue analysis, taxation and fiscal discipline at the local level	Local revenue source analysis triggering responsive measures being taken to reduce revenue collection leakages, by way of introducing tax collection incentives for chiefdom functionaries thus, impacting on the rising levels of tax compliance in the districts.
6.	**Democracy and Development Associates**	44,647	Monitoring of budget expenditure on Service delivery and fiscal accountability and transparency at the local level budget management	The citizen-led social accountability structures and platforms established leading to increased transparency, accountability and share of fiscal information on local budget expenditure and exercise of citizens' rights to demand responsiveness on need-based service provisions
7.	**Movement for Development Democracy and Human Rights**	15,750	Local Revenue governance and budget monitoring to identify leakages in local financial administration	The creation of an enabling environment for a strong partnership between local state and non-state holders for effective revenue mobilization established and the empowerment of non-state actors exercising oversight responsibilities on the use of public resource
8.	**Movement for Resettlement and Rural Development**	30,580	Local revenue generation capacity assessment for improvement and promoting service delivery	Improved collaboration between different tax collection stakeholders at the local sub government levels leading to increased revenue tax collection as well as exercise

No	Name of Qualifying NSA	Amount Granted (USD)	Areas of PFM Focused On	Outcome of the NSA Review in PFM
				of monitoring responsibilities by NSAs on local council development projects
9.	**Radio Kolenten**	12,078	Simplification of PFM documents and processes and monitoring and evaluation	The establishment of media accountability platforms for sharing of information on financial expenditure and the empowerment of citizens group through information to demand accountability on social service delivery through radio programs.
10.	**Search for Common Ground**	43,500	Media engagement on budget policies, practices and systems for budget performance	A more informed public using knowledge gained from the media platforms to demand accountability as well as the space created for regular citizens feedback on the budget spending outcomes
11.	**Accountability Alert**	21,511	Procurement and Contract monitoring of development projects and assessment of service delivery projects	Improved external oversight and support provided contributing to application of procurement rules and regulations in the districts of Makeni, Port Loko and Western Rural as well as assessment of contract management and delivery by private actor providers.
12	**Transparency International S/L**	35,075	Transparency and accountability of public financial resources and local budget monitoring and oversight of budget execution	A strong citizens-led oversight mechanisms established that has whipped up interest in the use of public resources and the participation of external stakeholders in local budget decisions and allocations for basic service delivery provisions
13.	**United for the Protection of Human Rights, Women and Children Affairs**	10,366	Tax revenue collection monitoring and social accountability of local development spending	The introduction of transparency initiatives and sharing of financial information on receipt of tax revenues and the setting up of revenue accountability platforms that is solution-driven to the challenges of poor resource use and poor coordination of tax collection efforts
14.	**Rehabilitation and Development Agency Sierra Leone**	26,009	Local Budget preparation process and budget expenditure management for improved service delivery	The conduct of Citizens perception survey on budget performance and service delivery as well as the interactive forums created for review of budget expenditure at the district are contributing to improved oversight of local finance.
15.	**Society for Learning and Yearning for Equal Opportunities (Formally SL Youth Empowerment Organization)**	17,570	Empowerment of the citizenry on economic literacy and budget accountability	The exercise of the rights of an informed group of NSAs demanding inclusion and participation in local budget development and the media awareness mechanisms on budgets that have increased engagements on local budget issues.
	Total	**435,657**		

47. **Component 5 – Project Coordination and Administration**. ***Objective:*** Support for the coordination, administration, procurement, financial management, monitoring and evaluation of the Project. The component financed consulting services, office equipment, and operating costs. ***Rating: Moderately Satisfactory***.

48. Although the project institutional arrangement was originally designed to be managed by a central Project Administration Unit, this arrangement was subsequently changed into a mainstreamed

Integrated Project Administration Unit (IPAU) within the Directorate of PFM Reforms. The IPAU was headed by a Project Director who reported directly to the Financial Secretary and met regularly with component managers and managed and coordinated the implementation of the various activities according to the agreed work plan and procurement plan. IPAU was staffed with mainstreamed civil servants who were responsible for the procurement fiduciary, financial controls and reporting and monitoring and evaluation aspects of the project throughout the project period.

