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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 1**

to the Commission Implementing Decision on the financing of the Multiannual Action Plan 2023-2025 in favour of the Republic of Sierra Leone

**Action Document for Nature Nourishes SRBC in Sierra Leone**

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Nature Nourishes SRBC in Sierra Leone OPSYS number: ACT-61233 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Yes: Team Europe Initiative “Green Pact with Sierra Leone” - Ireland (education and nutrition) - France (with Agence française de développement (AFD) for Forest Territories Facility) - Germany (with GIZ/EnDev for clean energy)
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Sierra Leone
<b>4. Programming document</b>	EU Multiannual Indicative Programme for Republic of Sierra Leone 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	<b>Priority area 1: Green Economy</b> - Specific Objective 3: To contribute to restoring, managing and protecting terrestrial and marine biodiversity and ecosystems <b>Priority area 2: Human Development</b> - Specific Objective 1: To contribute to improving the literacy, numeracy, skills (including digital skills) and economic productivity of the population - Specific Objective 2: To strengthen the capability and sustainability of the social protection system to reduce vulnerabilities throughout people’s lives <b>Priority area 3: Governance</b> - Specific Objective 2: Better government effectiveness and public service delivery at national and local level shall leave no one behind -
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	Government & Civil Society-general (151); Education (110); General environmental protection (410); Agriculture (311); Forestry (312)
<b>7. Sustainable Development Goals (SDGs)</b>	<u>Main SDGs:</u> SDG 13 – Take urgent action to combat climate change and its impacts

	<u>Other significant SDGs:</u> SDG 2 – Zero Hunger SDG 4 – Quality Education SDG 5 – Gender Equality SDG 15 – Protect, restore and promote sustainable use of terrestrial ecosystems SDG 16 – Peaceful and inclusive societies			
<b>8 a) DAC code(s)</b>	- DAC code 51010 – Budget support 100%			
<b>8 b) Main Delivery Channel</b>	12001 Central Government 12002 Local Government 23000 Developing country-based NGO 47000 Other multilateral institution			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>		<input checked="" type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>	

	digital governance	<input type="checkbox"/>	<input type="checkbox"/>	/	
	digital entrepreneurship	<input type="checkbox"/>	<input type="checkbox"/>		
	digital skills/literacy	<input type="checkbox"/>	<input type="checkbox"/>		
	digital services	<input type="checkbox"/>	<input type="checkbox"/>		
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>• digital connectivity</li> <li>• energy</li> <li>• transport</li> <li>• health</li> <li>• education and research</li> </ul>	<ul style="list-style-type: none"> <li>• <input checked="" type="checkbox"/></li> <li>• <input checked="" type="checkbox"/></li> <li>• <input checked="" type="checkbox"/></li> <li>• <input checked="" type="checkbox"/></li> <li>• <input type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input type="checkbox"/></li> <li>• <input checked="" type="checkbox"/></li> </ul>	/	
	<ul style="list-style-type: none"> <li>• Migration @</li> </ul>	<ul style="list-style-type: none"> <li>• <input checked="" type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> </ul>		<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> </ul>
	<ul style="list-style-type: none"> <li>• Reduction of Inequalities @</li> </ul>		<ul style="list-style-type: none"> <li>• <input checked="" type="checkbox"/></li> </ul>		<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> </ul>
	<ul style="list-style-type: none"> <li>• Covid-19</li> </ul>	<ul style="list-style-type: none"> <li>• <input checked="" type="checkbox"/></li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> </ul>		<ul style="list-style-type: none"> <li>• <input type="checkbox"/></li> </ul>

#### BUDGET INFORMATION

<b>12. Amounts concerned</b>	<p>Budget Line: 14.020120</p> <p>Total estimated cost: <b>EUR 90 000 000</b></p> <p>Total amount of EU budget contribution <b>EUR 90 000 000</b> of which</p> <ul style="list-style-type: none"> <li>• <b>EUR 65 000 000</b> for budget support</li> <li>• <b>EUR 25 000 000</b> for complementary support</li> </ul> <p>The contribution is for an amount of EUR 79 687 595 from the general budget of the European Union for year N and for an amount of EUR 10 312 405 from the general budget of the European Union for N+1, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p>
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#### MANAGEMENT AND IMPLEMENTATION

<b>13. Type of financing</b>	<p><b>Direct management</b> through:</p> <ul style="list-style-type: none"> <li>- Budget Support: State and Resilience Building Contract</li> <li>- Grants</li> <li>- Procurement</li> </ul> <p><b>Indirect management</b> with the entity to be selected in accordance with the criteria set out in section 4.4.3</p>
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### 1.2 Summary of the Action

<p><b>The main objective of the action is to</b> make Sierra Leone more prepared for and resilient against internal and external shocks, while safeguarding the environment and improving the education for future generations in line with the national development plan..</p> <p>The Action (State Resilience and Building Contract) will provide much needed fiscal space and leverage key reforms, notably in Public Financial Management (PFM) and domestic resource mobilisation and basic social services. Improved governance and increased domestic resources will enhance the delivery of public services in the areas of food security, social protection, education and environmental protection, hence boosting the resilience of the population, particularly in the rural areas of the country. The Action is accompanied by direct support to rural communities around national parks and critical biodiversity areas, which will encourage environment-</p>
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friendly behaviour through the provision of alternative income opportunities and better public and inclusive services. The action combines therewith a top-down and bottom-up approach.

The action contributes and builds on Sierra Leone's national development plan and related sector policies. It addresses particularly SDG 13 but also SDGs 2, 4, 5, 15 and 16. The action is cross-sectoral and addresses the MIP priorities Green Economy, Human Development and Governance. It will contribute to the Team Europe Initiative Green Pact with Sierra Leone in collaboration with Germany and Ireland.

## 2. RATIONALE

### 2.1 Context

**Sierra Leone remains a vulnerable and fragile country.** Since the end of the civil war (1991-2002), several major setbacks constrained Sierra Leone's development and economic progress: 2014-2016 Ebola crisis and iron ore price slump; 2019-2021 Covid-19; 2022 economic downturn due to the Russian aggression on Ukraine.

**General Elections** took place in June 2023. The incumbent President Bio was declared winner by the Electoral Commission. However, some international Election Observation Missions including the EU EOM observed inter alia a lack of transparency in the results management process of the elections. Additionally, a parallel vote tabulation by a national NGO consortium questioned the results announced by the Electoral Commission (ECSL). For the same reasons, the opposition did not recognize the results and started a boycott of the institutions. This lack of transparency further contributed to the pre-existing **political tensions** between main political parties. The political landscape is characterised by a high degree of polarisation and deep regional divides and many of the factors that led to civil war still persist (interplay of poverty, marginalisation, greed and grievances). In the meantime, the Government announced a "National Electoral Systems Review Committee" to "assess the planning and management of the 2023 electoral cycle" and to "improve ECSL's continued planning and conduct of transparent and fair elections". President Bio announced that the objective of this Committee would be two-fold: to "review the prevailing legal framework, related institutional and operational arrangements, and local and international observer missions' reports", and to "propose key reforms for institutionalising the recommendations to enhance the operations of the entire electoral architecture". The Committee, open to "Development Partners, Civil Society and Professional Organisations", will be chaired by the Vice-President, and therefore there are some questions about its independence. However, in principle, the Government's openness to the review and improvement of electoral processes could provide a favourable context for the implementation of the recommendations of the 2023 EU EOM final report. Attempts of dialogue between Government and opposition are increasing. The EU will continue the dialogue with Sierra Leone on inclusive governance.

Sierra Leone introduced **positive reforms** such as the abolition of the death penalty and the repeal of the criminal libel law. It is an example of religious tolerance and contributed actively to peace-building processes especially in the ECOWAS region. **Sierra Leone has just been elected member of the UN Security Council** for the period 2024-2025.

**Poverty remains high** at 57% with more than 10% in abject poverty, affecting disproportionately rural areas, home to 75% of the poor, though there is a rapid migration of mainly poor youth to urban centres. Sierra Leone's **HDI score 2021 (0.477) is one of the lowest in the world** and positions the country at 181 out of 195. Among the indicators that integrate HDI, the "mean years of schooling" have significant impact in poverty conditions. In the case of Sierra Leone, this indicator is 4,6 years. Girls drop out of school at a higher rate which can be largely attributed to the intersection of poverty and gender norms, involving issues such as early marriage, teenage pregnancy, and the burden of having to perform a disproportionate share of household chores<sup>1</sup>.

Education (Basic Education and TVET) are fundamental and transformative keys, not only to reduce gender inequities but also to improve the main challenges facing Sierra Leone (poverty, economic growth, social protection, environmental degradation and others).

In Sierra Leone, more than half of 15-year-olds and above (57%) are illiterate and half of those leaving primary school are unable to read or write, depriving them of any foundational competence and preparedness to face internal

<sup>1</sup> MBSSE National Policy on Radical Inclusion in Schools. p. 5. <https://mbsse.gov.sl/wpcontent/uploads/2021/04/Radical-Inclusion-Policy.pdf>

or external shocks and the basis to further develop technical skills. Just 61% of primary school teachers are trained, which is compounded in rural areas where there are higher numbers of unqualified and volunteer teachers.

