

**CAADP Post Compact Review**

# **Sierra Leone**

**Technical Review Report**

**Dakar, June 2010**

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## **CAADP Technical Review Panel**

### **Key findings for Sierra Leone**

Dakar, June 2010

This document reports the findings of the Comprehensive Africa Agricultural Development Programme (CAAADP) Post-compact Technical Review for Sierra Leone. The purpose of the review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. The review is meant to ensure that every possible action is being taken to achieve the objectives and targets laid out in the plan and defined in the CAADP agenda. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the strategy approved at the compact roundtable and reflected in the compact and the national agriculture investment plan.

The Smallholder Commercialisation Programme (SCP) of Sierra Leone is a progressive and innovative investment plan that is closely aligned with the CAADP principles on agricultural growth and food security. The programme has a broad-based participation of government, private sector and cooperating partners, which is spearheaded by the President. The SCP (2009 to 2012) seeks to increase agricultural sector growth from the current 4% to 7.7% per annum by 2015; increase incomes of farming households by 10%; and increase household food security by 25%. Its strategic programmes for smallholder commercialization include: production intensification; diversification; value addition and marketing; small scale irrigation development; market access expansion through feeder road rehabilitation; smallholder access to financial services; strengthening social protection, food security, and productive social safety nets; and SCP planning, coordination, and monitoring and evaluation.

As part of the broader CAADP agenda, the Economic Community of West African States (ECOWAS) developed an Agricultural Policy (ECOWAP), which was later adopted as a regional Compact for the Regional Economic Community. The process of developing the regional policy involved all stakeholders in the region to embrace the principle of inclusiveness. To translate this policy into action to implement CAADP in West Africa, strategies have been developed that lay the foundation for a regional investment plan and national agriculture and food security investment plans to implement the strategy.

The Comprehensive Africa Agricultural Programme (CAADP) represents a social transformation agenda with wide-reaching influence on development aid architecture and development planning. CAADP seeks to support African governments prepare quality strategies and investment plans, ensure enabling policy environments to implement the plans, and translate these plans into programmes that are efficient at stimulating growth and reducing poverty. The post compact technical review is a critical step in the operational implementation of the country compacts and investment plans.

The statement of the Technical Review Panel's findings and recommendations for improving implementation of Sierra Leone's plan are outlined below.

#### **Component 1: Alignment with CAADP vision, principles and strategy elements**

Sierra Leone's Smallholder Commercialisation Investment Plan sets out the core priority component of the country's National Sustainable Agriculture Development Plan (NSADP). The NSADP is rooted in the country's Agenda for Change – the Sierra Leone Poverty Reduction Strategy Paper. The Plan demonstrates an understanding of partnership roles and functions (including civil society and the private sector), providing a sound basis for private sector-lead commercialization. The process of developing the Plan has deeply embraced the CAADP principles – from inclusive consultations and debate to in-depth analysis of the agriculture sector. Government commitment and leadership is underlined by the direct participation of Presidency and the various Ministries.

Sierra Leone recognizes the need to urgently address the national poverty level of 70% and food insecurity of over one quarter of the population. Seventy-five percent of the workforce rely upon food crop production as a main source of livelihood therefore smallholder agriculture represents a real opportunity to meet country development objectives. Emerging from a conflict era, the country lacks sufficient human resource and support capacities to immediately transform the agriculture sector; therefore the Smallholder Commercialization Program includes a broad-based series of interventions.

Strong as the strategy document is on coordination and collaboration structures, it does not spell out the level of participation of these ministries in the design process, or, their specific responsibilities during implementation. However given that the President of Sierra Leone is a designated “champion” of agriculture, and the Smallholder Commercialization Program emanated out of the national Poverty Reduction Strategy, it is presumable that other line ministries will collaborate in this Program to be coordinated by the Ministry of Agriculture, Forestry and Food Security (MAFFS).

#### Recommendations:

- A. The plan's programmes are in need of further development to demonstrate how the strategy embraces a balanced comprehensive program and how it is prioritizing the critical foundational infrastructure needs of the sector;
- B. There is need for specific information about how the plan will set up inter-ministerial collaboration and alignment of programs and services with the SCP;
- C. The plan should include a section that describes if the consultation formulation included all stakeholders and how. The plan could also indicate how, during SCP implementation, consultation will involve all actors either in monitoring, sector reviews and reshaping policies, etc.;
- D. A serious review of the policy environment is necessary to ensure that an enabling policy environment will promote market access and regional trade, attract foreign direct investment and private sector participation; and
- E. It is important that the investment plan defines and links to systematic and cost-effective M&E mechanisms supporting dialogue, learning, decision making as well as transparency and accountability objectives and modalities.

#### **Component 2: Consistency with long term growth and poverty reduction options**

The Smallholder Commercialization Programme growth rates are likely to be achieved and produce growth above the CAADP 6% growth target and poverty would decline by 50% and achieve MDG1 by 2015 in line with the MDG1 goals. Even with this reduction, poverty in 2015 would still be at 42%, indicating that further attention needs to be paid to reducing poverty at a faster rate.

The details of the program are sketchy outside of the rice sector. The estimated annual cost of the investment plan is significantly higher than current spending levels and the gap in funding requirement is most likely due to an overestimation of the cost of implementing individual investment activities in the plan.

Recommendations:

- a) Better, measurable targets must be quantified for the other components of the plan (beyond rice) and linked explicitly to the plan's target growth rate;
- b) The proposed cost of the investment plan is considerably higher than the funding requirement of the MDG-B scenario which assumes a comparable agricultural growth rate and would also achieve MDG1 by 2015. Given the fact that the latter funding requirement is estimated based on observed relationships between public expenditure and agricultural sector growth in Sierra Leone, the cost under the MDG-B scenario must be more realistic than that under the plan. Consequently, it is recommended that the plan be aligned with the targets and funding levels of the MDG-B scenario; and
- c) There were no data to evaluate the impact of alternative plans on nutrition and vulnerability levels. It is therefore important that necessary arrangements be made to regularly update the baseline household survey information that was used during the pre-compact analysis such as to facilitate the tracking of poverty and distributional impacts of the investment plans.

**Component 3: Adoption of best practices and inclusion of core program elements**

Sierra Leone faces the challenge of rehabilitation of farms and infrastructure post-conflict. The plan therefore, focuses on increasing food production through commercialization, irrigation, infrastructure rehabilitation (including storage systems) and soil recapitulation to stimulate growth and address food insecurity. More attention could be given to the development of rural electrification, water provision, food processing and telecommunications to facilitate agribusiness development. Integrated soil fertility management, conservation agriculture, agriculture and wetland management all support sustainable agriculture practices. The potential impact of climate change is considered in the plan and commendably addressed through programmes to mitigate erratic water surplus and deficits and deforestation. Key value chains have been prioritized and the importance of regulatory market frameworks to reduce transaction costs recognised. Not enough attention has been paid to the potential for non-timber forest products value chain development. However, activities to establish a national data set, promote local and regional trade, and provide training in marketing, quality assurance and certification services are not well articulated. Considerable investment in capacity building of farmers (across crops, livestock and fisheries), farmer organizations and the agribusiness sector (for food processing, marketing and value chain analysis on particular) is necessary in this post-conflict country.

A number of programmes related to food security, nutrition (including school feeding programmes, seasonal nutrition supplementation for children and supplements for pregnant and lactating women), education and health are presented in the plan and are targeted at the high proportion of food insecure, resource poor and vulnerable smallholders. Social protection is included and draws on opportunities related to infrastructure development programmes and agriculture-related transfers. A well designed programme for research is presented with clear coordination/harmonization of financial support but priorities are not established apart from rice.

Collaboration with the Ministry responsible for fisheries is needed to integrate research in this area into the research programme.

Recommendations:

- A. The plan needs to set out priorities for rural electrification, water provision, food processing and telecommunications to facilitate agribusiness development;
- B. Non-timber forest products value chain development should be included in the portfolio;
- C. Activities to establish a national data set, promote local and regional trade, and provide training in marketing, quality assurance and certification services are required;
- D. Considerable investment in capacity building of farmers (across crops, livestock and fisheries), farmer organizations and the agribusiness sector (for food processing, marketing and value chain analysis on particular) is necessary;
- E. Prioritisation of research areas is necessary; and
- F. Collaboration with the Ministry responsible for fisheries is required to integrate research in this area into the research programme.

**Component 4: Alignment with country commitments**

The immediate needs of Sierra Leone revolve around raising agricultural productivity to provide food security for largely a poor population, and income for smallholder farmers. This is clearly identified in the formulation process and the plan. The Smallholder Commercialization Programme Investment Plan is a result of stakeholder identification of national priorities and links with several on-going projects however not sufficiently coordinated to achieve the desired results.

The number of projects that Sierra Leone intends to carry out is significant. The Program is relatively well prioritized and focused. However, because the investment plan is a sub-Program under the umbrella of the NSADP, it may be useful to expand the introductory section to provide greater background and context to explain the rationale behind the selection of the SCP as the highest priority sub-Program and why other sub-Programs were not developed in parallel to achieve comprehensive implementation of the NSADP.

The document well describes the linkage to existing Programs and projects and provides sound analysis on their degree of alignment. Although potential entry points to better align existing Programs with SCP are identified, there is likely more scope for further development of what alignment means in practice and how to concretely integrate existing Programs into SCP framework. The plan does not clearly describe how it intends to coordinate inter-agency cooperation and alignment with plan objectives. An assessment of institutional capacity to manage the activities and resulting capacity building needs identified and integrated into plan investment. As well, the plan does not clearly articulate how it will establish a platform for greater donor coordination and alignment.

No key input or output market policy issues are identified within SPC and a core underlying assumption appears to be that the enabling environment to facilitate smallholder commercialization and marketing is sufficient. It may be useful to re-assess this assumption and whether investments in improving service delivery and value chain development do not also require any adjustment in the input or output market related policies.