Annex 3. Economic and Financial Analysis

Not Applicable

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Vivek Srivastava	Sr. Public Sector Specialist	AFTPR	TTL/Public Sector
Sahr Kpundeh	Sr. Public Sector Specialist	AFTPR	Public Sector
Manush Hristov	Sr. Counsel	LEGAF	Legal
Anton Leis Garcia	ET Consultant	LEGLA	Legal
Tony Bennett	DFID Consultant	DFID	Financial Mgt.
Oluwe Pratt	FM Specialist	AFTFM	Financial Mgt
Tsri Apronti	Procurement Specialist	AFTPC	Procurement
Rajiv Sondhi	Sr. Finance Officer	LOAFC	Disbursements
Motoki Hayakawa	Public Sector Specialist	AFTPR	Public Sector
Supervision/ICR			
Vivek Srivastava	Sr. Public Sector Specialist	GGODR	TTL/Public Sector
Roberto Panzardi	Sr. Public Sector Specialist	GGODR	TTL/Public Sector
Ramesh Siva	Lead ICT Specialist	GTIDR	ICT
Ismaila Ceesay	Lead FM Specialist	GGODR	Financial Mgt.
Tsri Apronti	Procurement Specialist	AFTPC	Procurement
Joyce Olubukola Agunbiade	FM Specialist	AFTFM	Financial Mgt.
Reynaldo Castro	ST Consultant	GGODR	Operations
Fatu Karim-Turay	Office Assistant	AFMSL	Project Support
Salieu Jalloh	Office Assistant	AFMSL	Project Support
Macmillan Anyanwu	Operations Specialist	AFTPR	Operations
Albert Mugera	Sr. Public Sector Specialist	AFTPR	Public Sector
Sahr Kpundeh	Sr. Public Sector Specialist	AFTPR	Public Sector
Tony Bennett	DFID Consultant	DFID	Financial Mgt.
Mustaqphya Katta	Office Assistant	AFMSL	Project Support
Lydie Ahodehou	Program Assistant	AFTPR	Project Support
Asli Gurkan	Governance Specialist	GSURR	Governance
Young Kyu Kang	Sr. Public Sector Specialist	GGODR	Public Sector
Shawkat M.Q. Hasan	Sr. Procurement Specialist	AFTPC	Procurement
Adu-Gyamfie Abunyewa	Procurement Specialist	AFTPC	Procurement
Mustapha Sundifu Katta	Team Assistant	AFMSL	Project Support
Dan Nicolau	Sr. FM Specialist	AFTPR	Financial Mgt.
Christopher Gabelle	Sr. Governance Specialist	GGODR	Governance
Sydney A. Olorunfe Godwin	FM Specialist	GGODR	Financial Mgt.
Anders Jensen	M&E Specialist	GPSOS	Monitoring & Evaluation
Adama Davida Ginorlei	Team Assistant	AFMSL	Project Support

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD (including travel and consultant costs)
Lending/Supervision/ICR		
FY09	33.71	210,092
FY10	24.86	198,202
FY11	44.69	259,905
FY12	26.70	150,759
FY13	29.33	161,389
FY14	3.58	75,848
Total:	162.87	1,056,195

Annex 5. Beneficiary Survey Results

Not Applicable

Annex 6. Stakeholder Workshop Report and Results

Not Applicable

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Introduction

1. Government of Sierra Leone (GoSL) has been taking steps to improve its financial management practices over the years based on various diagnostic studies. A Country Profile Financial Accountability (CPFA) assessment was conducted in December 2001 and a Country Financial Accountability Assessment (CFAA) was completed in March 2002.The European Commission (EC) conducted an audit resulting in a matrix of corrective measures to be undertaken by the Government. Heavily Indebted Poor Countries - Assessment and Action Plan (HIPC-AAP) was conducted in February 2004 in which sixteen key indicators were reviewed with each ranked A, B or C according to pre-determined criteria. Benchmarks were set for each question, with some requiring a B ranking, whilst others required an A. The assessment showed that Sierra Leone met 7 out of the 16 PEM benchmarks in 2003, with four questions ranked A and 6 ranked B and C respectively.

2. The CFAA, HIPC-AAP and EU matrix of corrective measures had various actions that the government was required to undertake to improve on weak PFM areas over time; all of these were consolidated into a common action plan (CAP) and an oversight committee was formed to monitor its implementation; The Poverty Reduction Strategy Paper (PRSP) has Public Financial Management (PFM) targets and indicators needed to monitor its implementation. The Multi-Donor Budget Support (MDBS) Partners use the Progress Assessment Framework (PAF) to assess performance of the budget and other targets. The Improved Governance and Accountability Pact (IGAP) highlight Government and the Development Partners' commitment to PFM reforms around the same agenda.

3. The secretariat for the PFM Technical Steering Committee which meets quarterly is housed within the Public Financial Management Reform Unit (PFMRU) in Ministry of Finance and Economic Development (MoFED) that was formed in June 2004. The PFMRU coordinates overall PFM Reform in Government and quarterly reports to the Technical Steering Committee in accordance with the current PFM Reform Strategy 2014-2017.

Background to the IPFMRP

4. Initial support for PFM Reform by the International Development Association (IDA) was channeled through the Institutional Reform and Capacity Building Project (IRCBP) which supported the introduction of the Integrated Financial Management Information Systems (IFMIS) in the Accountant General's Department (AGD) and strengthening of public procurement amongst others. Other MDBS Partners also separately supported PFM reform through other interventions in the form of projects within MoFED and other MDAs which were financed directly. Following the completion of the IRCBP in 2009, a more integrated approach was agreed upon between the Government of Sierra Leone (GoSL) and key budget support partners (African Development Bank, Department for International Development, European Union and World Bank) wherein support to PFM reform would be jointly coordinated and managed. Thus, in addressing the PFM challenges faced in the budget cycle, the GoSL with support from the development partners[11], developed a comprehensive program of PFM reforms to strengthen fiscal and budget management, accounting, reporting and oversight, payroll management and cross-cutting issues of capacity development and organizational strengthening. The initial Public Expenditure and Financial Accountability (PEFA) assessment in 2007 and the review by the Fiscal Affairs Department (FAD) of the International Monetary Fund (IMF) in 2008 also provided the basis for the development of this comprehensive PFM reform program.

[11] Contribution from Development Partners: AfDB - UA 2m; DfID - GBP 5m; EU - Euro 8m; IDA - $ 4m

5. Establishing sound institutions and systems of PFM, at central and local levels of government was identified as a high priority if service delivery is to be improved upon and sustained. The Integrated Public Financial Management Reform Project (IPFMRP) was therefore designed to enhance the above and address weaknesses in the PFM systems identified by the respective studies outlined above and laid out the next phase of the reforms, for the period 2009-2013.The Project has been led by MoFED's PFMRU. It became effective in December 2009 following the appointment of the Director of PFM Reform.