Food insecurity remains very high. Half of the population is affected by insufficient food consumption and uses crisis or above crisis level food-based coping strategies. **One quarter of the population lives under acute hunger (IPC Phase 3+)**. In Sierra Leone, stunting of children reached 29,5 % in 2019 and wasting of children was 5,4% in 2019. Those ratios are high and worrying. School feeding reaches only half of the pupils and is particularly challenging in remote areas.

The **Sierra Leonean economy was severely affected by the effects of the Russian aggression on Ukraine**, which obliged the government to adopt a supplementary budget in June 2022. As of March 2023, the Government projects GDP growth to reach only 2.1 % in 2023 (versus an initial forecast of 5.9% in December 2021) and **public finances are under high stress. According to the full-year estimates for 2022 included in the approved budget proposal for 2023, budget revenue as % of GDP is 13.90% while budget expenditure as % of GDP is 25.8%** (i.e. a deficit of USD 132 million with grants and USD 316 million without grants)

**Sierra Leone is among the countries with the highest food price inflation rates in Sub-Saharan Africa (29.40% in 2022)**. In terms of food insecurity, Sierra Leone is among the most affected countries in the sub-Saharan region (19% of the population affected). **Strikes and protests against the rising cost of living turned violent on 10 August 2022** in Freetown with six police officers and about 30 civilians killed.

In the context of a very tight fiscal position and high risk of debt distress, the financing of the development goals remains highly challenging and Sierra Leone continues to rely heavily on **official concessional credits and grants**. The country will need **to generate and attract alternative sources of financing** in the long term (domestic resource mobilisation, unlocking national private sector potential and enhancing international investments).

Sierra Leone faces complex, **interlinked, and persistent development challenges**:

- Economic challenges of stagnation, unemployment and low productivity,
- Social challenges of poverty, inequality, a sizeable precariat combined with population growth,
- Weak Government effectiveness, patronage system, high levels of corruption and a fragile democracy,
- Environmental challenges of an alarming loss of primary natural forest and forest degradation, biodiversity loss, degrading ecosystems and high climate change vulnerability.

The negative socio-economic outlook is compounded by weak governance and an inadequate regulatory framework, together with low capacity of most public institutions in key socio and economic sectors, including environment. **Sierra Leone seems unable to address the increasing vulnerability of its rural population and to ensure the preservation and sustainable use of its natural resources**. In this fragile context, the progressive and uncontrolled depletion of the natural capital would have a significant negative effect on the economic and social stability of the country.

This analysis is broadly shared by the EU Member States and Ireland, Germany and France developed with the EU a Team Europe Initiative, entitled “Green Pact with Sierra Leone”. These three Member States focus respectively on support to education, development of clean energies and protection of biodiversity.

## 2.2 Problem Analysis

Undiversified economy, high reliance on imports and an under-developed industrial base make the country vulnerable to significant fluctuations of prices of primary goods in international markets, disruption of supply chains, financial crisis and pandemics.

Weak social services and social safety nets, a largely informal economy and tight national financial situation (related to the current economic crisis) exacerbate vulnerability, particularly for women. The election context has contributed to budget expenditures overrun. The departing administration adopted corrective measures with the adoption of new taxes ahead of the election. Additional measures, including better expenditure controls and a supplementary budget are likely to be necessary after the elections.

Due to these internal and external factors, public finances are currently under severe stress. The national budget can hardly cover personnel expenditures and interest payments. There is very little margin for social or capital investments that could help to promote economic growth or safeguard the already very vulnerable and poor population from economic hardship.

Due to low education levels, lack of access to education and poor quality of teaching, the population is very vulnerable to shocks as they don't have the basic skills, knowledge and mindset to cope with them. However, building competences and skills from early childhood to higher education enables individuals to develop their competences for collaboration, problem solving, coping with complexity and risk, and hence building resilience at personal and collective level. Green competences, as they have been described in the EU Green Competence Framework, as well as the UNECE ESD competence framework, focus on these.

More than 70% of the population live in rural areas, where public service delivery is particularly weak. The local populations lack basic rural infrastructure, such as roads and culverts, access to safe drinking water, adequate health services, quality education and other critical gender-sensitive education factors such as access, retention and drop out of school are low. Access to and retention in education is particularly challenging in rural areas. The Government's decentralisation policy should address these shortcomings at local level. The Ministry of Finance created a Fiscal Decentralisation Unit to enhance budgetary planning, transfers and domestic resource mobilisation at local level. However, local governments don't have adequate personnel and financial resources to perform their evolving role. In fact, personnel resources remain mostly under the control of central Ministries, and budgetary allocations are deviated to more pressing (central) priorities.

Agricultural extension services that should help to improve food production hardly reach remote areas outside of district capitals. Prevalence of hunger and malnutrition is highest in rural communities. Several donors are active in the area of nutrition (WB, WFP, Ireland, etc.) striving to tackle the full spectrum of nutritional aspects, however needs outrange donor capacity by large.

The population is particularly vulnerable, because Sierra Leone is one of the countries with the lowest levels of investment in social protection, with only 0.7 per cent of GDP spent on social protection, compared to 3.8 per cent in Africa on average and 13 per cent globally (Source: [ILO | Social Protection Platform](#)). The sector is heavily reliant on external support. The main interventions consists of a WB support programme implemented with the National Commission for Social Action (NaCSA). The national school feeding programme is considered the most effective social transfer, but reaches only half of school and pre-school children. The government would like to roll out school feeding further, but faces budgetary constraints. School feeding is part of the Education Sector Plan and seeks to provide nutritious meals to all pupils in pre-primary and basic education, prioritising schools in the most food-insecure areas. Home-grown school feeding, which would provide income opportunities for local farmers, is only incipient, but strongly promoted by the government and implementing agencies.

Widespread unsustainable, unregulated and sometimes illegal exploitation of natural resources, especially from agriculture, fisheries, forestry and mining practices and the inability of the local population to sustain their livelihood create a vicious cycle in terms of poverty and vulnerability. In this context, the degradation of the environment has become one of the main drivers of vulnerability in Sierra Leone, and also one of the main causes for food insecurity and natural disasters, such as flooding, wild fires and landslides. Hence, the rural population, particularly those communities living in remote areas, constitute the country's most vulnerable group.

Deforestation is a raging problem in and around national parks and protected areas. Financial benefits from timber exploitation, however, hardly remain in the regions, as only minimal exploitation fees are paid and the population is used as cheap labour. Profits are largely made in the capital or through exports.

Sierra Leone is classified amongst some of the most vulnerable countries to climate change, according to the ND Global Adaptation Index (GAIN). As indicated in the National Adaptation Plan and in the Nationally Determined Contribution, addressing the trend of environmental degradation, deforestation in particular, will improve the country's adaptation and resilience capacity, increasing at the same time its contribution to the reduction of emissions at global level.

Local populations (through their paramount chiefs) had agreed to declare part of their territories as national parks or protected areas. The government promised social services (road, hospitals, schools, ...) in return, which never arrived. As a consequence, local populations do not feel bound to the original agreements anymore and use available natural resources for their survival with hardly any consideration for environmental consequences.

The Action will use a two-fold approach, operating at central and local level. The main stakeholders to be engaged by the Action include:

At central level, through Budget Support

Under the leadership and coordination of the Ministry of Finance and that of Planning and Economic Development, several line ministries and agencies will be engaged, such as the Ministries of Environment, Local Government, Agriculture, Education, Ministry of Gender and Children's Affairs, as well as Mineral resources, Land, Public Works, because of their mandate for infrastructure and service delivery at local level, and their institutional mandate in regulating the various economic sectors extracting natural resources from terrestrial ecosystems. Other institutions may also be involved because of their responsibility in ensuring law enforcement and environmental protection, such as the Office of National Security, Police and Armed Forces. The engagement at central level will enhance service delivery at local level. For instance, agricultural extension services shall help farmers to improve their capacities and switch to sustainable farming, (e.g. regarding the transformation of inland value swamps for rice production). The school feeding secretariat in the Ministry of Education shall supervise the delivery and quality of meals. Currently these services often lack operational budget (e.g. fuel) to perform their task. Output oriented budget support shall help to overcome this problem. (Top-down approach). At the same time, through budget support the Ministry of Finance will be strengthened in its efforts to increase transparency in Government spending and further support dialogue with Sierra Leone on Governance in general, even beyond the action.

At local level, through grants for a territorial approach for local development (TALD)

The main stakeholders at local level are the chiefdom development councils and traditional authorities, together with Community-Based Organisations (farmer associations, parents-teachers school committees, community forest management committees, etc.) that have the potential to promote environmental awareness and mobilise the community for the monitoring and protection of natural assets. Civil society organisations (including women organisations) may also be engaged to provide technical and managerial support to the local communities concerned and their respective chiefdom councils. They will also play a role in linking small holder farmers and farmer-based organisations with other private sector operators along target value chains in the livelihood component of the Action.