Recommendations:

- A. The SCP needs to better map individual programmes and sub-programmes against compact commitments made by government as a result of the round table process, including the

sector strategy and PRS, and captured in the compact. There should also be an overview of the analysis of strategic options reviewed to most efficiently achieve long term growth and poverty reduction targets;

- B. The plan should more clearly describe how it intends to coordinate inter-agency cooperation and alignment with plan objectives. Sierra Leone should consider undertaking an assessment of the proposed institutions to determine level of capacity to manage SCP activities and resulting capacity building needs identified are integrated into plan investment. As well, the plan should clearly articulate how it will establish a platform for greater donor coordination and alignment;
- C. The plan does not clearly articulate the policy implications and outstanding policy issues implicit in changing the thrust of agriculture sector development. An assessment of the difficulty and time required to achieve the change and which entity is responsible for leading the change should be included in the plan;
- D. The plan should include a description of how future engagement with donors, private sector and civil society will be carried out by the government to effectively align stakeholders with the objectives of the SCP;
- E. The plan should better describe how the M&E system will build upon existing capacity and how it intends to strengthen and utilize statistical information and geographical information systems to establish baselines from which progress will be tracked. The proposed results framework should be revisited and indicators chosen that will effectively track not only outputs but outcomes and higher level impacts. The country should use the ReSAKSS manual to refine the plan's results framework and set of indicators; and
- F. Given the strategic importance of regional trade and integration for long term growth, the SCP needs to show more explicitly, how the country intends to exploit the opportunities of regional trade, and what activities will be carried out to promote trade across border corridors and Analysis of the benefits and multiplier effects from regional cooperation is needed.

### **Component 5: Operational Realism**

The investment plan does not provide sufficient detail of how the plan intends to be made operational. It does not include an overview of an institutional assessment, indicative costs, a public expenditure review, risk management or financial and economic analysis of the proposed programme investments.

The SCP also presents a total cost of \$403 million and a financing gap of \$256 million. If full financing cannot be obtained, it should be stated which expenditures in SCP would be of highest priority. Some description of where prioritization may take place within the sub-Program in the event of lower levels of financing may be needed.

#### Recommendations:

- A. The SCP needs to present a more detailed breakdown of incremental costs based on unit costs where available and estimates. The budgeting should link expenditures to outcome and outputs contained within a results or logical framework;

- B. The SCP financing plan should present a breakdown of costs by capital and recurrent expenditure. The breakdown of existing expenditures and incremental expenditures should be as accurate as possible. The financing plan should be comprehensive so that it covers both on- and off-budget financing sources, both core sector and related sector budgets, and traditional and non-traditional donors including potential private sector contributions;
- C. The SCP needs to include the results of a public financial management assessment that acknowledges adequate capacities exist within the main institutions identified to implement specific programs/sub-programmes of the investment plan. Systemic weaknesses or gaps in proposed implementing entities should be highlighted and a capacity building plan built into the investment or explanation of implementation options that are being considered such as inter-ministerial collaboration mechanisms and proposals to contract out service delivery;
- D. The country should undertake a beneficiary analysis of the SCP and results used to better provide a full description of programme beneficiary characteristics including overall numbers targeted, geographic locations, economic and social status; and
- E. The country needs to assess the financial and economic viability of proposed programmes within the investment plan. This action is essential to determine the SCP's potential impact at the beneficiary, community and macro-economic level. The plan should include an overall programme rate-of-return and of specific programme components.

#### **A “Road Map” towards Investment Plan Refinement and Readiness for Effective Implementation**

Taking these recommendations forward will require a well coordinated effort between the country and the development community to help advance the plan. We are providing a road map that is intended to help bring clarity to the next steps including actions, timelines and responsibilities for addressing the key issues for the investment plan.

## Contents

<b>1. Introduction .....</b>	<b>1</b>
<b>2. Review Context .....</b>	<b>3</b>
<b>3. The Components, Methodology, Criteria, and Tools of the Review .....</b>	<b>5</b>
<b>4. AUC/NEPAD Review of the Sierra Leone Smallholder Commercialization Program (SCP) Investment Strategy .....</b>	<b>6</b>
<b>4. Technical Review Outcomes .....</b>	<b>7</b>
<b>Component 1: Alignment with CAADP vision, principles and strategy elements.....</b>	<b>7</b>
Component 2: Consistency with long term growth and poverty reduction options .....	11
Component 3: Adoption of best practices and inclusion of core Program elements.....	14
Component 4: Alignment with country commitments .....	27
Component 5: Operational Realism .....	29
<b>Annexure 1: CAADP Post-Compact Guide.....</b>	<b>34</b>
<b>Annexure 2: ECOWAS ‘s 13 points from Cotonou for investment plans .....</b>	<b>34</b>
<b>Annexure 3: Post Review Road Map Template .....</b>	<b>35</b>
<b>Annexure 3: Post Review Road Map Template .....</b>	<b>36</b>



## 1. Introduction

This report documents the findings of the AUC/NEPAD review of:

- Sierra Leone's Smallholder Commercialisation Programme Investment Plan (SCP)

The report focuses on the degree of alignment with CAADP principles and frameworks (CAADP Framework and Guide, Pillar Frameworks and the proposed Measurement and Evaluation Framework) and suggests ways of strengthening elements that could contribute more strongly to attaining the CAADP goals and outcomes in the SCP. The core questions asked in reviewing the plan are found in the CAADP Implementation Guide and the Post Compact Review Strategy and the Pillar Framework Documents.

Sierra Leone's National Sustainable Agriculture Development Plan outlines the programmes and sub-programme aspects of the Smallholder Commercialisation Programme Investment Plan, and so provides the road map towards achieving the vision for the agricultural sector. The Smallholder Commercialisation Programme Investment Plan is Sierra Leone's medium-term strategic plan, which outlines and costs the activities necessary in order for Sierra Leone to achieve at least 7% growth in the agricultural sector, which if achieved, would stimulate the type of growth needed to transform Sierra Leone's rural areas, significantly reduce poverty levels, and put the country on track to meet its Millennium Development Goals.

The Smallholder Commercialization Program Investment Plan has the following strategic components:

**Component 1**                      Smallholder Commercialization: production intensification, diversification, value addition and marketing

The objective of this component is to promote commercialization of smallholder agriculture through increasing productivity, value addition, and marketing with emphasis on commodity chain development and institutional strengthening of farmer-based organizations (FBOs);

**Component 2**                      Small scale irrigation development

The aim of this component is to develop appropriate small-scale irrigation infrastructure in order to boost rice production, a major staple in the country. Results from small-scale irrigation development would substantially contribute to increased food security, the generation of marketable surplus for lowland smallholders and their insertion in national agricultural trade as well as creation of wealth and employment for youth.

**Component 3**                      Market Access Expansion through Feeder Road Rehabilitation

The objective of this component is to improve the ability of smallholders, market-oriented farmers and agri-businesses (including Agriculture Business Centres or ABC's) to physically access markets and to operate in a profitable way through the rehabilitation and effective maintenance of priority feeder roads.

**Component 4**                      Smallholder Access to Financial Services

The objective of this component is to improve access of smallholders and the rural poor and their organizations to rural financial services geared to their needs.

## **Component 5**                      Strengthening Social Protection, Food Security, Productive Social Safety Nets

The objective of this component is to promote national growth and development with equity by reducing households' vulnerability to shocks and disaster, increasing food security and nutritional levels of vulnerable households, with a focus on children, promoting human capital potential, and improving livelihoods. Interventions include providing safety nets and employment opportunities for food insecure households while contributing to productive asset creation, protecting health and nutrition of pregnant and lactating women and children of food insecure vulnerable households while promoting early education, and strengthening national capacity in disaster early warning and disaster/risk response mainly through ensuring adequate buffer stocks stored at district/ABC levels.

## **Component 6**                      Smallholder Commercialization Program (SCP) Planning, Coordination, Monitoring and Evaluation

The objective of this component is to ensure effective strategic and operational planning of the SCP programme, efficient coordination between and amongst the components of the programme on one hand and the various sources of funding and implementation partners within and outside MAFFS on the other hand, and overall monitoring of SCP implementation progress and evaluation of final results and impacts on smallholders, etc.

The Comprehensive Africa Agricultural Programme (CAADP) was endorsed by the African Heads of State at the Maputo Summit in 2003 as a strategy to transform African agriculture and address poverty and food insecurity in sustainable ways. CAADP represents a new era in international development and is transforming not only the largely neglected agricultural sector but creating innovative and unique development partnerships. The comprehensive and inclusive agenda has seen an unprecedented involvement of:

- i. Inter-Ministerial formulation of inter-sectoral strategies and investment plans that are country-driven and country-owned;
- ii. The private sector, civil society, and farmers' organizations in identifying the priorities for agriculture-driven growth;
- iii. Technical expertise across the continent in establishing policy frameworks, implementation guides and tools that provide a sound base and guide for evidence-based planning; and
- iv. Development Partners and Bilateral Agencies in common dialogue and planning.

Today CAADP represents a social transformation agenda with wide-reaching influence on the transformation of development aid architecture and development planning. CAADP provides numerous opportunities for value addition, offering support in the development of comprehensive agriculture investment plans and monitoring and evaluation systems; independent political, technical and financial review of investment plans; peer review; and capacity development.

CAADP is gaining momentum, creating positive peer pressure among African governments to prepare quality strategies, translated into investment plans; ensure enabling policy environments to implement the plans; and translate these plans into programmes that are efficient at stimulating growth and reducing poverty. As a result of a process involving all stakeholders in the region, the Economic Community of West African States (ECOWAS) developed an Agricultural Policy (ECOWAP) as the means of implementing CAADP in West Africa. The ECOWAP was adopted on 19<sup>th</sup> January 2005 in Accra by the Heads of State and governments of the region. The ECOWAP is based

on a vision to build "a modern and sustainable agriculture, founded on effective and efficient family farms and the promotion of agricultural enterprises through private sector involvement. It aims at ensuring that agriculture is not only productive and competitive within markets in the Community and internationally, but also guarantees food security and serves as a source of decent income for its operators".

ECOWAS's Regional Agricultural Investment Programme (RAIPs) and National Agricultural Investment Programmes (NAIPs) focus on six thematic areas that combine three ECOWAP thematic areas and the four CAADP Pillars:

- (i) improved water management;
- (ii) sustainable farm development;
- (iii) improved management of the other natural resources;
- (iv) development of agricultural chains and market promotion;
- (v) institution building; and
- (vi) reduction of food insecurity.