Project Development objectives

6. The Project sought to achieve sustainable improvement in the credibility and predictability, control and transparency of fiscal and budget management, with the aim of improving public service delivery and governance of public resources. The priorities identified for the IPFMRP were the need to strengthen fiscal and budget management, accounting, reporting and oversight, payroll management and cross-cutting issues of capacity development and organizational strengthening. The Project also supported the establishment of a Non-State Actors Secretariat in MoFED.

7. The project also aimed to contribute to the GoSL's higher level objectives in improving strategic allocation of resources and quality of expenditures required for the implementation of the Poverty Reduction Strategy, and also consolidate and improve upon the progress made in the Institutional Reform and Capacity Building Project (IRCBP).

Project Component objectives and Progress/Achievements

8. The Project supported the core of the Government's Integrated Public Financial Reform Program through three inter-related components and one component that supports capacity development of non-state actors (NGOs, civil society and media groups) including their monitoring and oversight functions of PFM. A fifth component supports project management.

Component 1 – Strengthening Coordination and Budget Management. The key outcomes of this component include improved budget credibility associated with a more appropriately developed and managed aggregate fiscal position, delivery by the MoFED of predictable funding in accordance with budgets.

Key Progress in Achieving the Objectives of this Component

9. There has been considerable improvement in the coordination of macroeconomic and fiscal planning and budget management during project implementation. The following were established and strengthened:

- The Sierra Leone Integrated Macroeconomic Model (SLIMM) which is an IMF-styled Financial Programming and Policies Model was developed during 2010 and was later linked with the Mineral Revenue Forecasting Model developed with assistance from IMF-FAD. Extensive training sessions were organized for key users of the model (largely constituting the Working Group- MoFED, Statistics Sierra Leone, Bank of Sierra Leone and National Revenue Authority) in strengthening their forecasting/analytical skills and overall application of the model. This has resulted in improved forecasting of macro-fiscal variables including Gross Domestic Product (GDP), inflation, domestic revenues (including mining revenue), exports, imports and money supply. The resulting macro-fiscal framework informs budget planning and forms the basis for dialogue with the IMF and other Development

Partners on the medium term prospect of the economy. A Macro-fiscal Section now functions within the Economic Policy and Research Unit of MoFED.

- Establishment and strengthening of budget committees in all Ministries, Departments and Agencies (MDAs) and District Budget Oversight Committees (DBOCs) in the 19 councils. Establishment of these committees and regular consultations to progressively improve capacity of these committees has not only enhanced wider participation and transparency in the budget management process, but also strengthened strategic planning capacity of MDAs and Local Councils and facilitated the production of activity based budgets introduced in 2014 by MoFED. Budget Officers were also recruited and assigned to key MDAs in strengthening the budget process. Approximately three hundred and fifty (350) officials of Budget Committees across MDAs received basic training on budget management in strengthening the budget process.
- The Medium Term Expenditure Framework (MTEF) Guidelines were revised and re-launched in 2012. Two hundred (200) MDAs officials were accordingly trained on the revised guidelines.
- Improved oversight, coordination and monitoring of Local Councils' budget execution by the Ministry of Finance. The project supported consultative seminars wherein stakeholders agreed upon issues including grants distribution, budget planning and preparation, and aligning sector strategies with Government's agenda at local government level. These activities aided the promotion of transparency, budget adherence and improve budget credibility at the local council's level.
- Human Resource Planning has been institutionalized in the Human Resource Management Office (HRMO). A Human Resource Planning Directorate has now been set up in the HRMO responsible for HR planning. HR Managers and Officers totaling sixty five (65) have been recruited and posted to various MDAs and training conducted in strengthening HR Planning of MDAs. The Directorate regularly conducts Manpower Hearings for MDAs in order to determine the critical staffing needs and formulate the HR Plan and Budget of MDAs. These have enhanced budget credibility in terms of predicting human resource needs and in turn minimize payroll volatility thereby addressing the previously large fluctuations in payroll.
- Public Investment Management (PIM) had also been institutionalized in MoFED through the creation and staffing of a Public Investment Management Division and is now integrated into the budget formulation, execution and monitoring and evaluation processes.
- A Medium Term Debt Strategy[12] (MDTS) incorporating policy on public debts and guarantees is now in place with regular Debt Sustainability Analysis[13] (DSA) conducted. There is also regular publication of the annual debt bulletin that provides an insight and serves as a useful guide on public debt management including contingent liabilities.
- A comprehensive database of all ongoing projects (donor-funded and funded directly by Government) is now maintained by MoFED[14]. Key officials across projects including Coordinators, Accountants, Procurement Specialists and Monitoring and Evaluation Officers totaling thirty five (35) were trained on various aspects of project management focusing on operational rules of the respective funding agencies. This addressed bottlenecks in project implementation in improving the effectiveness and efficiency of donor-funded projects in budget formulation and execution.
- A Handbook on Investment Incentive Guidelines and Duty Waiver Procedures was published by MoFED. This Handbook had streamlined the duty waiver process and seeks to clarify the procedures and accessibility criteria of duty waivers and tax incentives.

[12] The latest MTDS of 2013-2017 was revised in 2014 and is still in draft

[13] The latest DSA of 2013 was revised in 2014 and is still in draft

[14] A website has been created (www.mofedprojects.org) to which key information of all projects shall be uploaded

Additionally, Non-Tax Revenue rates were reexamined and reviewed in the light of recent economic trends and incorporated in respective Finance Acts. The above have contributed significantly in strengthening the forecasting of revenues through the SLIMM.

- A National Aid Policy had been developed and Sector/Districts Working Groups formed in enhancing aid coordination. This has improved coordination in the budget formulation and execution processes and in some instances guarded against duplication of resources in the delivery of services.