The two-fold approach is necessary because support through the central level alone would not do the job. For instance, local communities need resources (labour, shovels, seeds, inputs for inland value swamps) to translate the advice from devolved services into action. (Bottom-up approach)

Private sector operators may also be involved, notably in relation to sustainable value chains and agribusiness initiatives (e.g. Fair Trade, Organic Trade) under the livelihood component of the Action. Business operators may also be engaged in public/private/community ventures for the management of the parks and associated tourism activities.

## 2.3 Additional Areas of Assessment - For Budget Support Actions only

### 2.3.1 Pre-condition on Fundamental Values - Not applicable

### 2.3.2 Public Policy

The Action is aligned with the national priorities and development goals as presented in the medium-term national development plan (MTNDP) for 2019-2023: "Improving People's Lives through Education, Inclusive Growth, and Building a Resilient Economy" (<http://moped.gov.sl/mtndp/>) and in particular:

- Policy cluster 1 on Human Capital Development, and more specifically cluster 1.1 (free quality basic and senior secondary education), the Government's flagship programme aiming at ensuring that education is modernised and made relevant to the development needs of Sierra Leonean society. To ensure human development and better preparedness for societal changes and external challenges, the government of Sierra Leone is committed to increasing nationwide access to school as well as increasing the quality of education leading to better learning outcomes.
- Policy Cluster 2: Diversifying the economy and promoting growth. To effectively transform the economy, ensure increased domestic financing of programmes, and build resilience against external shocks, the government is committed to economic diversification.
- Policy Cluster 4: Governance and accountability for results. Under this cluster, the government focuses on: 4.2 Fighting corruption and illicit financial flows; 4.3 Strengthening public financial management; 4.4 Strengthening audit services; 4.7 Strengthening public service delivery; 4.8 Strengthening decentralization, local governance, and rural development;

- Policy Cluster 6: Youth employment, sports, and migration. Sierra Leone boasts a youthful population (the population below 15 years of age is estimated at 42 percent), and providing adequate employment and other socio-economic opportunities has become ever more crucial. Livelihood difficulties and high rates of unemployment have resulted in increased migration from rural to urban areas, as well as from urban areas to other countries.
- Policy Cluster 7: Addressing vulnerabilities and building resilience. Sierra Leone experienced recurring environmental disasters and viral tragedies during the last five years with telling macroeconomic and general development consequences. This suggests the need to rethink public policy regarding the management of environmental and natural resources.

The government has already presented 3 Voluntary National Review Reports on the SDG implementation, which is based on the MTNDP. The government can demonstrate many activities and initiatives that will help to advance SDGs, which however remain input oriented (and often donor supported), so that real outcome is difficult to assess for the moment.

The implementation of the MTNDP was and is certainly hampered by the macro-economic and budgetary situation of the country. A very tight fiscal space provides for little possibilities to advance development and reform agendas.

**Related to and in line with the MTNDP there are several relevant sector policies, which will guide policy discussions with the national administration:**

- The Free Quality Education programme meant to provide inclusive access to quality education for all school-age children in Sierra Leone was launched in 2018. To support this agenda, there was an increase in government budget allocation for education as a percentage of GDP which has since then been maintained. Generally, since 2018, there has been an increased momentum on the part of Government and Development Partners to support access to formal and non-formal learning for citizens. In 2022, the government presented the **Sierra Leone Education Sector Plan 2022-2026**, which focuses on nine core objectives: 1. Strengthen the instructional core 2. Recruit, retain, and support excellent educators 3. Reduce gender and other disparities in educational access, experience, and outcomes for the most marginalised 4. Provide safe, healthy, and conducive learning environments for all 5. Strengthen governance, management, and accountability for performance 6. Enhance emergency prevention, preparedness, response, and recovery 7. Eliminate corruption in education 8. Strengthen partnerships in support of learning and work readiness 9. Increase the use of data and technology to support learning and education service delivery. The Plan depicts a funding gap of USD 227 million. School feeding is part of core objective 3 and 4. Several donors applying different implementation modalities are active in the sector. Sector coordination is being constantly improved, with the aim of having an overall sector dialogue that covers national and donor contributions and is outcome focused. Investments in information technology shall improve statistics and data reliability.

- The Action will also work along the implementation process of the recently enacted **Land Act (2022) and Local Government Act (2022)**, which provide an improved legal framework for protecting the land rights of local communities and for decentralising some environmental protection tasks to the District Authorities. While the adoption of the Local Government Act was an important step forward and due to EU support domestic resource mobilization increased significantly at local level, the decentralization process is far from complete as power and resources are still highly centralized. The action will strengthen and work through entities, such as the Decentralization Unit of the Ministry of Finance, that foster the decentralization agenda.

- Under the National Agriculture Transformation Programme (2019-2023), the Ministry of **Agriculture** has embarked on **strategic policy shifts** aimed at increasing land under cultivation and boosting yields. Related interventions/initiatives are focused on setting the enabling environment that promotes private sector investment in agriculture, reduce inefficiencies in service delivery and protect smallholder farmers involved in agriculture. Key landmark initiatives include: 1) private sector led farm mechanization through the establishment of machine rings and farmer service centers; 2) Agricultural Credit Facility to private sector actors to import agricultural inputs (seeds, fertilizer and other agro-chemicals); 3) E-Wallet system to foster efficiency, transparency as well as cost reduction in the Government's input delivery; 4) E-Extension to complement the extension strategy to reach millions of farmers with information to help decision making, boost production and income generation. While reforms go in the right direction, implementation is not without challenges. Latest statistics suggest even that agricultural output decreased (WB Sierra Leone Poverty assessment 2022). So reforms will need time to trigger intended results and further support is needed.

- **Environmental and natural resources policies** are outlined in several strategic and legal documents, such as Sierra Leone's National Biodiversity Strategy and Action Plan (2017-2026), the National Agriculture Transformation

Programme (2019-2023); the National Adaptation Plan and Programmes of Action (2020); the National Climate Change Strategy and Action Plan (2015); the National Land Degradation Neutrality Targets (2017), the UNCCD and the Nationally Determined Contribution (NDC 2021). The NDC contains both climate change mitigation objectives (improved energy efficiency, clean energy development; biogas generation from agricultural and urban waste, enhanced climate-smart and conservation agriculture) and climate change adaptation objectives, notably restoration of degraded lands with high production potential, to which the action can contribute. It also refers to accessing international carbon markets to help finance low carbon and climate resilient infrastructure investments. Gender is a cross-cutting concern for adaptation planning because women and girls are subject to disproportionate risk from climate-related natural disasters. The NDC considers gender-transformative and socially inclusive strategies that will empower women, girls, and persons with disability, reduce gender inequality, and improve adaptation and resilience outcomes.

- The policy framework includes the recently revised **Forestry Act (2021)**, the **National Protected Area Authority Act (NPAA 2022)** and the **Environmental Protection Agency Act (EPA 2022)**, amending the roles and responsibilities of the key environmental agencies under the Ministry of Environment, with the aim of promoting communities' participation in land use planning and improving surveillance and law enforcement in the protected areas.

As for the MTNDP, the above sector policies are severely hampered by lacking funds and capacity to implement the policies, which would be addressed by a budget support operation. The Worldbank supports Statistics Sierra Leone to improve technical capacity and data quality.

**In conclusion, the policy is sufficiently relevant and credible for budget support contract objectives to be largely achieved. Therefore the policy can be supported by the Commission with the proposed budget support contract.**

### 2.3.3 Macroeconomic Policy

Indicator	2019	2020	2021	2022	2023 (forecast)	2024 (forecast)
Real GDP (% change)	5.1	-2.0	4.1	2.8	3.1	4.8
GDP per capita USD	539	509	509	476	411	408
Inflation rate - Consumer Price Index end of period (% change)	13.9	10.4	17.9	37.1	23.7	17.8
Total domestic revenue (% GDP)	12.3	13.8	15.7	13.9	14	14.9
Total expenditures and net lending (% GDP)	23.5	25.7	28.4	25.8	23.0	22.9
Overall balance (including grants) (% GDP)	-8.7	-11.1	-7.4	-4.8	-3.2	-2.2
Grants % GDP	2.5	5.3	4.6	6.7	5.7	5.8
Public debt (% GDP)	69.7	76.3	79.8	92.9	90.2	85.4
Current account balance excluding official grants (% GDP)	-17.6	-11.3	-18.2	-13.7	-10.9	-11.0
Reserve coverage (months of imports)	3.5	4.2	5.8	4.6	3.9	3.5

Source: Ministry of Finance and IMF, November 2022

Over the past decade, Sierra Leone was hit by back-to-back crises: the Ebola pandemic (2014-2016), the collapse in commodities prices (2015-2016), a major mudslide in Freetown (2017), the COVID pandemic (2020-2021) and the implications of Russian aggression in Ukraine. These shocks have aggravated the vulnerabilities of the economy and of the public finances. Sierra Leone's economy heavily relies on low added-value agricultural activities (about two thirds of the workforce and half of the output). The mining sector represents an important growth potential but the benefits fail to materialise in terms of employment, revenue for the State Budget and for the local communities.

The causes for the low development of the productive sector are multi-dimensional and include low human capital, weak institutional capacity, a significant infrastructure gap, the lack of access to affordable credit (credit to the private sector stands at 6% of GDP) and a non-conducive business climate.