The outcomes of these plans have been validated and the modalities governing their implementation are contained in the Compact among technical and financial partners, civil society stakeholders and socio-professional farmers' organizations signed at national conferences on the financing of agriculture.

This report documents the findings of the AUC-NEPAD review of Sierra Leone's 5-year Smallholder Commercialization Programme Investment Plan (SCP). The report focuses on the degree of alignment with CAADP principles and frameworks as contained in the broader CAADP Guide and Pillar Framework documents. The review commends the efforts of the Sierra Leone Government of putting in place a comprehensive plan to respond to poverty, hunger and nutritional demands for her own people in the context of CAADP. The review proposes areas for strengthening of the SCP so as to contribute more strongly to attaining the CAADP goals and outcomes in the country. The core questions asked in reviewing the plan are found in the CAADP Implementation Guide, Post Compact review Guide, and Inter-pillar guide for CAADP implementation that is informed by the more detailed Pillar Frameworks and Companion Document on Livestock, Fisheries and Forestry, among others.

## **2. Review Context**

ECOWAS and its member countries have taken a strong leadership role in advancing the Comprehensive Africa Agriculture Development Program (CAADP), an initiative of the New Partnership for Africa's Development (NEPAD), which is a program of the African Union. Twelve of the fifteen ECOWAS member states, plus the ECOWAS regional economic community itself, have signed their compacts. Through these compacts, member States commit to scale up and work towards attaining or surpassing 10% of their national budget for agricultural development to establish an enabling environment to attain a minimum of 6% annual agricultural sector growth and reduce hunger and poverty.

Following the signing of their strategies, countries have developed their CAADP country investment plans. The investment plans then undergo technical review led by the African Union Commission, the NEPAD Planning and Coordinating Agency (NPCA), REC and CAADP Pillar Institutions. This

post-compact technical review is a critical step in the operational implementation of the country strategies and investment plans. The primary objective is collectively to evaluate for:

- (i) the likelihood for the investment programs to realize the growth and poverty reduction prospects laid out in the different strategy scenarios carried out for the roundtable and summarized in the different roundtable brochures;
- (ii) the use of best practices and other technical guidance in the pillar framework documents in designing the above investment programs to increase efficiency;
- (iii) the technical realism (alignment of resources with results) and adequacy of institutional arrangements of the programs;
- (iv) the integration of CAADP principles of inclusive review and dialogue;
- (v) the consistency with budgetary and development assistance commitments and principles agreed in the compact;
- (vi) adequacy of institutional arrangements for effective and efficient “delivery” including information and knowledge support, M&E and on-going evaluation and learning;
- (vii) coherence and/or consistency between policies, implementation arrangements and delivery mechanisms and investments areas, priorities or programme objectives;
- (viii) appropriateness and feasibility of the indicators for impact and system or capacity improvement and accountability; and
- (ix) extent and quality of dialogue, (peer) review and mutual accountability system potential to contribute and link to regional integration objectives.

The purpose of the technical review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. Rather, it is to ensure that every possible action is being taken to achieve the objectives and targets laid out in the plan and defined in the CAADP agenda will be met. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the strategy approved at the compact roundtable and reflected in the compact and the SCP.

As key outcomes of the Business Meeting, there should be clear set of concrete implementable actions to:

- (i) immediately mobilize the required expertise, capacities, and partnerships for immediate on-the-ground implementation;
- (ii) establishing a mechanism to facilitate joint donor commitment to financing and thereby release the resources required to meet the funding needs of the plans within a reasonable time;
- (iii) streamlining of review and appraisal processes and standards to speed up individual donor processing; and
- (iv) establish the knowledge systems for an inclusive review, M&E, mutual accountability, learning and impact assessment including on-going consultations and dialogue to enhance implementation as well as development and design of new programmes.

Once reviewed and adjusted, the investment plans are presented to the international community at a Business Meeting for endorsement and mobilising of resources for financing the funding gaps. As CAADP is the continentally agreed-on benchmark for quality investment strategies, existing and new development partners, the private sector, and emerging funding architectures respect the recommendations and endorsements of CAADP.

Under the leadership of the Country Teams, the investment plans and related programmes will be implemented along with:

- (i) detailed project design and costing;
- (ii) establishment or strengthening of monitoring and evaluation systems;
- (iii) building the necessary capacity for implementation;
- (iv) policy change to ensure an enabling environment;
- (v) establishment or strengthening of the necessary institutional elements for an enabling environment; and
- (vi) alignment of long-term reforms in related other agricultural strategies, Poverty Reduction Strategies, SWAPs and related sector programmes.

### **3. The Components, Methodology, Criteria, and Tools of the Review**

The basic approach of the review consists of assessing proposed actions and outcomes in the programmes against CAADP principles and country specific targets, objectives, practices, and approaches defined and agreed in the country CAADP compact. The criteria are measures of the consistency or lack thereof of the programs with the above indicators. The main components and tools for the review include the following:

- (i) Alignment with the NEPAD-CAADP principles, values and targets: The CAADP Implementation Guide setting out the vision, principles, core strategy elements, and impact expectations;
- (ii) Coherence and consistency with long-term growth and poverty reduction objectives and targets: The roundtable brochures and technical background documents defining the long-term agricultural productivity, growth, and trade performance, and the related poverty outcomes;
- (iii) Embodiment of technical best practices and CAADP priority areas/issues: The Pillar Framework Documents laying out the key strategic issues, core program elements, and best practices;
- (iv) Operational quality and implementation readiness and alignment with compact commitments: The CAADP compact specifying the policy, budgetary, development assistance, review, and dialogue commitments;
- (v) Detailed investment programs showing inputs, outputs, outcomes, and institutional arrangements; and
- (vi) The donor coordination guidelines for CAADP support at a country level outlining modalities for engagement between local development partner agencies, government and other stakeholders.

The review is conducted along five broader components, namely:

**Component 1** reviews alignment with CAADP vision, principles, and strategy elements to ensure that all key vision elements, principles, and strategy core elements, as defined in Annex I of the CAADP Post Compact Guide are reflected in the country's programs and, where there are gaps, to help identify these in order to ensure full alignment.

*Tool: CAADP Implementation Guide*

**Component 2** looks at the consistency of the investment plan and the potential impact on long term growth and poverty reduction options. This section evaluates whether:

- (i) the overall growth targets that are specified or implied in the plans, in general; and
- (ii) the changes in individual sub-sectors and related targets, in particular, diverge from the sector-wide performance and poverty reduction outcomes underlying the long term strategic scenarios. For instance, each of these scenarios is linked to required changes in sub-sector growth rates, trade performance, overall public expenditure levels, and assumptions about the efficiency of sector policies.

This component also presents a comparative country profile, based on the nearly two dozen CAADP indicators being tracked by ReSAKSS for all African countries, to show the current standing of each country with respect to its peers, and thereby identify gaps to be bridged.

*Tools: Brochures, technical background documents, investment program documents*

**Component 3** seeks to establish whether the investment plan includes the adoption of best practices and inclusion of core program elements. The aim of this assessment is to find out where clearer definition and understanding of the strategic issues is required and where better integration of best practices can help improve the design of the plans and maximize benefits of growth. The CAADP Post Compact Guide Annexes II to IV present a set of specific guides and tools, prepared by the Pillar lead institutions as part of the Pillar framework documents, which provide criteria and step-by-step approaches to designing high quality plans.

*Tool: Pillar Framework Documents and Pillar Implementation Guides and Tools*

**Component 4** focuses on alignment with compact commitments and its objective is to agree on: (i) a joint action plan to meet the policy, budgetary, and assistance commitments and (ii) identify and confirm modalities for mutual review, including dialogue fora and supporting knowledge systems to track and report on such commitments.

*Tools: CAADP Compact, Brochure 5, and Donor Guidelines for CAADP support at country level*

**Component 5** reviews the operational realism of investment programs and seeks to verify and confirm the adequacy of the content, cost and institutional arrangements, and where necessary, to identify the operational and design improvement to be carried out to ensure successful implementation. The task in this section is to verify the extent to which the key elements and features listed in Table 1 of the CAADP Post Compact Review Guide are reflected in the investment plans.

*Tools: Detailed investment programs*

#### **4. AUC/NEPAD Review of the Sierra Leone Smallholder Commercialization Program (SCP) Investment Strategy**

This report documents the findings of the AUC/NEPAD review of Smallholder Commercialization Program Investment Plan. No need to make it a bullet since it's the only one.

The report focuses on the degree of alignment with CAADP principles and frameworks (CAADP Framework and Guide, Pillar Frameworks and the proposed Measurement and Evaluation Framework) and suggests ways of strengthening elements that could contribute more strongly to attaining the CAADP goals and outcomes in Sierra Leone. The core questions asked in reviewing

the plan are found in the inter-pillar guide for CAADP implementation that is informed by the more detailed Pillar Frameworks.

The Smallholder Commercialization Program Investment Plan has six (6) strategic programs:

- Component 1:** Smallholder Commercialization: production intensification, diversification, value addition and marketing.
- Component 2:** Small scale irrigation development.
- Component 3:** Market Access Expansion through Feeder Road Rehabilitation.
- Component 4:** Smallholder Access to Financial Services.
- Component 5:** Strengthening Social Protection, Food Security, Productive Social Safety Nets.
- Component 6:** Smallholder Commercialization Program (SCP) Planning, Coordination, Monitoring and Evaluation.

Summary of key focus of the SCP: The SCP focuses on programmes and activities aimed at promoting smallholder commercialization. These include developing small scale irrigation and increasing productivity, value addition and access to markets, rehabilitation of feeder roads, access to financial services, and strengthening social safety nets, among others.