Component 2 – Reinforcing Key Aspects of the Control System to Support Improved Service Delivery. The key outcomes of this component include an updated legal framework, robust public procurement practices, tightened payroll controls, strengthened internal audit, and improved accounting procedures in the MoFED and MDAs, and further publication of Public Expenditure Tracking Survey (PETS) contributing to an effective control environment in MDAs. Striving for these internal controls will be reinforced through strengthened scrutiny of public finances by Parliament.

Key Progress in Achieving the Objectives of this Component

- A Draft PFM Bill had been approved by Cabinet. The Bill provides for the introduction of a Treasury Single Account, Revenue Resource Management including the establishment of a Transformational Development Fund and management of fiscal risk amongst others. Once enacted, it shall secure the prudent, efficient, effective, and transparent use of public financial resources throughout the public sector. It will replace the Government Budgeting and Accountability Act 2005.
- A Draft Bill to revise the National Public Procurement Act 2004 had also been approved by Cabinet. This incorporates recommendations from the Country Procurement Assessment Review (CPAR) led by the World Bank.
- The Financial Administration Regulations for the Local Government Act 2004 had been drafted and agreed upon by key local government stakeholders and had been forwarded to the Ministry of Local Government and Rural Development for onward submission to Cabinet.
- A Public Debts Management Law which lays out the framework for public sector borrowing and debts management was enacted by Parliament in 2011. Regulations for this Law had been drafted and submitted to the Office of the Solicitor General for final review prior to submission to Cabinet.
- Websites of the Ministry of Finance and Economic Development[15] and The National Public Procurement Authority[16] (NPPA) were revamped, publishing key fiscal, financial and procurement information.
- Procurement had been institutionalized in MDAs, through the establishment of a Procurement Cadre. Procurement Officers had been recruited and assigned to more than 30 MDAs and all 19 Local Councils who now undertake day to day procurement activities of MDAs and local councils. These officials have received extensive training on procurement methods and operations useful in carrying out their functions. Approximately 90% of contracts across government above the $100,000 threshold in 2013 used open competition method.
- In strengthening records management at the Accountant General's Department (AGD), Records Management Manuals[17] were developed for the AGD and training conducted for

[15] http://mofed.gov.sl/
[16] http://www.publicprocurement.gov.sl/
[17] Electronic Records Management Manuals are also in the process of being developed

Stores and Records Officials of the AGD. A New Accounting Manual covering all operations of the Accountant General's Department (AGD) had also been developed. This is also utilized by Accounting Officers assigned to MDAs.

- Major progress in the introduction of a Treasury Single Account (TSA) in Government to enhance effective cash planning and management, and ultimately reduce borrowing costs. Survey of all bank accounts operated across MDAs has been conducted and opening of further bank accounts rationalized. The infrastructure to facilitate the smooth operation of the TSA is now being put in place and a Cash Management Unit established in the AGD.
- Verification and validation of civil service employees undertaken resulting in the removal of obsolete names from the payroll.
- Internal Audit had been strengthened through the recruitment of various levels of staffing across the Internal Audit Cadre assigned to MDAs. From an initial seven MDAs prior to the IPFMRP, Internal Audit Units were established in thirty seven MDAs by the completion of the Project. All nineteen local councils too now have Internal Auditors in post. These Internal Auditors further received extensive training both locally and internationally in various aspects of internal audit work. Audit Committees had also been established in MDAs and Local Councils and training provided for the members respectively.
- There is now increased oversight and scrutiny of public finances by Parliament executed through the Parliamentary Finance Committee (PFC), Public Accounts Committee (PAC) and Transparency & Accountability Committee (TAC). The reviews which are usually open to the public are now organized regionally covering MDAs, local councils and school authorities. Backlogs of audited public accounts were cleared by the PAC including performance audit reports submitted by the Auditor General. Extensive capacity building support had been afforded Members of the respective Committees and the clerks assigned thereof. These included exchange visits to UK Parliament and other Parliaments in Sub-Saharan Africa and attendance at regional meetings.

Component 3 – Establishing and Maintaining Sustainable and Capable Central Finance Functions. This component undertakes various cross-cutting activities including IFMIS rollout, all aspects of training and human resource (HR) capacity development that are required to support the main PFM functions that are being strengthened in the other three components and other steps to help establish sustainable HR capacity in the MoFED.

Key Progress in Achieving the **Objectives of this Component**

- All of government expenditures from the Consolidated Fund are processed through the Integrated Financial Management Information System (IFMIS). Some of these are processed directly by key rolled out MDAs from their respective locations and the rest processed by the AGD for and on behalf of the respective MDAs. The ICT infrastructure supporting the IFMIS had been strengthened, the FreeBalance Accountability Software (including Performance Budgeting Module, Fixed Assets and Inventories) upgraded to version 6.5E and the Civil Service Management Module introduced replacing the previously utilized Human Capital Accountability Module. The aforementioned modules are now being utilized by the respective stakeholders (Budget Bureau, AGD and HRMO) in executing their responsibilities. The current PFM Reform Strategy 2014-2017 provides for full roll out to all MDAs which had been captured in the new Public Financial Management Improvement and Consolidation Project (PFMICP). In ensuring sustainability, continuous training on the respective modules is provided internally for MDA officials by MoFED. Over three hundred officials across rolled out MDAs have been trained on the use of the FreeBalance during the life of the IPFMRP.