Against that backdrop, GDP growth is estimated at 2.8% in 2022 and projected at 2.1% in 2023 with significant downwards risks. GDP growth is expected to recover its pre-COVID levels only from 2025. Considering the demographic growth, the implication on the income per capita and the livelihoods of Sierra Leoneans is harsh.

On the monetary side, after a noticeable improvement of inflation -which had gone below 10% in March 2021- consumer prices soared to reach 37% in December 2022. The rapid depreciation of the Leone has been a key driver for the high inflation. The launch of the redenomination in July 2022 and the monetisation of the budget deficit via significant purchases of Government Securities (GS) by the Bank of Sierra Leone (BSL) certainly contributed to the increased inflation. It is also noted that, in spite of its announced objective, the redenomination has failed to decrease the share of the informal sector in the transactions and holdings.

The current administration has adopted a reasonably prudent fiscal policy paving the way for the resuming of an Extended Credit Facility (ECF) programme with the IMF in 2019. In June 2023, the IMF Executive Board completed the sixth and seventh reviews under the Extended Credit Facility Arrangement for Sierra Leone which allows for an immediate disbursement of about US\$20.7 million. Sierra Leone's economic challenges have intensified. Inflation has continued to rise; the currency has depreciated sharply; and debt related risks have increased. The authorities have requested an extension of the program to November 2023 to continue building on recent reforms and achieve program objectives. Macroeconomic conditions are expected to stabilize on the back of the planned adjustment, but the outlook remains challenging. Growth is expected to decelerate to 2.7 percent in 2023 from 3.6 percent in 2022, before recovering to 4.7 percent in 2024. Inflation is projected to gradually decline to single digits over the medium term amid the contractionary policy stance while foreign exchange reserves would stabilize, assuming robust concessional financing.

The fiscal space is extremely limited as the debt burden has gradually increased since Sierra Leone reached -in 2006- the completion point under the Highly Indebted Poor Countries Initiative (HIPC). The debt indicators significantly deteriorated in the second semester of 2022 with the depreciation of the local currency. Risks of debt distress are high according to IMF and World Bank. Considering the share of debt contracted with International Financial Institutions, there is no credible prospect of debt restructuring under the Common Framework or other existing international debt initiatives. In spite of its lesser size (about 35% of public debt), the domestic debt portfolio also implies a significant refinancing risk as the bulk of government securities issued are 1 year T-Bills held by commercial banks. Sierra Leone remains dependent on ODA flows to finance its budgetary and development needs. International reserves are considered to be safe, but close to half of the recent SDR allocation has already been budgeted for priority expenditures.

**Based on this analysis, in spite of significant external and fiscal vulnerabilities, it is concluded that the authorities are pursuing a stability oriented macroeconomic mix. The eligibility criterion is considered to be met.**

#### 2.3.4 Public Financial Management

Sierra Leone's PFM performance should be assessed considering the low development of the country: its income per capita was the world's 5<sup>th</sup> lowest GDP in 2021 according to the World Bank. Against that backdrop, Sierra Leone's PFM capacity, according to the Public Expenditures and Financial Accountability (PEFA 2021)) methodology, compares favourably with Sub-Saharan African (SSA) peers. Sierra Leone compares better in particular for debt management, budget classification and documentation, revenue administration, payroll control, financial integrity, and bank reconciliation, while remaining in the same range for other indicators. Overall, Sierra Leone compares satisfactorily to the sample of Low Income Countries and Lower Middle Income Countries concerning the three main PFM outcomes (aggregate fiscal discipline, strategic resource allocation, and efficient service delivery).

Over the past three years, Sierra Leone's economic and fiscal performance has been affected by the global impact of the COVID pandemic in 2020/ 2021 and the Russian aggression on Ukraine in 2022. The resulting drop in economic growth translated into lower revenue, higher expenditures and an increase in outstanding debt. Consistently with the ECF programme with the IMF, the policy dialogue with the authorities has focussed on the progress of the structural reform agenda including measures to contain expenditure pressures, mobilize domestic revenue, preserve debt sustainability and strengthen PFM.

Most key PFM weaknesses were addressed in the PFM Reform Strategy (2018-2021) and many of its actions were implemented. Significant progress was achieved in two PFM areas (Debt and Payroll management), both representing about 60 percent of recurrent expenditure, pointing to the relevance of GoSL reform priorities. Other major achievements concern: the digitization of PFM functions (expenditure and revenue) covering 80 percent of GoSL transactions, the strengthening of Fiscal Risk Management prioritizing State-Owned Enterprises (SOEs), the reinforcement of the Internal Audit capacity, the preparation of a public investment and assets management policy together with the related regulatory/operational framework, the capacitation of the National Monitoring and

Evaluation institutional and operational framework (NaMED), the improvement of access to public procurement information as well as the strengthening of revenue administration. A new PFM Reform Strategy (2023-2027) has been drafted under the leadership of the Ministry of Finance with the support of the EU. Its formal approval has been delayed by the electoral calendar.

However, the overall conclusion of the PEFA 2021 assessment and of the external evaluation of the legacy PFM reform (2018-21) is that the many reform actions implemented had only a limited impact on the main outcomes of the PFM system. This is due to the following issues:

- (i) Over-ambitious reform agenda which underestimated capacity constraints,
- (ii) Inadequate financing relying mainly on ad hoc external funding;
- (iii) Weak governance and monitoring of the PFM reform plan coupled with limited leadership drive;
- (iv) Insufficient compliance with the legal and regulatory frameworks; and
- (v) Insufficient consideration paid to the technical and non-technical root causes of the weaknesses.

The GoSL commitment to PFM reform has been renewed with the preparation of the new PFM strategy and action plan (2023-27). The authorities will approve during the first semester of 2023 the following strategies: **i) PFM Reform Strategy (PFMRS) 2023-2027 and ii) Medium-term Revenue Strategy (MTRS) 2023-2027**. The new strategy has been developed with EU support under MoF leadership. It builds on the lessons learnt of the previous strategy and in line with the objectives of the MTDNP 2019-2023 (in particular the medium-term target of 20% for the ratio domestic revenue/GDP). It builds upon the new participatory approach which (i) Addresses technical and non-technical root causes and key bottlenecks for reform; (ii) Proposes realistic and concrete measures in line with PFM outcomes; (iii) Promotes local solutions considering the financial capacity and contextual constraints. A stronger monitoring and evaluation system of the PFM strategy/plan will be put in place in order to emphasize results/impact of the reform. The GoSL will also integrate the gender dimension into the reform.

The new PFM strategy will support the on-going, planned and new reform actions aiming at improving PFM outcomes including: (i) Strengthening the budget process toward a strategic top-down budgeting process to enhance fiscal discipline; (ii) Improving the procurement process to align procurement planning and policy priorities and to enforce more competitive, efficient, and transparent procurement processes, and accelerate the implementation of e-procurement. To support the reform, the authorities plan to carry out a Methodology for Assessing Procurement Systems (MAPS) evaluation; (iii) Improve commitment control and cash management; (iv) Continue the deployment of PFM financial management systems in all Ministries Department and Agencies; (v) Bolster the effectiveness of External and Internal Audit by enhancing the financial autonomy of the Supreme Audit and systematising the follow-up of audit recommendations; (vi) Capitalise on payroll management achievement and address human resource management bottlenecks; (vii) Enhance Fiscal risk management and SOE oversight; (viii) Strengthen public debt and arrears management; (ix) Implement the public investment and asset management policy; and (x) Implement the new GoSL Medium Term Revenue Strategy.

The dialogue between the EU and the GoSL on the implementation of the PFM reform agenda has improved. A PFM Steering Committee was organised with DPs (WB, IMF, FCDO, EU) in September 2022 (NB: the previous meeting had taken place early in 2021). There were regular meetings between the EUD and the MoF in the context of the PEFA 2021 assessment, of the evaluation of the PFM strategy (2018-2021) and the preparation of the new strategy (2023-27).

It shall be noted that the Ministry of Finance is well acquainted with EU budget support operations as officials in the Ministry, which took part in the previous EU budget support operation, have not changed. The last budget support tranche was disbursed in 2020, but related technical assistance is still ongoing.

**This assessment confirms that the country is making progress in implementing PFM structural reform and the current reform implementation is considered sufficiently relevant and aligned with EU priorities. Sierra Leone still needs to formally approve its PFM strategy for it to be considered fully eligible under the PFM criterion.**

### 2.3.5 Transparency and Oversight of the Budget

The provisions on transparency and budget control under the PFM Act of 2016 and the regulatory framework adopted in 2018 are in line with international standards but not yet fully implemented.

As measured by the PEFA (Pillar II Transparency of PFM), the overall PFM transparency score has remained the same (C+) as for PEFA 2017, though the performance has improved for some indicators. The budget documentation laid in Parliament and the public access to fiscal information have improved in number and quality, nonetheless the timeliness and regularity of publication remain an issue that could be tackled with more focus by the administration and leadership. Two main areas are still weak, the extra-budgetary operations and the performance for service delivery. Debt and fiscal risk management, payroll management, procurement, revenue management are areas in which transparency has improved.