Major constraints: While the SCP represents a bold vision to restructure the contributions of Sierra Leone agriculture to food security and poverty reduction, the plans notes that the major constraints to achieving the objectives lie in the (i) low human resource base to execute Programs, stemming from post conflict challenges, (ii) limited access to land and finance by the youth who are the group more likely to increase productivity

## 5. Technical Review Outcomes

### Component 1: Alignment with CAADP vision, principles and strategy elements

#### C1.1 Alignment with CAADP vision and strategy

Sierra Leone's Smallholder Commercialization Program Investment Plan (SCP) sets out the country's agricultural 5-year transformation agenda that sets out to reduce hunger and poverty through bringing smallholders (the most food insecure in the country) into the growth agenda. Sierra Leone's growth agenda is clearly aligned with CAADP's priorities and is an expression of these. The political commitment and will is expressed in the rich in-country dialogue, the appointment of the President and Minister of Agriculture as 'Champions' of agriculture and the establishment of an Agricultural Advisory Group, chaired by the President, among other actions.

The plan indicates the proportion of the Government's budget allocation of 9.9 per cent to agriculture for 2010, and sets out clearly three CAADP-aligned goals of increasing agricultural sector growth from 4 to 7.7 per cent per annum by 2015, increasing farm incomes by 10 per cent and increasing household food security by 25 per cent. This is in alignment with CAADP's vision.

The National Sustainable Agriculture Development Program (NSADP/CAADP) originally identified four major investment sub-Programs: the Commodity

Commercialization Sub-Program; the Agriculture Infrastructure Development Sub-Program; the Private Sector Promotion Sub-Program; and the Sector Coordination and Management Sub-Program. The Government of Sierra Leone, in close consultation with key stakeholders, has now determined to move ahead with the Operational plan for implementing the NSADP on a national scale, prioritizing the Smallholder Commercialization Program (SCP) as the program component having the potential to achieve the greatest impact in terms of improved food security and wealth generation for the most vulnerable population in the short and medium term framework.

- ✓ Sierra Leone's Smallholder Commercialization Investment Program is a culmination of extensive national and international engagement, supporting the CAADP principles and values.
- ✓ The Program strategically focuses on a comprehensive programmatic approach with carefully integrated and inter-linked Programs targeted at the most vulnerable – in this case small farmers with the potential of increasing food supply – to address food insecurity and stimulate economic growth.
- ✓ Mechanisms for coordination of the various stakeholders and players are described in the investment plan. This includes the private sector and Development Partners.

## **C1.2 Reform agenda**

### **1.3 Alignment with compact commitments**

#### **C1.4 Program balance**

Sierra Leone recognizes the need to urgently address the national poverty level of 70% and food insecurity of over one quarter of the population. Seventy-five percent of the workforce rely upon food crop production as a main source of livelihood therefore smallholder agriculture represents a real opportunity to meet country development objectives. Emerging from a conflict era, the country lacks sufficient human resource and support capacities to immediately transform the agriculture sector; therefore the Smallholder Commercialization Program includes a broad-based series of interventions.

- ✓ The Program is well balanced, addressing issues of production intensification, value addition and marketing; small scale irrigation development; market access; and social safety nets.
- ✓ The Program incorporates production, social, health and economic issues. ok

#### **C1.5 Inter-ministerial collaboration and coordination**

The Smallholder Commercialization Program includes activities such as commerce and engineering (development of feeder roads) therefore the expertise of other line ministries will be required. It is recognized that mechanisms to manage and coordinate different players in the sector are weak, but attempts to improve coordination are on-going.

- ✓ The Office of the President has a strong interest and participation in the coordination efforts.
- ✓ Sector coordination is anchored in the office of the Deputy Director General in



MAFFS.

- ✓ A Presidential Task Force on Agriculture chaired by the President has been established.
- ✓ Among several forums that have been set in place, an Agriculture Advisory Group (AAG) brings together government partners with others to discuss policy and technical issues.

Strong as the strategy document is on coordination and collaboration structures, it does not spell out the level of participation of these ministries in the design process, or, their specific responsibilities during implementation. However, given that the President of Sierra Leone is a designated “champion” of agriculture, and the Smallholder Commercialization Program emanated out of the national Poverty Reduction Strategy, it is presumable that other line ministries will collaborate in this Program to be coordinated by the Ministry of Agriculture, Forestry and Food Security (MAFFS).

**Recommendations:**

- a) There is need for specific information about the functions and composition of the Inter-ministerial Committee (page 26) relative to the Agriculture Advisory Group (page 13);
- b) There is a need for the MAFFS to indicate the specific officers to represent other ministries during the implementation of the Investment program.

**C1.6 Stakeholder consultation**

In the formulation of the Smallholder Commercialization Program several stakeholders were involved. The process for the development of NSADP began with a 3-day national retreat in October 2008.

- ✓ Over 120 participants drawn from government, the private sector, farmers and development partners participated, and Thematic groups based on CAADP pillars were formed to work on the details of the plan.
- ✓ A second workshop was organized for stakeholders on 23 April, 2010.

**Recommendations:**

- a) The plan should include a section that describes if the consultation formulation included all stakeholders and how;
- b) The plan could also indicate how, during SCP implementation, consultation will involve all actors either in monitoring, sector reviews and reshaping policies etc. Yes this is correct

**1.7 Incorporation of private sector**

The economy of Sierra Leone is in recovery following the conflict therefore private sector participation is still limited. Issues such as access to finance and challenging systems and infra-structure need to be attended to. However the government continues to engage the sector as much as possible.

- ✓ The private sector was involved in the deliberations that led to the development of the investment plan.
- ✓ Various relevant ministries (agriculture, commerce, Bank of Sierra Leone) are

promoting policies that provide an enabling environment for the private sector.

**Recommendations:**

- a) It is recommended that a policy unit is put in place in the Smallholder Commercialization Program coordination committees;
- b) The plan should enhance the explanation of factors such as policy considerations to best enable foreign direct investments as well as engagement of private sector in implementation.

**1.8 DWG coordination measures**

It is unclear as presented if the ASWG operates on a regular basis and how the Government of Sierra Leone participates and utilizes the ASWG as an effective partnership mechanism to ensure alignment and genuine ownership by all stakeholders to the SCP and to support harmonized external assistance. This section should be strengthened to include; donor coordination, harmonization and alignment mechanisms. It should provide a description of what mechanisms exists, how strong or weak they are and if they are sufficient they are. Proposals could be made on how they can be strengthened.

**1.9 Status of donor harmonization**

The commitments made by donors in the Sierra Leone Compact should be unpacked through extensive discussions with the Agricultural Advisory Group (AAG) and clearly articulated in the SCP Investment Plan.

**Recommendations:**

- a) If government decides to formulate a SWAp for the sector, a clear indication is needed of the state of readiness of donors to pool resources and harmonize processes in support of the SWAp. Mechanisms for accommodating donor funding outside the SWAp must also be explicit; and
- b) If a SWAp is not proposed, individual donors are likely to retain their separate identities and processes, but it is important to determine the extent to which they are prepared to adhere to the agreed programs and activities, to facilitate joint program assessments or appraisals, and to fund “on budget”.

**1.10 Regional Integration to Support Agriculture and Food Security**

While Sierra Leone has recognized the importance of regional integration as an objective, the opportunities and the actions to promote regional integration have not been considered.

**Recommendations:**

- a) The country needs to set out what it expects and what it could gain from regional integration e.g. trade, technical cooperation in science and technology, resource management, early warning and emergency response;
- b) Given the strategic importance of regional trade and integration for long term growth, the plan needs to show more explicitly, how the country intends to exploit the opportunities of regional trade, and what activities will be carried out to promote trade across border corridors; and

c) Analysis of the benefits and multiplier effects from regional cooperation is needed.

**Component 2: Consistency with long term growth and poverty reduction options**

**C2.1 Agriculture within the economy**

As the strategy stands, it is difficult to assess the contribution of individual crops to the aggregate 7% agricultural growth target. Rice is the major crop planned for in the sector plan and projection information is provided in the document. The Smallholder Commercialization Program does not identify other plausible intermediate milestones. Additionally, the document does not provide for a means to track poverty and distributional impacts of the investment plans.

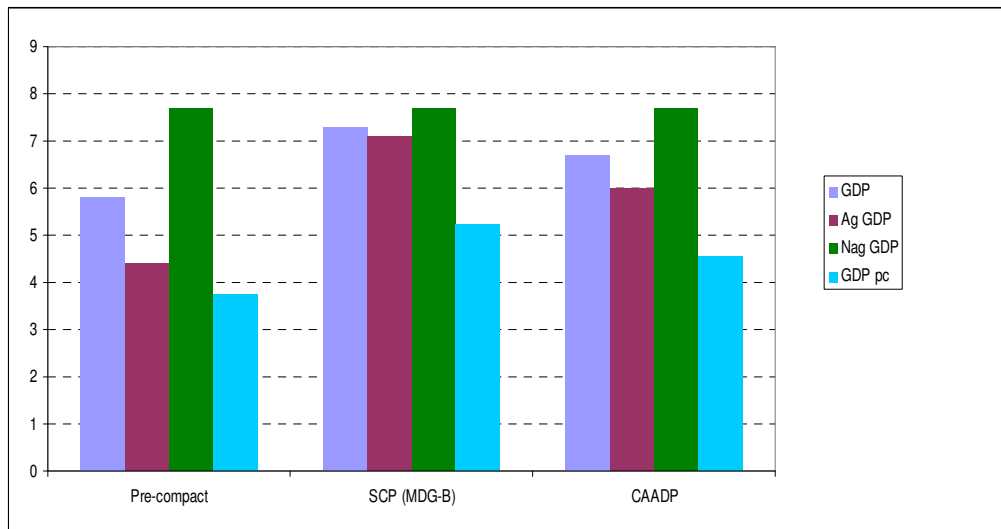
**Recommendations:**

- a) Develop detailed production, yield and area cultivated targets for major agriculture products other than rice (crops, livestock, fish and forestry); and
- b) Institute mechanisms needed to capture data for better evaluation of food and nutrition securities trends such as regular update of the baseline household survey information that was used during the pre-compact analysis.