- The infrastructure for the Commonwealth Secretariat Debt Recording and Management Software (CS-DRMS) in MoFED had been strengthened and adequate training (including secondments to Commonwealth Secretariat) accordingly provided to staff of the Public Debts Management Division in MoFED.
- Financial Management of local councils had been strengthened through the roll out of the Petra Accounting Software to all 19 local councils, ensuring consistency across all Councils in the application of the 27-digits chart of accounts structure also utilized by the central government. The Petra Accounting Software provided the avenue for the capturing (though not presently on real time basis[18]) of transactions processed through the bank accounts maintained by respective local councils and also accounting for fixed assets through the Fixed Assets Module[19]. The Local Area Network (LAN) provided for in the respective councils provides the opportunity for key PFM practitioners including Mayors/Chairpersons and Deputies, Chief Administrators and Deputies, Finance Officers, Accountants and Internal Auditors to access and review transactions and reports directly from the Petra. Extensive training on the use of the Petra and other basic financial management trainings were provided for over three hundred and fifty (350) local councils officials including chairpersons and members of Budget and Finance Committees[20] and those assigned responsibilities for Health, Education, Agriculture and Solid Waste devolved functions amongst others.
- In ensuring consistency of reporting and improved transparency across local councils, the International Public Sector Accounting Standards (IPSAS) Cash Based reporting had been adopted by all local councils for the preparation of annual financial statements. Extensive training on the IPSAS Cash basis of reporting was provided for key local councils officials and the Audit Service Sierra Leone by MoFED. Thus, the aspect of inconsistency of reporting, which was a concern previously expressed by the Auditor General, has now been addressed.
- In strengthening the capacity of key PFM Officials especially those in the recently established cadres of Procurement, Internal Audit and Human Resource, a partnership with the Institute of Public Administration and Management (IPAM) University of Sierra Leone was established through which training programs were designed for key officials across MDAs and local councils on Negotiation Skills and Contract Management, Internal Audit Techniques, Human Resource Management and General Administration. Certificates of merit were issued to two hundred and eighty (280) officials across the aforementioned disciplines from MDAs and local councils. Additionally, officials across MoFED (including AGD), NPPA, HRMO and local councils benefited from external training, including online Master's degree courses and study visits on aspects specific to their respective areas of operation.
- In ensuring a more holistic approach to mainstreaming of consultants performing line functions across MDAs into the civil service, the mainstreaming of donor-funded PFM Consultants which was initially provided for within the IPFMRP was cancelled following the Project's mid-term review and transferred to the Pay and Performance Project (PPP) coordinated by the Public Sector Reform Unit (PSRU). The PFM Consultants in the AGD have already been mainstreamed into the civil service through the PPP whilst the process for those in MoFED is already at an advanced stage.
- The provisional salary support to PFM consultants in MOFED up to 28th February 2010 was successfully completed.

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[18] The PFM Reform Strategy 2014-2017 provides for the phased rollout of real time processing through the Petra. This is to be financed by the PFMICP

[19] A fixed assets policy was drafted by MoFED in consultation with the local councils and forwarded to the National Assets and Government Properties Commission for ratification and issuance

[20] These are elected Councilors who are primarily responsible for monitoring the finances of Councils

Component 4 – Assisting Non-state Actors' Scrutiny. This component assists the development of the analytic and dissemination capacity of Non-State Actors (NSAs) in exercising scrutiny of the use of public resources, as well as building a constituency for reform of the PFM system across an array of non-state actors.

Key Progress in Achieving the Objectives of this Component

- A Non-State-Actors **S**ecretariat is now established in MoFED and network of NSAs in place. The activities and reports of the NSAs are now published on an NSA website[21] set up for that purpose.
- A maiden Citizens' Budget which is an abridged version of the National Budget was published in 2012 and annually afterwards in increasing the openness, transparency and accessibility of the annual budget. This has increased citizens' understanding of how public funds are allocated and thus put them in a better stead in monitoring the implementation of Government's policies.
- There is now active participation of NSAs in the budget process. This includes witnessing policy hearings and budget discussions of MDAs and organizing public forums (including radio discussions) addressing strategic allocation of resources to MDAs and local councils. Reports of such forums are submitted to MoFED for consideration in finalizing the budget.
- In strengthening the capacity of NSAs, basic financial management training sessions covering the PFM cycle including planning, budget formulation and execution, procurement, accounting and recording, internal audit and external oversight were held for over one hundred and seventy registered organizations and Parliamentary Press Gallery. This was a prelude to providing NSAs with grants to review PFM operations of MDAs and local councils as part of their monitoring responsibilities.
- Fifteen qualifying NSAs nationwide were provided grants through the demand driven component enabling such NSAs in effectively monitoring and overseeing public financial management in MDAs and local councils. The evaluation of these NSAs was done by an independently recruited consultant prior to the award of the grants by MoFED.

Component 5: Project Management. The Project was led, managed and administered by the Directorate of PFM Reform in MOFED which was facilitated by a Project Administration Unit comprising a Project Accountant and Senior Procurement Officer of MoFED. Fiduciary responsibilities alongside monitoring and evaluation of progress were vested in the Project Team led by the Director, PFM Reform. Regular progress reports including financials were timely provided by the Project Team during the life of the Project.

10. The Directorate of PFM Reform also facilitated the development of a medium term strategy for public financial management reforms (PFM Reform Strategy 2014-2017) to ensure that gains already made are sustained and improved upon. This formed the basis for the development of the follow-on Public Financial Management Improvement and Consolidation Project (PFMICP).

Major Implementation Issues Encountered.