The entry point regarding budget transparency is met. The Executive Budget proposals 2022 and 2023 were timely laid to the Parliament according to the Financial Act 2020 amending article 33(1) of the PFM Act 2016 which reduced from two months to six weeks the timeline for tabling the budget to the Parliament. A supplementary budget was adopted by the Parliament in July 2022 to reflect the deterioration of the economic outlook and the pressure on priority expenditures. The presentation of the supplementary budget to the Parliament in 2022, represents a continuation of the improvement of the compliance to the PFM Act 2016 (Art. 42 on Supplementary Appropriation Bill) as for FY2020.

The budget documents are widely available to the public, media, civil society, and development partners. Sierra Leone also improved its score from 39/100 to 45/100 in Open Budget Survey (OBS) 2021 versus 2019 survey. Its score for public participation remained stable at 31/100 (i.e. well above a global average of 14/100).

Regarding the external audit, the suspension –in November 2021 – of the Auditor General and her deputy raised concerns over the independence of the Audit Service Sierra Leone (ASSL). The judicial case following their suspension has made limited tangible progress, preventing the nomination of a new management team. However, the institutional capacity of the ASSL, the quality of its reports and its functional independence remain satisfactory. Likewise, the authorities are committed to addressing two weaknesses of the budget oversight. On the one hand, the authorities are willing to reinforce the financial independence of the ASSL thanks to the revision of the ASSL Act expected to be laid before Parliament during the first semester of 2023. On the other hand, the Ministry of Finance has been taking measures to enhance the follow-up of audit recommendations, in particular with the adoption – in July 2022 – of Standard Operating Procedures.

**In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.**

### 3. DESCRIPTION OF THE ACTION

#### 3.1. Objectives and Expected Outputs

The **Overall Objective** of the Action is to make Sierra Leone more prepared for and resilient against internal and external shocks, while safeguarding the environment and improving the education for future generations in line with the national development plan.

The **Specific objectives** of the Action are:

- SO1: To improve the resilience of vulnerable groups to sudden shocks, which are exacerbated by climate change, and cyclical stresses
- SO2: To improve equitable learning outcomes of students at early childhood, primary and secondary level considering gender gap reduction as a key driver.
- SO3: To foster sustainable, eco-friendly, employment-oriented agriculture for health and nutrition
- SO4: To restore, manage and protect terrestrial biodiversity and ecosystems through a territorial approach

The **induced outputs** are:

- IO1.1) Strengthening macroeconomic stability and public financial management by improving domestic resource mobilisation, debt management, fiscal decentralisation, budget reliability
- IO1.2) Strengthening public service delivery and social protection in particular in rural areas
- IO2.1) Improving educational access, experience and outcomes for the most marginalised
- IO2.2) Strengthening the instructional core to improve quality of teaching and learning
- IO3) Increasing food self-sufficiency, youth and women's participation in integrated agricultural value chains and minimizing biodiversity loss

IO4) Building national environmental resilience and strengthening forest management and wetland conservation

The **direct outputs** are: Country-wide

DO1.1) Additional fiscal space is made available in particular for education, social protection, decentralisation and rural development

DO1.2) Improved policy dialogue, coordination and funding of resilience relevant sectors (with Ministries such as agriculture, environment, education, local government and rural development)

DO1.3) Enhanced PFM technical capacities

DO2.1) Strengthened capacity of the MBSE conducive to the effective implementation and monitoring of the Education Sector Plan.

In and around selected and most significant national parks and protected areas:

DO3) Creation of alternative livelihoods in climate-smart farming system

DO4.1) Better local government system and local public service delivery

DO4.2) Enhanced environmental protection in collaboration with the local population

### 3.2. Indicative Activities

Regarding **budget support**:

Government and national entities will be in charge of:

1. achieving progress on the general and specific objectives of the programme and the national policy priorities,
2. ensuring progress on the four general conditions to budget support
3. reaching the targets on the agreed variable tranche performance indicators related to decentralisation, quality education, social protection measures (for instance school feeding), rural development and environmental protection.

Throughout the implementation of this SRBC contract, a continued policy dialogue will be conducted, both bilaterally and multilaterally through sector reviews together with other donors.

Regular operational, strategic and political policy dialogue sessions, involving EU, EU Member States, government (ministries and agencies), are carried out at different levels of responsibility, including where relevant CSOs, Women's Organizations and other stakeholders. Special attention will be paid during the political dialogue to inclusive democracy and in particular to check the implementation of the last EU Electoral Observation Mission recommendations.

Disbursements will occur annually based on a request by government authorities substantiating progress on the general conditions and performance indicators and the subsequent assessment by the European Commission thereof.

**Complementary support:**

**- at central level**

1. support the national PFM reform strategy and in particular domestic resource mobilisation at local and central level, debt management, and budget reliability. Support to national taxation regimes on natural resources shall induce and underpin environmental objectives.
2. reinforce the forest monitoring, verification and reporting system (MVR), including the use of remote sensing, satellite imagery and other modern technologies;
3. support the implementation of the Education Sector Policy. It will particularly contribute to the improvement of the quality of teaching services and support the production, use and management of education data for policy decision making;
4. provide financial contribution to the Education Outcome Fund, which is embedded in UNICEF (this could leverage significant EU private sector funding in early childhood education (possibly 10 million from LEGO foundation)).

**- at the level of target forest edge communities (around national parks and protected areas):**

5. support the formulation and implementation of village development and land use plans, including climate change adaptation issues;
6. raise awareness for biodiversity and forest ecosystems;
7. support the formulation and adoption of community-based laws (by-laws) and enforcement activities;.
8. promote sustainable agriculture and forestry and create value chains that reduce the pressure on the forest and limit the use of slash-and-burn methods (e.g. rice paddy on inland valley swamps, agro-forestry, rejuvenation of palm oil plantation, etc.), which create alternative income opportunities;
9. support the construction/rehabilitation of basic rural infrastructure and the delivery of climate resilient key public services (water points, rural roads, health posts, schools/education, school feeding etc.);
10. support and monitor grant implementation;
11. organise participatory control/assessment of grant implementation (for instance the effective construction of water points, rural roads, inland value swamps, etc.);
12. provide technical support to grant beneficiaries if needed.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

To the extent that this materialises, there could be significant potential for synergies through indirect management.

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To the extent that this materialises, there could be significant potential for synergies through indirect management.

### 3.3. Mainstreaming

#### **Environmental Protection & Climate Change**

##### **Outcomes of the Strategic Environmental Assessment (SEA) screening**

The SEA screening concluded that no further action was required.

##### **Outcomes of the Environmental Impact Assessment (EIA) screening**

The EIA screening classified the action as Category C (no need for further assessment).

##### **Outcome of the Climate Risk Assessment (CRA) screening**

The CRA screening concluded that this action is at no or low risk (no need for further assessment)

##### **Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the Action will take into account the recommendations on "Gender, Environment and Climate Change" from the 2021 National Gender Profile of Sierra Leone and the improved policy environment created by the recently adopted Gender Equality and Women's Empowerment Act 2023. Gender-inclusiveness will be promoted in all various policy sectors relevant to the Action, as a way to promote women's active participation in the decision-making processes and equal access to the use of natural resources. This is taking into account the key role played by women in the traditional use of natural resources and their vulnerability in case of progressing environmental degradation. The action will also address specific needs to support the implementation of the EU Gender Action Plan III<sup>2</sup> (GAP III, 2021-2025).

<sup>2</sup> The EU Gender Action Plan III was adopted by 24 Member States through the Presidency Council Conclusion of the 16th December of 2020 (13947/20).

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**Human Rights**

The Action will adhere to the human rights-based approach by promoting the respect, protection and the fulfilment of human rights. Throughout the implementation of the action, special attention will be given to the government's commitment to improving the situation regarding democracy, human rights and rule of law. The assessment of the adherence to fundamental values performed during the formulation of the action will serve as baseline. Progress and specific issues will be discussed in the budget support policy dialogue or the political dialogue. The action will also ensure that the reforms promoted contribute to the betterment of human rights. People living in rural areas are more likely to face human rights abuses, gender inequality, poor working conditions and indigenous land rights violations. The action will contribute to improving the human rights situation in particular in rural areas. Human rights and environmental protection are inextricably linked and it is essential for the promotion of human rights that the environment is managed sustainably, which is one of the outputs of the Action. This is taking into account that human activities are often the root cause of environmental degradation, and can lead to a host of human rights violations, especially for the most vulnerable members of society, youth and women.

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**Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. While the action will be aligned with the current Disability Act of Sierra Leone by promoting that all persons with disabilities have equal access to education, employment and basic services. The action will mainstream inclusiveness and special needs across all activities but does not contain specific mechanisms or activities to ensure their inclusion. Efforts will be made in particular in the education sector to facilitate the early identification of disabilities related requirements (assessment, standards, teacher trainings, infrastructure, materials, parental practices, policy).

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**Reduction of inequalities**

Inequality in Sierra Leone is among the highest in the world, with the country ranking high in both income and economic inequality and confirmed by a Gini coefficient of 0.50. The top 10% of households have an income that is 28.5 times that of the bottom 10%.