**C2.2 Alignment of Investments Plan Targets with Long Term Growth and Poverty Benchmarks**

The long term growth and poverty outcomes for Sierra Leone seek to reduce the 2003 poverty rate from 70% to 42% or half of the 1990 rate by 2015 (scenario MDG-B in Figure 1). Under this scenario total GDP, agriculture and non-agriculture would grow at 7.3%, 7.1% and 7.7%, respectively, compared to the pre-compact rates of 5.8%, 4.4% and 7.7%. These rates are fully aligned with the 7% agricultural sector growth target under the Smallholder Commercialization Programme (SCP) Investment Program. The SCP growth target would also exceed the CAADP 6% growth target and would achieve MDG1 by 2015 in line with scenario MDG-B above.

Figure 1: Growth Rates (%) in Different Scenarios (2007 – 2015)

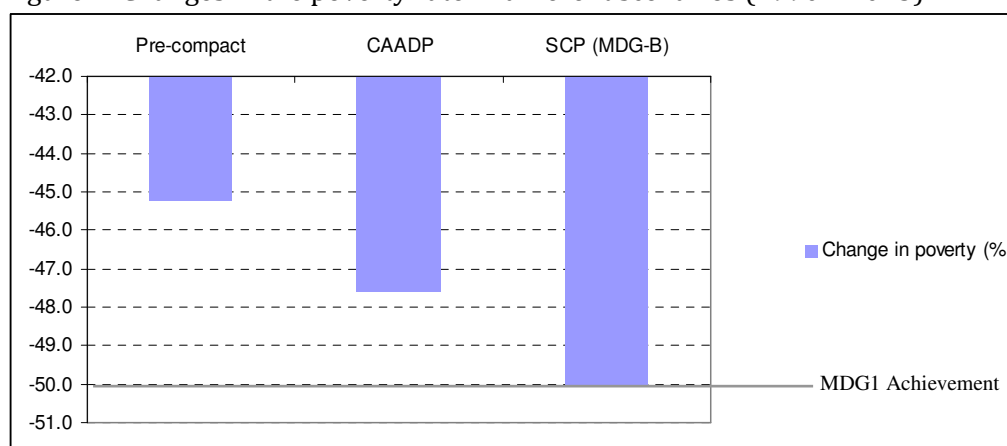


It is striking that the only measurable production target under the SCP Investment Program is the overall 7% annual agricultural growth rate. The only exception is rice, for which the plan specifies targets in terms of cultivated areas and average yields.

## 2.2 Poverty Outcomes under the SCP Investment Program compared to alternative scenarios

Under current trends, overall poverty rates in Sierra Leone would decline by 45% by 2015 compared to the 1990 level. Under CAADP the rate of decline would be about 48%. With the SCP investment plan, poverty rates would fall by 50%, achieving the MDG1 target (Figure 2). It is worth noting that even with the achievement of MDG1 by 2015, the poverty rate would still be considerably high at 42%. It would therefore be useful to explore other venues of further reducing poverty beyond the MDG1 target.

Figure 2: Changes in the poverty rate in different scenarios (1990 – 2015)



## 2.3 Agricultural sector spending under the Proposed Investment Plan compared to long term funding requirements

The level of required funding under the MDG-B scenario assuming alternatively a low and a high elasticity of agricultural growth with respect to public spending was estimated at, respectively, Le 700 billion and 417 billion for the period 2010-2014, or around Le 140 billion and Le 83 billion annually. In comparison, the SCP investment plan is estimated to cost Le 1,610.4 billion<sup>1</sup>, or more than Le 300 billion annually, during the same period, putting the estimated budget for the plan at twice to three times the required funding for the similar MDG-B scenario. Furthermore, estimated annual cost of the SCP investment plan is significantly higher than current spending levels of, for instance, Le 28 billion in 2006. It would appear that the funding levels under the MDG-B scenario, which would also meet the MDG1 goal by 2015, would be more realistic than the budgeted cost of the SCP investment plan.

<sup>1</sup> Equal to 402.6 million USD (exchange rate = 4000 Le for 1USD)

The projected funding required for the MDG-B scenario is estimated based on the observed historical relationships between public sector spending and agricultural sector growth rates in Sierra. The required expenditure levels under the SCP investment plans, on the other hand, are based on the costing of individual investment activities proposed under the plan. The gap in funding requirement is most likely due to an overestimation of the cost of implementing individual investment activities under SCP plans.

**Recommendations:**

- a) The overall target growth rate under the SCP investment plan would be adequate to achieve MDG1 by 2015. The details of the program remains however sketchy outside of the rice sector. Better, measurable targets must be quantified for the other components of the plan and linked explicitly to the plan's target growth rate;
- b) The proposed cost of the SCP investment plan is considerably higher than the funding requirement of the MDG-B scenario which assumes a comparable agricultural growth rate and would also achieve MDG1 by 2015. Given the fact that the latter funding requirement is estimated based on observed relationships between public expenditure and agricultural sector growth in Sierra Leone, the cost under the MDG-B scenario must be more realistic than that under the SCP plan. Consequently, it is recommended that the plan be aligned with the targets and funding levels of the MDG-B scenario.
- c) There were no data to evaluate the impact of alternative plans on nutrition and vulnerability levels. It is therefore important that necessary arrangements be made to regularly update the baseline household survey information that was used during the pre-compact analysis such as to facilitate the tracking of poverty and distributional impacts of the investment plans.

**C2.3 Effectiveness of existing Programs**

The government of Sierra Leone has faced a post-conflict reconstruction challenge therefore most of the initial agricultural activities in this period have focused on emergency relief in order to provide food to the people. More recently, there has been a transition from relief to longer-term development Programs.

- ✓ There has been a good attempt to cooperation with a broad array of partners including Development Partners, Regional Economic Commissions and NGOs in implementing projects.

While the development-supported interventions in agriculture have made impact, it has been observed that there is a serious challenge with alignment, poor coordination and inadequate investment. Given the insufficiency in synergies, several of the existing projects have not been as effective as they could be successful.

**Recommendations:**

- a) Streamlining of Project Implementation units is required to ensure responsibility of actors within the value-chain; and
- b) The investment plan should include outcome-based monitoring as part of project evaluation.

**C2.4 Dimensions of incremental financing**

The pre-Compact Model scenario with the closest target to the Smallholder Commercialization Program Investment plan is the MDG-B scenario with 7.1 % whereas the plan's target is 7.0% agricultural growth. The level of funding under low and high funding-agricultural growth elasticity was estimated to be respectively, Le 699.9 billion and 417.5 billion, for the period 2010-2014 compared to Le 1,610.4 billion (=402.6 million USD \* 4000) representing the required funding level of the plan for the same period. These funding requirements are much higher than the agricultural expenditures in 2006 which were Le 27.6 billion. Even the calculated funding requirement under high elasticity scenario (which is one quarter of the budget of the investment plan ) shows annual average agricultural budget of Le 83.5 billion which is more than 3-fold the agricultural expenditures in 2006. Under this scenario, the Maputo ratio of 10% agricultural share of total budget is nearly met by 2014 (9.9%). However, this implies annual agricultural growth rates of 19.5% whereas 5.9 % annual growth rate of agricultural expenditures was observed in Sierra Leone during the period 2001-2006.

The costing of the investment plan may have been overestimated because it appears to be inconsistent with the estimation of funding requirements of the MDG-B model scenario. There is a high increase in funding required for the agriculture investment plan, yet it is expected to be implemented within existing government institutional arrangement. This raises some concern about the absorption capacities of the institutions involved in the Program and whether they are sufficient.

**Recommendations:**

- a) Assess and re-confirm the costing for the Program; and
- b) Incorporate Program management capacity building and include this activity in the budget.

**Component 3: Adoption of best practices and inclusion of core Program elements**  
**Technical viability of major Programs**

**C3.1 Pillar 1**

**C3.1.1 Environmental and social safeguard processes**

**Land Management**

The Smallholder Commercialization Program recognizes the importance of effective and sustainable land and water management for increasing crop production in Sierra Leone. However the government is faced with a serious challenge in assisting the farmers to rehabilitate farms in the post- conflict period. The government has limited financial resources therefore a strategy to commercialize agriculture will increase incomes to farmers and enable them to procure input for soil recapitalization on their own. Through this investment Program, government intends to develop small scale irrigation which will expand land area under cultivation.

- ✓ Activities are being planned to be put in place to promote adoption of improved production practices.

- ✓ Forestry has been identified for economic reasons and for mitigation of soil degradation.

The aim of the program is to intensify production. Hence the proposed Program demonstrates a heavy reliance on provision of irrigation to raise productivity but it does not provide information on the use of sustainable soil management interventions consistent with CAADP Pillar I.

**Recommendations:**

- a) The soil management interventions that will be used, giving consideration to integrated soil fertility management, conservation practices, agro-forestry interventions, and wetlands management should be elaborate and specific; and
- b) There is need to support the fertilizer input management component with a budget for technical soil testing and fertilizer support activity in order to address soil fertility issues. Additional soil improvement methods including compost, crop rotational among others should be explored.

**Water Management**

Sierra Leone has ample water resources and receives substantial mean annual rainfall but this is not uniformly distributed. In addition, loss of water from run-off limits water availability for agricultural production. The Program aims to increase small holder production through rehabilitation and development of drainage and irrigation structures.

- ✓ There is a good understanding of the inland national surface water resources base.
- ✓ The potential of irrigation and the use of wetlands are adequately recognized.

While the use of irrigation is widely recognized and discussed as an intervention, there are no strategies elaborated for the use of inland river and groundwater resources.

**Recommendations:**

- c) Include a Program sub-component that focuses on the development of a comprehensive small irrigation development strategy which incorporates inland waters.
- d) Develop training and interventions to mitigate the negative effects of potential sea-water intrusion resulting from groundwater abstraction.
- e) This component should include plans for effective management of the water and irrigation infrastructure through capacity building of water user associations and the appropriate public institutions.

**Land Policy/Administration**

Land ownership is a critical factor to sustainable land use and investment. The poor and less endowed form the majority of the people who work the soil and steps are required address land acquisition and ownership issue to motivate farmers implement land improvement interventions measures

- ✓ The government has placed reforestation as a priority activity in the investment

plan but It is not evident from the Program document whether appropriate policies are in place to promote and enforce access to land by the less the endowed in the communities

- ✓ Also there are no indications of whether appropriate training and information dissemination mechanisms are being implemented

**Recommendations:**

- f) Include inter-sectoral activities (Land Commission) for promoting and monitoring the enforcement of enabling policy environment that provide broader access to land by the citizenry; and
- g) Include activity that coordinates application of Environmental Impact Assessment (EIA) policy to mitigate land degradation and land use intensification.