11. The key implementation issues encountered are outlined below:

- **Reconciling available funding in Multi Donor Trust Fund (MDTF).** The World Bank experienced challenges in reconciling the MDTF resources available for execution of Project

[21] http://www.nsasl.org/

activities during the final year of the Project which resulted in the Government being notified of additional funding of $4.5m in March 2014 which was the final month of Project operations[22]. This led to a further extension of the Project by four months although this was visibly too short a period for the execution of the remaining activities of the Project. This resulted in an unutilized balance of $946,380.53 in respect of withdrawal applications not timely recorded within the bank's system by Project closure of 31st July 2014.

- **Indefinite Suspension of FreeBalance Inc. by the World Bank.** MoFED was notified by the World Bank that the IFMIS software service provider, FreeBalance Inc. was indefinitely suspended in 2013. Thus, further contracting of FreeBalance Inc. for additional licenses and other services could not be financed by the funds managed by the Bank. As the IFMIS has largely been financed directly through the PFM Projects managed by the Bank since 'go-live', the uncertainty regarding the outcome of the indefinite suspension imposed by the World Bank hindered the scaling up and further rollout of the IFMIS to additional MDAs as was initially envisaged. This situation currently remains the same.
- **Limited Procurement Capacity in MoFED.** In a bid to ensure sustainability following the completion of the IPFMRP, procurement responsibilities for the Project were vested in the Procurement Unit of MoFED headed by a Senior Procurement Officer, who is a civil servant. Adequate training from Project resources was initially provided for the said official. The transfer of the already trained Senior Procurement Officer to another MDA in May 2013 and replacement with another Senior Procurement Officer with very limited previous knowledge of Bank's procurement and financial rules, hindered the speed of executing procurement-related activities including the development of timely procurement plans. Steps were however taken to provide adequate training for the replacement Officer, the benefits of which are now being reaped by his continued secondment to the Public Financial Management Improvement and Consolidation Project (PFMICP), the successor project. The ultimate recruitment of an International Procurement Specialist did not yield dividend as he was unable to fulfill the assignment due to other commitments.
- **Mainstreaming of donor-funded PFM Consultants in MoFED into the Civil Service.** In ensuring a more holistic approach towards mainstreaming of consultants performing line functions across the MDAs into the civil service, it was agreed that component 3.4 of the Project be cancelled and reallocated to other key mainstream PFM functions already supported by the Project. The utilization of the resources of $3m initially allocated to component 3.4 necessitated an initial extension of the Project by a period of nine months.

12. The mainstreaming of all consultants performing line functions in MDAs is now being channeled through the Pay and Performance Project administered by the World Bank.

Sustainability of PFM Reforms

13. The Government in partnership with the IPFMRP Development Partners had developed the PFMICP which seeks to improve upon and consolidate the gains achieved within the IPFMRP. The PFMICP, which is already in operation, supports the objectives outlined in the Government's Public Financial Management Reform Strategy 2014-2017, which is itself anchored in the National Agenda for Prosperity (PRSP 3). It is anticipated that the successful completion of the PFMICP shall ensure that PFM gains already achieved shall be improved upon, consolidated and sustained.

[22] The Project Team had utilized over 99% of the resources within the confirmed IDA and MDTF initially made available, by 31st January 2014 and had earlier requested confirmation regarding additional MTDF resources to be provided as per Project records.

Key Lessons Learnt

- **Improved Government/Donor Coordination on PFM.** The integrated approach adopted by Government and key budget support partners towards addressing PFM reform issues helped create the platform for a more coordinated approach in strengthening public financial management. This has been further strengthened through the establishment of the PFMICP which is also supported by the key budget support partners in achieving the objectives outlined in the National PFM Reform Strategy 2014-2017. There is the need for more frequent joint meetings of GoSL representatives and Development Partners (DPs) supporting PFM Reform to facilitate improved collaboration and avoid duplication of PFM support by DPs.
- **Proper Sequencing of PFM Reform.** The interdependent nature of some of the key PFM reform activities especially ICT-related necessitate the need for continued enhanced collaboration amongst various agencies especially those engaged in IFMIS-related functions. This was addressed through the PFM Reform Strategy 2014-2018 and accordingly aligned in the PFMICP. Although, key inter-related Agencies including MoFED, NRA, HRMO and ASSL have all been adequately provided for in the succeeding PFMICP operations it is still necessary to ensure close monitoring so that the agreed sequencing of the activities are adhered to. Mitigation measures also need to be put in place to ensure adherence to proposed timing of the implementation of various activities of the next stage of the PFM reform process.
- **Sound Knowledge of IDA's Procurement and Financial Management Rules.** There is the need for sound understanding of IDA's financial management practices especially procurement guidelines by all components associated with operations of the Project. Key to this is a strengthened Procurement Unit with vast knowledge of IDA procurement and financial management rules which must in turn be cascaded to the respective implementing agencies through well-structured capacity building initiatives. This facilitates project implementation and eliminates challenges encountered midstream resulting from weak knowledge of IDA fiduciary rules. It is, therefore, important that the World Bank continues to train relevant GoSL staff especially when new guidelines are introduced.
- **PFM Operations to be completely focused on core PFM issues and separated from Civil/Public Service Reform.** Whilst sustainable human resource capacity for performing key line functions is critical in ensuring sustained PFM reform, the challenges experienced in addressing this through sub-component 3.4 of the IPFMRP revealed that it would have been better addressed through a civil/public service reform program. This resulted in the eventual cancellation the said sub-component of the IPFMRP following the mid-term review of the Project and thereafter channeled through the Pay and Performance Project managed by the Public Sector Reform Unit (PSRU).
- **Collaboration between MoFED and NSAs on PFM.** The establishment of a NSA Secretariat in MoFED and appointment of a NSA Coordinator has created the space for NSAs to engage officials of MoFED and other PFM agencies including oversight bodies such as ASSL and Parliament. The introductory training afforded these NSAs on core PFM issues and subsequent release of grants to qualifying organizations has increased awareness and aroused their interests on PFM matters. This has ultimately improved the engagement between State and NSAs in addressing PFM issues including those at the service delivery level of local councils. Introductory training needs to be sustained and formally adopted as a pre-condition to the Grant scheme.
- **Institutionalizing Public Financial Management Reform in MoFED.** The establishment of the PFM Reform Directorate within MoFED and appointment of a civil servant as Director has ensured that PFM reform receives the level of authority and attention it requires