The main drivers of inequality in Sierra Leone are related to the country's lack of economic development, including weak economic growth, limited job opportunities, and high levels of poverty. Structural factors, such as gender and ethnic disparities, also contribute to inequality. Women are particularly disadvantaged in Sierra Leone, with lower levels of education, employment, and earnings compared to men.

Furthermore, the majority of the population is either rural or lives in urban informal settlements, both of which are more likely to experience poverty. Inequality is also driven by a lack of access to quality education, healthcare, and other public services. Access to these services is often limited for the poorest and most vulnerable, due to inadequate government funding and a weak public sector. This is compounded by widespread corruption, which further perpetuates inequality. The Action will particularly serve the reduction of inequalities by promoting economic opportunities for the rural poor and leaving no one behind, expanding social protection in rural areas and by contributing to improving access to basic services.

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**Democracy**

The Action emphasises the importance of good governance, coordination and inclusive participation in the decision-making process and implementation mechanisms related to the protection of the environment and to the sustainable use of natural resources. All these elements will contribute to strengthening civic participation and democracy in the country and will be regularly accompanied by sustained policy dialogue with the government and other stakeholders. The Action also aims to channel most of its funds through government institutions, in order to provide delivery of public services to the target local communities, hence strengthening the state building process in the rural areas of the country, while on the other hand strengthening social control of service delivery. In the regular Political Dialogue with Sierra Leone, the action will be an asset for discussing governance issues in as much as the budget support component may be expected to further encourage stakeholders to improve governance in general.

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**Conflict sensitivity, peace and resilience**

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Sierra Leone has been affected by conflict, poverty and weak governance for decades. In recent years, however, the country has made significant strides in building peace and resilience, with concerted efforts from the government, civil society and the international community. The Action will further promote the momentum of building peace and resilience by promoting dialogue and awareness on factors leading to conflicts and how different actors exert their influence in the management of natural resources.

It also seeks to identify potential triggers of conflict, so that they can be managed and addressed with the participation and contribution from the various stakeholders. This is taking into account that, if the current trend of environmental degradation is not halted and reversed, the dwindling access to natural resources will exacerbate the level of poverty, especially in the rural areas, possibly leading to social tension along social, economic and ethnic lines.

#### **Disaster Risk Reduction**

Sierra Leone is vulnerable to a variety of disasters linked to natural hazards, including floods, droughts, landslides and wild fires. To reduce the risk of these disasters, the government has implemented various initiatives and strategies, including a national disaster management policy, an emergency response plan and a national disaster risk reduction plan. The Action will support such interventions by directly supporting awareness raising programs on the risks associated to deforestation and wildfire, promoting risk preventing measures among the local population and investing in climate change adaptation.

#### **Other considerations if relevant**

Not applicable

### 3.4. Risks and Lessons Learnt

<b>Risks</b>	<b>Likelihood</b> (High/ Medium/ Low)	<b>Impact</b> (High/ Medium/ Low)	<b>Mitigating measures</b>
Macro-economic stability, including debt sustainability	Medium	High	Continued policy dialogue with government, central bank in conjunction with IMF/WB on macroeconomic policies, PFM reforms, domestic resource mobilisation and debt management.
Political risks following the general elections in June 2023	Medium	Low	A Political Dialogue including on inclusive governance will take place prior to the signing of the Financing Agreement and during the implementation of the programme. Special attention will be paid to inclusive democracy dimensions and in particular to the implementation of the EU EOM recommendations.
Resistance to improve governance due to economic interests and political interference	high	High	The Action will increase the policy/political dialogue and promote the mobilisation and lobby by civil society and community based organisations through dedicated information sharing platforms at central and local level
Capacity gaps and low absorption levels	medium	Medium	Independent verification and technical coordination mechanisms.  Technical assistance / capacity building through contracts services

Weak coordination amongst state institutions			Dialogue platforms will be promoted at all levels, and will be facilitated by technical assistance
Because of insufficient government budgeting, the sustainability of the Action might be at risk			Sensitize the Ministry of Finance, as well as other line ministries involved in the Action for planning and budgeting exercises. This resilience contract shall particularly foster through policy dialogue better spending in PFM.

**Lessons Learnt:**

The EU Delegation has been supporting Sierra Leone with budget support and environmental conservation projects for several years. Some of the lessons learnt from other interventions included:

- Budget Support is a very effective instrument to respond rapidly to crises.
- Budget Support is most appreciated, when crises are acute. Budget Support helped to implement PFM reforms and leverages sector policy reforms. Many sector reform programmes in Sierra Leone are not followed by effective and timely implementation of the revised policy and regulatory framework. Planning, monitoring and coordination at sector and sub-sector level is weak and deserves special attention in policy and technical dialogue. Key constraints for effective policy implementation need to be carefully assessed when indicators are designed.
- Without building in necessary safeguards, funds channelled through the central government system under budget support operations do not necessarily correspond to increased budgets for national and sub-national entities responsible for public service delivery, particularly in the rural and remote areas of the country.
- In the absence of law enforcement capacity at central level, local communities must be involved to achieve environmental protection.
- Livelihood support activities should be closely connected with potential or existing value chains and market outlets;
- Transparency and control on revenues from the use of natural resources (access to land, fee, royalties, concession, taxes, etc.) should be enhanced, also involving the beneficiary local communities.
- Regarding education and a previous project under project approach, TA was appreciated, while works and supplies were substantially delayed. Full respect of EU rules was also challenging. A contribution agreement to the WB trust fund results so far in slow implementation and little visibility for the EU.
- The EU supported Sierra Leone with several elections observation missions and respective democracy building programmes. Election observation mission recommendations were so far only partially implemented. Continued support in this area is ongoing and shall strengthen democratic reforms in Sierra Leone in synergy and complementarity with the proposed budget support action.

### 3.5. The Intervention Logic

#### IF (top-down)

- General conditions are met and fundamental values are respected,
- MTNDP implementation progresses,
- Education sector plan is implemented,
- Decentralisation progresses,
- Deconcentrated services (agricultural extension services, environmental protection) are operational,
- Budget support funds are made available as a leveraging tool,
- Policy dialogue confirms and supports progress regarding national and sector development plan implementation (see 2.3.2),
- Technical Assistance supports reform processes

#### AND IF (bottom-up to protect critical natural habitats)

- Participatory local development plans are established (which are sustainable and environmental friendly and include climate adaptation issues),
- Local and traditional authorities receive resources for local service delivery/implementation,
- Alternative income opportunities are created for the rural population,

#### THEN

##### The central government

- Has more fiscal space to support the most vulnerable in society and engage in countercyclical investments;
- Will improve domestic resource mobilisation and credible budget implementation;
- Strengthen the decentralisation process, ascertain and clarify responsibilities and financial flows between center and local authorities fostering therewith national coherence;
- Will further increase its interest in governance reforms;
- Improve service delivery at national and local level (agriculture extension services, quality education, social protection, environmental protection, considering gender perspective).

##### Local and traditional authorities

- Deliver social services (roads, culverts, water wells, school feeding) in line with local development and climate adaptation needs.

##### The local population

- Adheres to environmental-friendly agricultural practices and helps to protect national parks and protected areas since they find income opportunities and receive social services (including school feeding).
- The original agreement between state and local communities (regarding the establishment of national parks in return for social services) is respected. Therewith nature is revalued, nature provides income and services, Nature Nourishes.

The “collect more and spend better” principle, which is enshrined in the action, shall contribute to the sustainability of the action and increase the contribution that Sierra Leone can provide to implement its national development plans from own resources. Still, innovative funding mechanisms are considered by the action, for instance the environmental component shall lay the ground for future climate financing and collaborations with private sector sponsors and philanthropes are envisaged and in the pipeline (Education Outcomes Fund).

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

BUDGET SUPPORT MODALITY as reflected by the national/sector public policy supported (4 levels of results / indicators / Baselines / Targets / Source of Data - no activities) / Targets / Source of Data - no activities)

Caveat: the indicators used in the LFM refer to the budget support intervention logic. They help monitoring the implementation of the programme in view of its objectives and later evaluate its contribution to country policy's achievements. The list of indicators below should not be understood as the list of indicators informing the disbursement of variable tranches and spelled out in the relevant part of the financing agreement signed with the partner country, although some indicators may be used for both purposes and will be marked accordingly.