**Climate Change**

The impact of climate change on agriculture is worsened in Africa by the lack of adapting strategies due to the lack of institutional, economic and financial capacity to support such actions. Consequently, Africa's vulnerability to climate change and its inability to adapt to these changes could be devastating to the agriculture sector which is the main source of livelihood to the majority of the population.

Experiences of erratic water surplus and water deficit events are probably driven by the effect of climate change. In addition, deforestation activities that have occurred from the reliance of a large part of the population on fuel-wood, and land clearing for agriculture contribute to land degradation.

- ✓ Sierra Leone recognizes that the impact of climate change may influence the sufficiency of water for irrigation as well as the use of wetlands, and as such, must be mitigated, and adaptation measures put in place.
- ✓ Reforestation is proposed as an activity in the document, but specific interventions or sensitization regarding climate change is not elaborated. The document does not show that country support Program takes advantage of the global compensation initiatives on mitigation and adaptation measures on climate change (carbon credit).

**Recommendations:**

The World Bank (World Bank, 2009) identifies disaster risk reduction measures particularly sustainable land, water, and forest management; coastal and urban development; watershed management, increased agricultural productivity; health and social issues as key areas of adaptation which when sustained could bring development. Responding to such adaptation measures expand beyond the boundaries of the Ministries of Agriculture and Environment alone to rather involve several stakeholders not only at the national level, but also at the local level.

- a. The FAO Guidance to Best Practices (FAO 2007; FAO 2009b, 2009c) on Climate Change could be used by the country to develop its climate change response and adaptation strategies reference to the national investment plan;
- b. The Ministry should engage key stakeholder to discuss the ability to identify, observe, and monitor the stresses that influence agriculture, land resources, water



- resources, and biodiversity, and evaluates the relative importance of these stresses and how they are likely to change in the future to affect implementation and expected outcomes of the programmes outlined in the investment plan;
- c. It will be important to establish Local “climate change adaptation platforms involving Multi-disciplinary set of stakeholders including climate science experts, agricultural practitioners and technicians, local communities/civil society, donors and policy makers to collaborate to and respond to climate change based on local needs; and
  - d. Include capacity building component for understanding carbon credit facility and implementation, possibly by having a focal person/desk officer for the reforestation sub-component.

### **C3.2 Pillar 2**

#### **Raise the competitiveness and seize opportunities in domestic, regional and international markets**

The thrust of the agriculture investment plan for Sierra Leone is to commercialize the smallholder sector which is recognized as a potentially vibrant contributor to national food security and economic development. However the necessary infrastructure around most of the country has been adversely affected by the conflict. With good endowment of land and water resources, it is envisaged that the sector can be rehabilitated and effective systems can be put in place. The plan proposes a number of activities geared towards enabling farmer and other key stakeholders along the commodity chain to realize their potential.

- ✓ Measures are proposed on how to make markets work better for all.
- ✓ The strategy aims to promote and support businesses to improve the incomes of farmers and agribusinesses.
- ✓ The need for reforms of the legal and regulatory framework to reduce the cost of doing business is recognized.
- ✓ There is a focus on the key country export growth target areas through implementation of national export strategy and establishment of Sierra Leone Investment and Export Promotion Agency.

Whereas the document is focused on enabling farmers, it does not provide for activities to produce market information to help producers make good investment decisions. There is also no activity to support building capacities for International trade advocacy and negotiation skills for the country’s trade negotiators.

#### **Recommendations:**

- a) Include the establishment of national market information datasets and dissemination systems built upon the mechanisms developed for monitoring and evaluation of the SCP;
- b) Develop activity for promotion of trade facilitation mechanisms to enhance cross border trade – the country should work towards raising competitiveness and

- seizing opportunities in regional and international markets through by simplifying procedural and administrative impediments to trade, such as customs administration, standards and technical regulations;
- c) Include activity for capacity building for the country's trade negotiators and policy analysts and strengthen national capacities for trade policy analysis; and
  - d) Need to introduce activities to enhance the quality systems and certification services to better access regional and international markets.

### **Invest in commercial and trade infrastructure to lower cost of supplying domestic, regional and international markets?**

In a post-conflict setting, Sierra Leone is faced with difficulties of rehabilitating the infrastructure. However with support from development partners, the country has been able to complete rebuilding of major roads. Additional effort will be required to link feeder roads which support the access to rural agricultural areas. The SCP plan includes extensive investments in rural roads.

- ✓ Clear attention has been paid to design effective maintenance system and to the quality of the roads to be built.
- ✓ There is an intention to construct storage facilities in several locations, to support agricultural production.

Commercial infrastructure provision (such as market places and storage facilities) is not covered in the plan and could hamper effective marketing of an increased production and thus not reducing the post harvest losses rate. Sufficient attention is not given to rural electrification, water and telecommunication development to support the emergence of processing industries in rural areas that could provide significant source of income diversification for the more vulnerable and keep youth in rural areas.

#### **Recommendations:**

- e. Identify agricultural growth poles that can be piloted and direct significant investment resources for future scale up and replication;
- f. Intensify investment in the provision of additional infrastructure in growth centers to support the development of agro-industries; and
- g. Develop activities to support public-private-partnerships for the provision of commercial infrastructure that will attract significant investment of the private sector.

### **Develop value chains and access to financial markets?**

Given the scenario of high post harvest losses, adding value to products will advance the objective to commercialize smallholders' agricultural produce.

- ✓ The program recognizes the lack of processing facilities and cold storage and the need to improve access to inputs.
- ✓ A well designed program is developed to ease access to finance in rural areas for farmers through the further development of Micro finance institution and also for agri-related enterprises and ABCs through the development of Community banks. Trainings of stakeholders have also been designed.

- ✓ Key priority value chains have been identified.

The first issue regarding the lack of processing equipment has not been adequately addressed. Even though the document indicates support for processing facilities, it does not expand on which commodities and to what degree processing will be supported. The engagement of the private sector in such development effort must be expanded.

**Recommendations:**

- h. Provide an attractive business environment to support entrepreneurship and investments in agricultural related enterprises; incentive packages such as tax relief, public-private partnership funding schemes; concessionary loan arrangements could be instituted;
- i. Develop capacity building activities for entrepreneurs. As a consequence of the extended conflict period, business skills are low as many capable persons left the country, and a good number of youth have grown up without enterprise training/exposure;
- j. Create business incubators close to rural infrastructure hubs and link to research and extension services so as to provide potential entrepreneurs with necessary technical information and support services;
- k. Develop business groups (multi stakeholder platforms) focused on strategic products to coordinate value chain development activities; and
- l. Strengthen business associations by creating a platform for networking with government, producers and other value chain actor. Exposure to regional and international trade programmes will build their competence and provide them with better understanding of trade.

**Strengthen the commercial and technical capabilities of farmer organizations and trade associations?**

The plan emphasizes on the needs for farmers to adopt new skills and strategies to increase economic returns. The program relies on the development of :

- ✓ A well designed and consistent network of FBOs, to be organized in Agricultural Business Centers (ABC) to provide a range of technical, operational and business services;
- ✓ The ABC will be trained by the extension services;
- ✓ Vocational training and building capacities of Farmer Organizations (FOs) will be done through the life school approach; and
- ✓ The project plans to link farmers with private entrepreneurs to further develop agriculture related enterprises.

The main constraints facing smallholder farmers today with respect to markets, technologies, finance, and access to social services is not clearly articulated.

Models of value chain integration which could work for Sierra Leone smallholder farmers should also be described and the output of such interventions should be well articulated.

**Recommendations:**

- m. Build capacities for Farmer Based Organizations (FBOs) on value chain analysis

and the application of value chain results to re-orient the approach traditionally used by the farmers;

- n. Whiles capacity building for FBO's are laudable, it must be linked to market-driven activities otherwise knowledge acquired will not be useful;
- o. The FBOs, must be mentored to grow and become key value chain actors. Programme champions should be identified to drive the entire system;
- p. Equal capacity building programmes should be designed for the private who will be the key drivers of the FBOs. Private sector capacity building should strengthen their business administrative structures and system to qualify them secure funding for their project; and
- q. The support for FBO should not be limited to crop-based farmers alone but extend to fish and livestock farmers and other important sectors.

### **C3.3 Pillar 3**

The majority of farmers targeted by the Smallholder Commercialization Program are reported to be food insecure, resource poor and vulnerable to shocks (i.e. bad harvests, pests and diseases).

- ✓ The plan reports a concise analysis of the food security situation in Sierra Leone in terms of food insecurity, poverty and malnutrition.
- ✓ A number of inter-sectoral Programs coordinates food security, nutrition, education and health Programs.
- ✓ Component 5 of the Program includes a US\$135.7 million Program on strengthening social protection, food security and productive safety nets. Social protection is closely linked with other components of the plan, maximizing on benefits and reach.
- ✓ Productive safety nets focus on providing public resources such as feeder roads, storage infrastructure and rehabilitation of swamps and tree plantations, providing an enabling environment for value chain development, food-for-work Programs, reducing risk and facilitating food access.
- ✓ The plan sets out a clear plan for increasing the supply of affordable food through increased production, market linkages and increasing the incomes of the poor through farm, non-farm and off-farm opportunities related to value chain development in staple commodities.

The government recognizes that modalities and targeting, especially in the selection of participants engaged in productive asset creation (with food for work support) is an area that requires further attention. A target of increasing household food security by 25% is set but it is not clear how the country will monitor progress in this direction.

#### **Recommendations:**

- a) Explain how the targeted populations – women and youth in particular – will be identified; and
- b) Show how the four CAADP FAFS indicators will be monitored to provide a clear measure of food security for measuring and monitoring the impact of the Smallholder Commercialization Program and other commendable development-orientated food security Programs.