under the supervision of the Office of the Financial Secretary. The complex and challenging reforms embarked upon during the IPFMRP straddling various MDAs (including HRMO, NPPA and Parliament) and all nineteen local councils received the due attention through the effective and efficient leadership of the PFM Directorate. This has been seen as critical in advancing PFM reforms as recognized in the PFM Reform Strategy 2014-2017 which mandates that the Director PFM Reform shall have overall responsibility for coordination and Monitoring & Evaluation of the PFM Reform. This institutional arrangement should be replicated in future similar PFM operations.

Contribution of the Bank and IPFMRP Development Partners

14. MoFED acknowledges the support and commitment of the World Bank and Joint IPFMRP Development Partners (African Development Bank, Department for International development and European Union) from the design stage through to the implementation and closure of the IPFMRP. Support in the form of Technical Assistance where necessary, was promptly provided in addition to the unflinching support and commitment demonstrated by the leadership and members of the respective Country Teams in providing requested assistance to the Project Team. These included hosting bilateral meetings and video conferences to facilitate project implementation.

15. Supervisory missions led by both Task Team Leaders (TTLs)[23] were well-resourced resulting in fruitful discussions with the respective implementing agencies, yielding positive outcomes.

16. The flexibility of the TTLs and respective Partners in responding to emerging PFM needs has been unrivaled.

17. Overall, the contribution of all Partners in advancing PFM reform has been immense.

Conclusion

18. The leadership provided by the Hon. Ministers of Finance and Economic Development[24] and Team demonstrates the overall commitment of the Government of Sierra Leone in strengthening PFM across MDAs and local councils in ensuring the effective and efficient delivery of services. It is anticipated that gains already achieved shall be improved upon and consolidated through the PFMICP in accordance with the PFM Reform Strategy 2014-2017 and in fulfillment of PRSP 3 (Agenda for Prosperity).

[23] The IPFMRP had two TTLs respectively during its tenure - Vivek Srivastava and Roberto Panzardi

[24] The IPFMRP had two Ministers of Finance and Economic Development respectively during its tenure - Dr. Samura Kamara and Dr. Kaifala Marah

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

1. The UK provided £5.065 million to the multi-donor trust fund that supported the implementation of the Government of Sierra Leone's Integrated Public Financial Management Reform Project (IPFMRP).

2. DFID conducted its own Annual Reviews of the program, finding that the program progressed either in line with expectations (2011-2012 and 2012-2013) or just short of expectations (2013-2014). In the final year, progress was made in each output area, however the speed of progress was slower than desired. There is no single reason to explain the slowdown in the program's performance, but a few factors have likely played a part. There is the general challenge of maintaining momentum towards the end of a program's life, and the 'distraction' of a next phase PFM program being designed during the final year of the IPFMRP. There was reportedly limited capacity to cope with implementation of IPFMRP and respond to demands from the design of the next phase program. It is thought that shifting priorities and incentives signaled by the next phase program also diverted attention away from IPFMRP.

3. Through its Annual Reviews, DFID noted that the IPFMRP has helped to improve the macroeconomic framework that underpins the budget, the entire budget process, and financial reporting. New internal audit and procurement cadres have been established and are becoming more effective. New legislation was passed that clarifies the responsibilities for public borrowing and a new debt strategy has been developed. All local councils now have the same accounting software and chart of accounts. Important developments in transparency and accountability have also been achieved. The public accounts are submitted and audited on time and audit reports are routinely published where in the past they were not disclosed.

4. One of the biggest achievements in DFID's view was the progress made in the non-State Actors (NSA) component, where the new NSA coordinator helped achieve significant results, such as the publication of the first citizen's budget, PFM training and the start of a grant facility for civil society. In addition, the NSAs managed to secure Sierra Leone's participation in the Open Budget Index survey for the first time.

5. However, significant gaps remain, particularly on updating the legal framework, improving the credibility of annual budgets, and ensuring fully-functional ICT systems. DfID also noted the lack of political 'buy in' to the objectives of the program, which the Bank references above.

6. Procurement practices remain a problem and have a track record of hindering progress of PFM reforms in Sierra Leone. As noted above, procurement delays affected the IPFMRP negatively and contributed to the downgrading of the Bank's IP rating in March 2013. Training and other capacity building activities have taken place on a range of procurement topics and extended to MDAs, however procurement outcomes are still falling well below expectations; delays and a lack of competitive bidding are common. DfID takes this issue very seriously and is working with the World Bank, African Development Bank and the GoSL to address this pressing issue.

7. These challenges highlight that further entrenchment of the reforms is necessary to prevent stagnation and move the PFM system to the next level.