<b>Results</b>	<b>Results chain</b>	<b>Indicators (max. 15)  * Indicators from the MIP ** GERF Indicator *** Indicator from the MTNDP or national development plan</b>	<b>Baselines (2021)</b>	<b>Targets by the end of the budget support contract (year)</b>	<b>Sources of data (1 per indicator)</b>
<b>Indicative Impact of the policy</b>	1 To make Sierra Leone more prepared for and resilient against internal and external shocks and safeguard the environment for future generations in line with the national development plan.	1a*** National population in absolute poverty(** GERF 1.23 international poverty line)  1b ** GERF 2.39 Number of people directly benefiting from EU-supported interventions that aim to reduce social and economic inequality (additional through this programme)	57%  0	TBC  250,000	Statistics Sierra Leone  Programme Statistics
<b>Expected Outcomes of the policy</b>	S.1 Improved resilience of vulnerable groups to sudden shocks, which are exacerbated by climate change, and cyclical stresses	S.1 a)*** national food poverty SSL  S.1 b)*** (**GERF 1.24) (SDG 2.1.1) prevalence of undernourishment  S.1c) **(GERF 1.25 SDG 2.2.1) Prevalence of stunting among children under 5 years of age	64.8 %  70 %  TBC	TBC  TBC  TBC	Statistics Sierra Leone Statistics Sierra Leone  WHO
	S.2 Improved equitable learning outcomes of students at early childhood, primary and secondary level considering gender gap reduction as a key driver.	S.2a * % of students passing West African Senior Secondary Certificate Exam with university requirements (gender disaggregated)  S.2b Share of students who pass Mathematics and Language Arts in BECE	41.8% (UNESCO 2018)  Boys 4,4% Girls 3,9% (2020 MBSSE Exam result analysis)	55% (UNESCO 2027)  Boys 20% Girls 20% (2027 MBSSE result analysis)	UNESCO  MBSSE results analyses
	S.3. Fostered sustainable, eco-friendly, employment-oriented agriculture for health and nutrition	S.3. Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (**GERF 2.1)	0	150,000	TBC

	S.4. Restore, manage and protect terrestrial biodiversity and ecosystems	S.4*.-** Areas of terrestrial and freshwater ecosystems under a) protection b) sustainable management with EU support (ha)  S4 - GERP 2.7 : Greenhouse Gas (GHG) emissions avoided with EU support	a) 183,170 b) 85,000  0	a) 370,000 b) 460,000  404 MteCO2	Annual reports from the National Forest Monitoring System (FAO support for remote sensing) + <a href="http://www.globalforestwatch.org/country/SLE">www.globalforestwatch.org/country/SLE</a>  TBC
<b>Induced Outputs3</b>	I.1.1a Enhanced government capacities to maintain a stable macroeconomic environment and counteract on current and future economic crisis	I.1.1a*** Reducing the current account deficit (including official grants) to an average of around 11.5 percent	13.6%	11.5% (average 2023 to 2025)	IMF/ State Budget
	I.1.1b Strengthening public financial management, improved domestic resource mobilisation, debt management, fiscal decentralisation, budgeting process and credible budget implementation	I.1.1b* Domestic Revenue Mobilisation: budget revenue (excluding grants) as % of the GDP	1.1.2a: 14.7% (2022)	1.1.2a: 17,5% (2025)	IMF/ State Budget
		I.1.1c **Proportion of domestic budget expenditures funded by domestic taxes (**GERF 1.16 SDG 17.1.2)	1.1.2b: 58.6% (2022)	1.1.2b: 72% (2025)	IMF/ State Budget
I.1.2 Strengthening public service delivery and social protection in particular in rural areas	I.1.2a*** improve MCC percentile ranking for low-income group on government effectiveness form 31 percent in FY2019 to 50 percent  I.1.2b (**GERF 2.32) Number of food insecure people receiving EU assistance †  I.1.2c (**GERF 2.33) Number of women of reproductive age, adolescent girls and children under 5 reached by nutrition-related interventions supported by the EU	31% (2019)  0  0	50% (2023)  TBC  TBC	MCC  Programme Statistics  Programme Statistics	

	I.2.1 Improving educational access, experience and outcomes for the most marginalised	I.2.1.a*** enrolment rates I.2.1.b * % of children both boys and girls enrolling in primary education, I.2.1.c * % of children both boys and girls enrolling in secondary education I.2.1d Gross Completion Rate, Primary I.2.1e (**GERF 2.36) Number of students enrolled in education with EU support: (a) primary education, (b) secondary education,	18% (2020) 15.5% (2022) 41.7% (2022) 83.2% (2022) TBC	20% (2026) 30% (2026) 50% (2026) 90% (2026) TBC	EMIS EMIS EMIS EMIS Programme Statistic
	I.2.2 Strengthening the instructional core to improving quality of teaching and learning	I.2.2 *** % classrooms using the new curriculum standards	0% (2020)	TBC	EMIS
	I.3 Increasing food self-sufficiency	I.3a The agriculture orientation index for government expenditures (** SDG2.a.1)	TBC	TBC	TBC
		I.3b Average income of small-scale food producers, by sex and indigenous status (**GERF 1.1 SDG 2.3.2)	TBC	TBC	FAO
	I.4. Building national environmental resilience and strengthening forest management and wetland conservation	I.4. a) *** Vulnerability to climate change Ranking I.4. b) *** forest coverage is maintained	3 <sup>rd</sup> most vulnerable country (2014) 8.9 % (2014)	TBC 8.9%	IPCC CIESIN Deforestation dashboard from <a href="http://www.globalforestwatch.org/country/SLE">www.globalforestwatch.org/country/SLE</a>
<b>Direct Outputs</b>	D.1.1 Additional fiscal space is made available and a flexible funding mechanism in place	D.1.1* Transfers to Local Councils	1.1.1 SLL 120 billion (2021)	1.1.1 SLL 180 billion (2027)	1.1.1 Ministry of Finance
	D.1.2 Improved policy dialogue, coordination and funding of resilience relevant sectors (with Ministries such as agriculture, environment, education, local government and rural development)	D.1.2 a)* Number of people directly benefiting from EU supported interventions that aim to reduce social and economic inequality, such as <u>home grown school feeding</u> D.1.2 b)* Number of food insecure people receiving EU assistance(**GERF 2.32)	TBC	TBC	Ministry of Education

	D.1.3 Enhanced PFM technical capacities	D.1.3* Government Effectiveness score (as measured by the World Bank Worldwide Governance indicators)	1.3 12.5% (2019)	1.3 18% (2027)	WB WGI
	D.2 Strengthened capacity of the MBSE conducive to the effective implementation and monitoring of the Education Sector Plan	DO.2 Number of MBSE stakeholders trained thanks to EU support, disaggregated by sex	2. TBC (2023)	TBC (2027)	Programme Statistics/reports
	D.3 Creation of alternative livelihoods in climate-smart farming system	D.3* a) Agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support (ha), such as IVS rice paddies (** GERF 2.2.)	3 a) TBC	3 160,000	
		D.3* b) Number of smallholders (sex-disaggregated) reached with EU interventions to increase sustainable production, access to markets and/or security of land	3 b) TBC	3 100,000	
D.3 c) Number of women with increased training, financial resources, technology or other resources for sustainable and safe food production, sustainable energy, sustainable transport, and clean water sources, for family consumption or for productive uses (GAP III indicators)		TBC	TBC		
D.4.1 Better local government system and local public service delivery	D.4.1 a) ***Number of villages/chiefdoms with participatory development planning processes	0	TBC	Programme Statistics	
	D.4.1* b) Proportion of District Councils that adopt and implement local district development plans	4.1 6%	4.1 16%		
	D.4.1 c)** (GERF 2.18) Total length of transport infrastructure supported by the EU (kms): (a) roads	0	TBC		

	D.4.2 Enhanced environmental protection of selected national parks and protected areas	D.4.2 a)*** Number of protected areas with improved management	4.2.a) 2	4.2.a) 8	4..2 IMET score (Integrated Management Effectiveness Tool)  Ministry of Environment Annual Report  Deforestation dashboard from <a href="http://www.globalforestwatch.org/country/SLE">www.globalforestwatch.org/country/SLE</a>
		D4.2.b) Sq km nature areas prepared for inclusion into officially protected area	4.2.b) 0	4.2.b) 6,049	
		D4.2.c) Number of draft protected area plans developed with the support of the EU	4.2.c) 2	4.2.c) 8	



## 4. IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation of the Budget Support Component

#### 4.3.1 Rationale for the Amounts Allocated to Budget Support

The proposed amount for budget support is EUR 65 000 000. The amount remains modest in view of actual needs and the current fiscal deficit. However, the amount will give the EU sufficient leverage to engage in policy dialogues and foster PFM reforms.

The budget support component will create much needed fiscal space as the development needs are significant. On the expenditures side, the non-discretionary expenditures (including the wage bill and interest charges) account for the majority of recurrent expenditures. On the revenue side, whilst there is untapped potential, empirical experience in the region evidences that actual revenue collection can only increase gradually. Furthermore, the authorities need to strike a difficult balance between the objective of sustaining economic activity and that of restoring fiscal sustainability. As for financing, Sierra Leone being at high risk of debt distress it needs to gradually reduce its debt burden. Consequently, grants –such as the present budget support operation, but also the proposed TALD approach- are instrumental to contribute to ease the tight fiscal constraint.

During previous budget support operation yearly tranches of approximately EUR 20 000 000 were absorbed in full.

#### 4.3.2 Criteria for Disbursement of Budget Support

##### a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the national development plan (MTNDP) and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement to be used for variable tranches may focus on the following policy priorities: **decentralisation, public service delivery, education, social protection measures (for instance school feeding), rural development and environmental protection.**

##### c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on

changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

#### d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### 4.3.3 Budget Support Details

Budget support is provided as a combination of fixed and variable tranches. 20 000 000 is envisaged as fixed tranches and 45 000 000 is envisaged as variable tranches.

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Sierra Leone Leones will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change.