## **Improving risk management**

Risk management is addressed in a number of ways in the plan, including:

- ✓ Provision for a social protection Program that will provide productive safety nets for poor farmers, conditional transfers (food and cash) for building productive assets at farm household level to complement agricultural commercialization and promote food security and income creation. A National Framework for Social Protection Policy is being drafted;
- ✓ An early warning system has been developed and will be strengthened through a survey;
- ✓ Storage and buffer stocks (13 grain banks) will be established for emergency and disaster response with re-stocking in 3-year cycles;
- ✓ Efforts to strengthen the national capacity to respond to disasters are outlined, including an 'early warning desk' that will disseminate relevant information via various media; and
- ✓ Despite the Government stating that sector coordination is weak, a number of Programs link supply and demand through the Ministry of Agriculture, Forestry and Food Security, such as reducing postharvest losses and linking surplus production to food-based safety nets such as the Purchase for Progress Program.

A number of committees are proposed for the Program and although partnerships with Development Partners are mentioned, the positioning of the early warning desk is not indicated.

### **Recommendations:**

- c) The early warning system needs to be extended to include the CAADP FAFS indicators for measuring and monitoring food security beyond emergency responses and early warning;
- d) A food security coordination function should be established to ensure that the broader Program deliberately targets the most vulnerable and monitors Program impact and progress towards Program and national food security goals;
- e) Warehouse receipt systems could be explored to encourage smallholder production and reduce risk through redeemable vouchers that can also be used for collateral to further improve farming;
- f) Provide capacity building for storage system management and post-harvest sorting to ensure good quality grain is received by the stores and that stores retain the quality of the produce; and
- g) Clear contingency plans need to be prepared to move beyond information for early warning to emergency preparedness.

## **Improved dietary quality through improved dietary diversity**

Sierra Leone's Smallholder Commercialization Program includes elements related to improving the nutritional status of vulnerable groups in particular in order to improve productivity.

- ✓ The Program will establish a national school feeding program, providing meals for all primary school children and school gardens will be established to supply these meals.

- ✓ Undernourished children under 5 years and all children under 2 years will receive supplemental feeding on a seasonal basis (during lean months).
- ✓ 36,000 of the most food insecure pregnant and lactating women will receive supplementary feeding.

While this is a most commendable action, the mechanisms for targeting and providing supplemental feeding are not spelt out and so cannot be evaluated.

**Recommendations:**

- h) School feeding schemes and other such Programs need to focus on increasing dietary diversity to ensure sound nutrition; and
- i) Measuring and monitoring systems are required to track Program implementation with regard to nutrition.

**C3.4 Pillar 4**

The SCP is one of four sub programmes of Sierra Leone’s National Sustainable Agriculture Development Plan (NSADP) —the broad framework for agricultural development in the country. It has been prioritised as the sub-programme with the highest potential to achieve the greatest impact in terms of improved food security and wealth generation for the most vulnerable people.

With regard to Pillar IV, the investment plan of the SCP can be commended for broadly integrating the principles of the Framework for African Agricultural Productivity (FAAP) concerning the evolution and reform of agricultural institutions as well the coordination/harmonisation of financial support. It is specially commended for the scope of its proposals regarding empowerment of farmers and pluralistic delivery of advisory services. In this plan the elements of Pillar IV are captured in Component 1: Production intensification, diversification, value addition and marketing; and Component 6: Planning, coordination, monitoring and evaluation. The development of technologies plus their dissemination and adoption are highlighted as crucially essential to achieving the objectives of Component 1.

**General comments**

The Plan is generally short on details. This observation extends to the plan’s articulation of priorities for research. The research activities proposed under the SCP are limited to supporting the Sierra Leone Agriculture Research Institute (SLARI) by training junior scientists and supporting adaptive research activities. The scope of the support to adaptive research is not defined. For example, the background highlights rehabilitation of physical infrastructure for the country’s research system as an important need, but it not clear whether this aspect is subsumed under the support for adaptive research. A further limitation highlighted in the background but for which the SCP does not mention an appropriate intervention is the reform of SLARI and related agricultural research and development institutions into end user-driven organisations. The lack of details complicates the assessment of whether the 2% allocation to enhancement of agricultural services is realistic.

The diversification thrust highlighted in the title of component 1 is not reflected in the programme’s description, which instead insinuates a focus on a few staples with rice as the dominant priority. Further, by limiting the strengthening of extension services

to the ministry of agriculture, forestry and food security, the Plan overlooks the extension of fisheries which falls under a separate ministry. Given the significance of fisheries to the country's agricultural GDP and to the local diet, it was expected that the Plan would devote more attention to increasing productivity (including reducing post-harvest losses) in the fisheries sub-sector.

The Plan recognizes the need to develop human capacity but does not cite the actors responsible for higher education and training among the key stakeholders for SCP.

While the plan recognises the need to strengthen the institutional and human capacities of various groups of relevant actors (research, farmers, and extension); it does not show in clear terms whether and how these actors will be supported to engage with one another and with the private sector, education and policy actors to operate as a holistic system of innovation. Furthermore, the involvement of private sector actors in implementation arrangements at policy and governance levels falls below expectations, especially in light of the SCP's commercialisation thrust which calls for an important role by the private sector.

### **Improve the performance of agricultural productivity**

Programme component 1 embodies agricultural production intensification activities focusing primarily of rice, food crops and secondly on livestock and fisheries, non-timber forest products among others. It demonstrates how FBO's and Extension will be engaged in the implementation of the programmes which in no doubt bridge technology gap and improve productivity of the farmers. The plan to provide FBO's with start-up kits inclusive of seed, fertilizer, herbicide, small machinery will address productivity both at production and post-harvest levels.

#### **Recommendations:**

- a) The document tends to be more descriptive. It does not give measureable outputs and indicators. Again no baseline information is provided to know the current productivity levels of the target crops. It is will be recommended that the investment plan presents baseline line data on the crops and demonstrates how productivity enhancing interventions will lead to annual growth over the investment period. For example increase lowland and upland rice yields from the current 0.72 and 1.3mt/ha to x/ha;
- b) The investment plan should also demonstrate how interventions such as the "start-up kit" to farmers will be sustained over the years. Clarity on who qualifies for such support and how new entrants will be incorporated in this programme will be helpful;
- c) Again, the investment plan must detail some of the **productivity enhancing technologies** and support will be provided. For example supply of seeds alone might not lead to productivity unless they are improved seeds targeted at high yields, disease resistance, drought resistance, etc. Though ABC will provide technical services, it will be important to expand on the kind of technical services that will be provided. For example design and establishment of quality systems; post-harvest handling technologies; improved planting technologies using machinery, nursery management practices, etc.;
- d) There should clarity between the functions of the **FBOs and ABC** delineating the flow of authority, scope of operations, membership, etc. Operating manuals

- for FBOs and ABC will be useful;
- e) Sierra is endowed with several **non-timber forest** products and has conducive agro-climatic conditions for production expansion. However, the country does not have information on the market, harvesting and post-harvest handling skills and the human capacity to exploit this opportunity which could provide immediate income for the rural farmers. It will be useful to engage reputable institution to conduct subsector assessment of NTFP towards sustainable commercialization. Similar projects being implemented in Ghana (Ghana exports over \$15m of NTFPs annually) and Liberia could serve as reference; and
  - f) The **fishery subsector** is recognized as one of the main subsectors contributing 9.4% of GDP; providing employment and income to a large population and contributes 80% to fish consumed locally. Sierra Leone therefore has the advantage of increasing the productivity of this sector and expands production to serve the regional market. Significant investment in the sector to enhance fish productivity including enrichment of fish stocks will not only provide employment but could boost export to neighbouring West African markets. The lack of resources and comprehensive strategies to boost the fishery sector must be addressed.

### **Increase the scale of agricultural production investment**

Significant investment has been is proposed to boost rice production, expand irrigation and mechanization, develop value chains of food crops, agro-forestry products, livestock chains and fishery products. These programmes cover most of the agricultural sub-sectors in the country.

#### **Recommendations:**

- g) The investment plan should indicate the production projections for lead targeted commodities or subsectors and relate investment to production output. For example increasing rice production from x to 2.5x by 2015;
- h) It is important to describe how government will establish the **public private partnership**; the role and investment expectations of private and public sector; and
- i) Description of key interventions to increase investment in **export crops** is recommended. Targeted export crops should be identified, markets strategies outlined; sound policies put in place; incentive packages for private sector investment reviewed and effort to attract foreign direct investment pursued.

### **Place farmers at the centre of agricultural innovative system**

The investment plan describes clearly articulates linkages between research, extension and farmer participation. The engagement of FBOs, ABCs, SLARI and farmers is laudable. More significantly the use FFS for adaptive research and technology transfer place emphasis on farm engagement in innovative systems.

#### **Recommendations:**

- j) The investment must articulate some of the specific innovative systems that will be developed and transferred to the farmers. The FFS approach must run



in parallel with SRARI research activities;

- k) It will be important to also invest in seed systems. The seeds industry in Sierra Leone is weak and characterized by low yields, poor germination rates; susceptible to diseases and expensive. Seed selection at farmers fields, propagation trials of improved seeds at research stations and FFS is recommended;
- l) Innovative systems should not only target production technologies but also post-harvest systems which tend to constraints most of farmers investment to productivity; and
- m) It should also articulate in greater detail how it proposes to mainstream gender and to address other cross cutting issues notably, the environment/climate change and the youth.

### **Catalyze the utilization of productivity enhancing technologies**

The production intensification sub-programme invests significantly in adoption of improved farming technologies and inputs. Use of labor saving equipment/devices (tillers, millers, threshers, cutters, etc) will definitely reduce man hours and days in processing.

#### **Recommendations:**

- n) The investment plan should indicate how some of the productive enhancing technologies will be adopted in the various sub-sectors and value chains. Best practices from other countries and within certain farming communities in Sierra Leone could be scaled up and replicated nationwide; and
- o) The expected output from implementation of enhancing technologies should be explained and documented.

### **Make research agenda more responsive to development needs**

The investment plan mentioned SLARI to benefit from the Improved Agricultural Services sub-programme. Support in capacity building for the staff, infrastructure development, logistics will impact positively on the effectiveness of Institute and extension delivery services. Training of junior scientist and support for adaptive research is commendable.