8. DfID drew a number of lessons from its Reviews of the IPFMRP which will inform activities throughout the lifetime of the PFMICP. These include the need for improved sequencing of

PFM reforms; that successful PFM reform requires us to develop mechanisms and tools for making ongoing and real time judgments about the level of buy-in at senior political levels and at technical levels, so that we can adjust ambition and political influencing accordingly; that alignment of development partners' Annual Review patterns would reduce the burden on GoSL; that the balance between international consultancy missions and in-country presence of Bank staff needs careful attention; that there should be close attention paid to the consistency of results framework indicators and activities financed; that there is scope for a strengthened partnership between GoSL and development partners; and that overlap between implementation of a program and design of the next must be managed carefully so as not to divert attention from the ongoing program – this will require strong leadership from the development partners. Several of these are elaborated on below.

9. Whilst there are many wide-ranging PFM reform initiatives that are ongoing, planned, or scheduled, the GoSL, in collaboration with its partners, has lacked the ability to comprehensively implement all of those plans; implementation of the IPFMRP was hindered by inadequate planning and prioritization, as noted above. DfID would like to see a focus on fewer initiatives whilst placing greater emphasis on the implementation and completion of those selected initiatives. DfID fully supports the Bank's recommendation above that future operations must strongly reflect a sustained, focused, well-sequenced, long-term approach embedded in the government reform agenda.

10. The added value of international consultancy missions should be clearly identified and Bank presence in country may need to be scaled up for the new program; the UK's Multilateral Aid Review (MAR, 2011) was critical of World Bank staffing levels in fragile and conflict affected states (FCS), warning that a lack of staff resources dedicated to FCS could be a major risk to delivery. The 2013 MAR found a slight improvement in Bank staffing levels in fragile states. While there is undoubtedly value in international consultancy missions, the experience of IPFMRP reinforces the MAR's finding on the importance of having staff based in-country in FCS and not relying too heavily on short international consultancy missions. This will be an important lesson for the new PFM program.

11. DfID observed that there could have been better consistency between the program log frame (results framework) and the activities that were financed. For example, areas such as public debt management reform, and training of civil servants on procurement and IFMIS etc., are not in the final results framework, despite a significant amount of money being spent on those activities and genuine progress having been made.

12. DFID's perception is that the partnership between development partners and the Government of Sierra Leone was, overall, relatively strong, although there is scope for improvement. GoSL would significantly benefit if development partners were to act 'as one' throughout the program rather than carrying out separate reviews and bringing different expectations to program delivery. In return, development partners would have benefited from a clearer administrative separation of which PFM reform activities were carried out under the IPFMRP and which were not, as well as from more regular reporting to development partners on progress made and critical challenges being faced.

13. DFID could be a more effective partner in PFM activities in Sierra Leone if it could: reduce the time burden it places on the Government by not aligning its monitoring and reviewing with other donors; continue to be ready and willing to provide technical and economic advice on PFM reform when Government capacity is deemed to be weaker than would be ideal; and better appreciate the Government's ambition for PFM reform to be 'organic' and home-grown rather than donor-driven.

Annex 9. List of Supporting Documents

Project Document

Project Appraisal Document
Development Grant Agreement
MDTF Grant Agreement
Project Concept Note
Concept Review Meeting Minutes
Decision Meeting Minutes
Minutes of Negotiations
Aide Memoire – Preparation Mission
Aide Memoire – Appraisal Mission
Aide Memoire – Implementation Support
Aide Memoire – Implementation Support
Aide Memoire – Implementation Support
Aide Memoire – Implementation Support/Mid-term Review
Aide Memoire – Implementation Support
Aide Memoire – Implementation Support
Aide Memoire – Implementation Support
Implementation Status Reports

2011-2012 PEFA Assessment

MAP


IBRD 33478
SIERRA LEONE
SELECTED CITIES AND TOWNS
DISTRICT CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
RAILROADS
DISTRICT BOUNDARIES
INTERNATIONAL BOUNDARIES
13°W
12°W
11°W
10°N
9°N
8°N
7°N
GUINEA
GUINEA
LIBERIA
ATLANTIC OCEAN
To Ouré-Kaba
To Kindia
To Faranah
To Forecariah
To Kolahun
To Monrovia
Falaba
Yana
Mongo
Wara Wara Mts.
Kabala
Bendugu
KOINADUGU
Kamakwie
Great Scarcies
Fadugu
Seli
Bagbe
Kamaron
Madina Junction
BOMBALI
Bintimani (1948 m)
Loma Mts.
Kurubonla
KAMBIA
Kambia
Little Scarcies
Pendembu
Batkanu
Bumbuna
Alikalia
Mange
Gbinti
Makeni
Binkolo
Kayima
Port Loko
Pampana
Tefeya
KONO
Lungi
PORT LOKO
Lunsar
Rokel
Magburaka
Matotoka
Yengema
Sefadu
Pepel
TONKOLILI
Masingbi
Gori Hills
FREETOWN
Masiaka
Njaiama-Sewafe
Gandorhun
Koindu
Songo
Yonibana
Yele
Moa
WESTERN AREA F.R.
Waterloo
Mongeri
Kailahun
Buedu
Rotifunk
Moyamba
Dambara
Panguma
KAILAHUN
Banana Islands
Yawri Bay
MOYAMBA
Mano
BO
KENEMA
Pendembu
Lago
Bo
Daru
Shenge
Sembehun
Jong
Blama
Kenema
Sewa
Kribundu
Sherbro
Momaligi
Matru
Sumbuya
Moa
Joru
Turtle Islands
Sherbro Island
Bonthe
BONTHE
Kittam
Potoru
Pujehun
PUJEHUN
Zimmi
Mano
Lake Mabesi
Lake Mape
Fairo
Sulima
SIERRA LEONE
0 20 40 60 Kilometers
0 20 40 50 Miles
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