Tranche	2024	2025	2026	2027
fixed	11 000 000	3 000 000	3 000 000	3 000 000
variable		15 000 000	15 000 000	15 000 000

## 4.4 Implementation Modalities applicable for complementary support to a Budget Support

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>3</sup>.

### 4.4.1 Direct Management (Grants)

#### Grants: (direct management)

For the three specific Objectives SO 2 “To improve equitable learning outcomes of students at early childhood, primary and secondary level considering gender gap reduction as a key driver”, SO3 “To foster sustainable, eco-friendly, employment-oriented agriculture for health and nutrition” and SO 4 “To restore, manage and protect terrestrial biodiversity and ecosystems through a territorial approach”.

This will cover parts of the following activities:

<sup>3</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

1. Support the formulation and implementation of village development and land use plans, including climate change adaptation issues;
2. Raise awareness for biodiversity and forest ecosystems. Develop community-based laws (by-laws) and enforcement activities.
3. Promote sustainable agriculture and forestry and create value chains that reduce the pressure on the forest and limit the use of slash-and-burn methods (e.g. rice paddy on inland valley swamps, agro-forestry, rejuvenation of palm oil plantation, etc.), which create alternative income opportunities.
4. Support the construction/rehabilitation of basic rural infrastructure and the delivery of climate resilient key public services (water points, rural roads, health posts, schools/education, school feeding etc.)

**(a) Purpose of the grant(s)**

The grant shall enable local authorities to plan and implement local development plans.

**(b) Type of applicants targeted**

Government entities, local authorities, public bodies, NGOs, international organisations or Universities with presence in Sierra Leone.

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- technical, financial and operational capacities and proven experience in the field of early childhood, primary and secondary education;
- technical, financial and operational capacities and proven experience in the field of rural development, environmental protection and monitoring;
- experience in the creation of synergies.

#### 4.4.2 Direct Management (Procurement)

**Procurement: (direct management)**

(A) contract(s) for technical assistance is/are envisaged under the Action for Specific Objectives 1,3 and 4.

A call will be launched for objectives 1, 3 and 4 under a suspensive clause prior to the adoption of this Decision. This is justified because of the key role that will be played by the technical assistance for these objectives, hence the need to minimise the delay between the recruitment of the experts and the starting in the implementation of the Action.

#### 4.4.3 Indirect Management with an entrusted entity

**4.4.3.1 Specific objective 2**

A part of this action may be implemented under indirect management with an entity which will be selected by the Commission's services.

*For the improvement of equitable learning outcomes of students at early childhood, primary and secondary level considering gender gap reduction as a key driver the following criteria will be used:*

technical, financial and operational capacities and proven experience in the field of early childhood, primary and secondary education.

Since several actors work in both this area as well as environment mentioned in 4.4.3.2, the creation of synergies will be used as an additional main criterion.

#### **4.4.3.2 Specific objective 3 and 4**

A part of this action may be implemented under indirect management with an entity which will be selected by the Commission's services.

For “*to foster sustainable, eco-friendly, employment-oriented agriculture for health and nutrition*” and “*to restore, manage and protect terrestrial biodiversity and ecosystems through a territorial approach*” the following criteria will be used:

technical, financial and operational capacities and proven experience in the field of rural development, environmental protection and monitoring.

Since several actors work in both this area as well as education in 4.4.3.1, the experience in the creation of synergies will be used as an additional main criterion.

#### **4.4.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)**

##### **4.4.4.1 Specific objective 2**

The part of the action under the budgetary envelope reserved for indirect management with entrusted entities for specific objective 2 may, partially or totally be implemented in direct management grant as follow;

##### **(a) Purpose of the grant(s)**

To improve equitable learning outcomes of students at early childhood, primary and secondary level considering gender gap reduction as a key driver.

##### **(b) Type of applicants targeted**

Public entities which are active in this area.

##### **4.4.4.2 Specific objective 3 and 4**

The part of the action under the budgetary envelope reserved for indirect management with entrusted entities for specific objective 3 and 4 may, partially or totally be implemented in direct management procurement to furnish a technical assistance in view to foster sustainable, eco-friendly, employment-oriented agriculture for health and nutrition and to restore, manage and protect terrestrial biodiversity and ecosystems through a territorial approach.

#### **4.5 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions: the Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

## 4.6 Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR) Year N</b>	<b>EU contribution (amount in EUR) Year N+1</b>	<b>TOTAL EU contribution (amount in EUR)</b>
<b>Budget support</b> - cf. section 4.3	<b>54 687 595</b>	<b>10 312 405</b>	<b>65 000 000</b>
<b>Specific Objective 1 - To improve the resilience of vulnerable groups to sudden shocks, which are exacerbated by climate change, and cyclical stresses</b>	<b>2 500 000</b>		<b>2 500 000</b>
Procurement (direct management) - cf. section 4.4.2	2 500 000		
<b>Specific Objective 2 - To improve equitable learning outcomes of students at early childhood, primary and secondary level considering gender gap reduction as a key driver.</b>	<b>5 000 000</b>		<b>5 000 000</b>
Grants (direct management) cf section 4.4.1	3 000 000		
Indirect Management with entrusted entity – c.f 4.4.3	2 000 000		
<b>Specific Objective 3 - To foster sustainable, eco-friendly, employment-oriented agriculture for health and nutrition</b>	<b>8 500 000</b>		<b>8 500 000</b>
Grants (direct management) cf section 4.4.1	5 000 000		
Procurement (direct management) - cf. section 4.4.2	2 500 000		
Indirect Management with entrusted entity – c.f 4.4.3	1 000 000		
<b>Specific Objective 4 - To restore, manage and protect terrestrial biodiversity and ecosystems through a territorial approach</b>	<b>8 500 000</b>		<b>8 500 000</b>
Grants (direct management) cf section 4.4.1	5 000 000		
Procurement (direct management) - cf. section 4.4.2	2 500 000		
Indirect Management with entrusted entity – c.f 4.4.3	1 000 000		
<b>Evaluation</b> - cf. section 5.2 <b>Audit</b> - cf. section 5.3	500 000		500 000
<b>Grants</b> – total envelope under section 4.4.1	13 000 000		13 000 000
<b>Procurement</b> – total envelope under section 4.4.2	7 500 000		7 500 000
<b>Totals</b>	<b>79 687 595</b>	<b>10 312 405</b>	<b>90 000 000</b>

## 4.7 Organisational Set-up and Responsibilities

The Action will be implemented under the joint leadership of the Ministry of Finance (MoF) and the Ministry of Planning and Economic Development (MoPED).

A Steering Committee will be established to oversee and validate the overall direction and policy of the Action. The Steering Committee shall meet at least twice per year. The Steering Committee shall be jointly chaired by the Permanent Secretaries of MoF and MoPED or their representative and whose members shall include representatives from all relevant line ministries. It will guide the implementation, monitor progress and ensure that the required technical expertise is mobilised in a timely manner. The EU will be a member of the Committee with an observer status. The disbursement requests will be submitted to the EU by the MoF.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

## 5. PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: Statistics Sierra Leone is the central authority for collection, processing, analysis and validation of statistical information in social, health, demographic and economic fields. Statistics Sierra Leone focusses on surveys, and the findings of 2021 mid-term census have been questioned. Statistics Sierra Leone will be associated to the forestry census supported by the EU.

Monitoring and evaluation of policies needs to be strengthened. The National Monitoring and Evaluation Department (NaMED) was established to operationalise the Monitoring and Evaluation (M&E) of the MTNDP. NaMED now reports to the Presidency and monitors all domestically financed projects thanks to a dedicated IT system. The NaMED has the authority to block payments in case of mismanagement and will participate in the approval of investment projects. The NaMED has yet to carry the evaluation of policies and plans to do so with the flagship Free Quality School Education Programme.

The Bank of Sierra Leone publishes regular data and analysis on the monetary policy, economic activity and financial issues (financial stability, financial inclusion or market conditions). The fiscal publications of the Ministry of Finance including the Annual Financial Statement of the Accountant General Department, the annual debt bulletin or the fiscal risks reports are reliable.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows:

- Key statistics and baseline data from the above sources have been used for the design of this action;
- Additional sources have been used to check the quality of information include these publications of Development Partners such as the IMF or the UN System.

Regarding the direct support to local authorities a dedicated monitoring system will be set up, which will verify and confirm results, enhance transparency and social accountability.

### 5.2 Evaluation

Having regard to the importance and nature of the Action, a mid-term and final evaluations evaluation may be carried out for this action or its components via independent consultants contracted by the Commission. The mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to combination of budget support and local intervention.

A final or ex-post evaluation may be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the intervention has a long term perspective and might need continued support in future.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least three months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

<b>Action level (i.e. Budget Support, blending)</b>		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Group of actions level (i.e. top-up cases, different phases of a single programme)</b>		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#)
<b>Contract level</b>		
<input checked="" type="checkbox"/>	Single Contract 1	grant contracts
<input checked="" type="checkbox"/>	Single Contract 2	Technical assistance contracts
<input checked="" type="checkbox"/>	Single Contract 3	Contribution agreements with entrusted entities
<b>Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)</b>		
<input type="checkbox"/>	Group of contracts 1	<foreseen individual legal commitment (or contract) 1>