#### **Recommendations:**

- p. Not investment is going into actual research activities such as testing of improved technologies; provision of improved seeds, etc;
- q. It is recommended that careful analysis is conducted on priority crops to identify key drivers of productivity and direct research into improving technologies that will promote these drivers; and
- r. Universities, Research Institutions, Ministry of Agriculture, Forestry and Food Security should create a networking platform, design programmes together and implement programmes targeted at the needs of the farmers.

## **Conservation of Natural Resources**

The investment plan mentioned SLARI to benefit from the Improved Agricultural Services sub-programme. Support in capacity building for the staff, infrastructure development, logistics will impact positively on the effectiveness of Institute and extension delivery services. Training of junior scientist and support for adaptive research is commendable.

### **Recommendations:**

- s) Not investment is going into actual research activities such as testing of improved technologies; provision of improved seeds, etc. It is recommended that careful analysis is conducted on priority crops to identify key drivers of productivity and direct research into improving technologies that will promote these drivers;
- t) Universities, Research Institutions, Ministry of Agriculture, Forestry and Food Security should create a networking platform, design programmes together and implement programmes targeted at the needs of the farmers; and
- u) The Plan needs to provide more details about its elements, especially the priorities for research and how they were derived. The strengthening of research delivery should consider the reform of the agricultural research and development institutions in addition to the development of human capacities based on assessment of capacity needs.

## **Conservation of Natural Resources**

The introduction to the subsectors indicate significant loss in forest resources and the reduction of its contribution to GDP from 7% to 3% in 2008 with consequent effect on decreased charcoal, poles, wild fruits and other non-timber forest products.

### **Recommendations:**

- v) The investment plan should elaborate on measures to deal with deforestation including sustainable harvest of forest products, review of existing policies and access to timber products. Communities land right governance mechanisms must be instituted to deal with deforestation; and
- w) There should be the political will at national, regional and district levels to preserve, conserve, protect and ensure sustainable utilization of forest resources.

## **C3.5 Cross-cutting issues**

The following main cross-cutting issues need to be fully integrated into the plan:

- Gender
- Environment
- Private sector

The Plan's program components need to be fully evaluated in order to assess whether the investment takes specifically into account gender and environmental impacts and

whether the role of the private sector is identified.

### **C3.6 Monitoring and evaluation framework**

The Smallholder Commercialization Program represents a significant increase in Program activities and spending. Given the significant reliance of the activities on development support, there will be need for a good monitoring and evaluation process.

- ✓ The Smallholder Commercialization Program recognizes the weaknesses in coordination of current agricultural activities and has put in place a good structure of committees at different levels, to provide Program oversight.
- ✓ The SCP Program includes a specific component to support planning, coordination and M&E (component 6 of the Program). There is one paragraph on page 26 dedicated to a list of activities that would be financed to set up the SCP monitoring and evaluation, information and knowledge sharing system.
- ✓ The SCP Program includes a specific component to support planning, coordination and M&E (component 6 of the Program).
- ✓ There is a strong emphasis on the monitoring structures while there is no log-frame for the activity itself.

No detailed results framework log-frame is provided in the documentation.

#### **Recommendations:**

- a) Prepare a results framework with a full set of expected outcomes and indicators, baselines and targets. There is a lack of detail in the investment plan describing the results framework and the feasibility of the indicators proposed; and
- b) There is lack of assessment of current, local capacities to conduct baseline surveys and the adequacy of the local capacity in data gathering system and data analysis.

There is a serious need to develop a log-frame for monitoring and evaluating SCP progress and impact. The benefits described on page 29, section 108 focus mainly on outputs and project level outcomes. The plan should follow the CAADP Post Compact guidance and make full use of the analytical benchmarks, the pillar framework guides, and set of indicators developed by various players including ReSAKSS.

## **Component 4: Alignment with country commitments**

### **C4.1 Prioritisation within the investment plan**

The National Sustainable Agriculture Development Plan (NSADP) and Sierra Leone's compact identified four sub-Programs and the government has prioritized one of the four; the smallholder commercialization Program (SCP), as the highest priority for immediate development and resource mobilization.

- ✓ The Program includes mechanisms within the design framework to further prioritize target areas and beneficiaries using site selection methods (for infrastructure investment), and demand driven measures (for service delivery).

The Program is relatively well prioritized and focused. Because the investment plan is a sub-Program under the umbrella of the NSADP, it may be useful to expand the introductory section to provide greater background and context to explain the rationale behind selection of the SCP as the highest priority sub-Program and why other sub-Programs were not developed in parallel to achieve comprehensive implementation of the NSADP.

The SCP also presents a total cost of \$403 million and a financing gap of \$256 million. If full financing cannot be obtained, it should be stated which expenditures in SCP would be of highest priority. Some description of where prioritization may take place within the sub-Program in the event of lower levels of financing may be needed.

**Recommendations:**

- a) Clarity and greater description on the Government's approach for prioritization of the NSADP is necessary;
- b) Elaboration on the financing plan of which activities are of highest priority in case of lower levels of financing is advisable.

#### **C4.2 Links with existing sector Programs/projects**

The SCP is strongly embedded in current Programs and initiatives supported through the ministry (MAFFS) and focused on scaling up successful pilots (such as those initiated under the EU Food Facility following the period of high food prices), filling gaps in coverage for activities such as agriculture business centers, and building on current initiatives to achieve greater scale.

- ✓ A full description of ongoing Programs and their financing is included along with description of potential alignment with SCP for each Program.

The document well describes the linkage to existing Programs and projects and provides sound analysis on their degree of alignment. Although potential entry points to better align existing Programs with SCP are identified, there is likely more scope for further development of what alignment means in practice and how to concretely integrate existing Programs into SCP framework. However, this may be most realistically developed only at a later point in Program development, much closer to implementation stages.

#### **C4.3 Links to regional agriculture sector development plans**

While Sierra Leone has recognized the importance of regional integration as an objective, the opportunities and the actions to promote regional integration have not been considered. The plan does not specify how national actions will build into the regional investments.

#### **C4.4 Identification of policy issues and steps required to resolve them**

The SCP does highlight a number of important policy issues necessary for implementation or achievement of Program objectives – particularly as they relate to land tenure, rural infrastructure and social protection policies.

- ✓ The document identifies some specific policy development steps and provides financing for them – such as refinement of the rural finance policy and development of specific measure under the new social protection policy.

No key input or output market policy issues are identified within SPC and a core underlying assumption appears to be that the enabling environment to facilitate smallholder commercialization and marketing is sufficient. It may be useful to re-assess this assumption and whether investments in improving service delivery and value chain development do not also require any adjustment in the input or output market related policies.

##### **Recommendation:**

- a) Where relevant, re-assess the need for input or output market policy reform to better facilitate smallholder market access

#### **Component 5: Operational Realism**

##### **C5.1 Viability of implementation arrangements**

The SCP is supported by high level coordination mechanisms with a presidential level task force and lower level policy and technical support through an advisory group that are inclusive of the full range of stakeholders – both public and private. Implementation also draws on existing planning and steering committees.

- ✓ Within components, institutional roles and lead responsibilities are clearly articulated with linkage to a coordination secretariat made up of new staff.

Because the SCP cuts across many different MDAs, it may be challenging to coordinate technical and policy oversight and guidance with the involvement of many different stakeholders. Smaller task forces may be useful to better manage inputs into a diverse work program.

##### **C5.2 Institutional assessment**

Coming out of a conflict period, Sierra Leone has reduced human resource capacity. Institutional capacity building and increased human resources are provided for through the establishment of a small SCP Coordination Secretariat and hiring of new technical staff that will be fully mainstreamed into MDA structures.

- ✓ The need to upgrade the absorption capacity to manage a large Program as SCP is recognized.

The program represents roughly a doubling in the current volume of financing for the sector's activities and therefore could be considered manageable if targeted measures to address current capacity constraints are developed through new hiring. However, SCP funding is not equally distributed and in some cases components will finance relatively new activities that may have limited existing institutional capacity to draw on for their implementation. This is most likely the case in the social protection component, which will significantly scale up safety net programs beyond their current level. The same may be true for rural infrastructure and rural financial services, where substantially increased financing may stretch existing institutional capacity.

**Recommendations:**

- a) Provide an overview of the capacity inventory of public entities to effectively implement components of the SCP; and
- b) Prioritize capacity building needs and costing to ensure that funding goes to most important capacities.

**C5.3 Indicative financing plan**

Funding for SCP will be provided through support from development partners, the government and the private sector.

- ✓ An indicative cost of the Program is provided  
There is no indicative financing plan included for the Investment Plan, only overall costs.

**Recommendation:**

- a) An indicative financing plan should be developed and included, that shows expectations for the various sources of finance and to include at a minimum the State budget and donor flows. Following from this analysis, a financing gap should be shown. It would be useful to present this financing plan and gap disaggregated at least to the Component level, so as to permit identification of any components that are particularly vulnerable to underfunding due to lack of external partner engagement in the sub-sector.

**C5.4 Agriculture Sector Public Expenditure Review**

No information derived from an agricultural public expenditure review is incorporated into the Investment Plan. Information on actual investment plans and realizations in the most recent year or two could have usefully been included in the Investment Plan to anchor the Plan in what was actually achieved in the recent past.

**Recommendation:**

- a) As part of the implementation of the Investment Plan, an agriculture sector public expenditure review is required

**C5.5 Public Financial Management Capacity and broad macro framework**

The government of Sierra Leone attaches great importance to the development of agriculture and the CAADP process. In line with this budgetary allocation has reached 9.9% in 2010, a value close to the CAADP target of 10%. The SCP will increase the

amount of funds to be managed and requires additional check and balance.

- ✓ The sector description in its broader macro framework is concisely and clearly presented.
- ✓ Implementation arrangements for the financial management of the sector programs (including disbursements) are well presented.
- ✓ The document is frank about the deficiencies in the institutional arrangements for financial management.

No information is presented on recent years' sector budget performance, e.g. actual expenditure realizations as compared with budgeted resources, or expenditure growth trends. This information will be useful to help assess the realism of the scale up of resources proposed, and help focus on identifying priority accompanying capacity building to overcome current budget execution shortcomings. There is likely a broader public budget management and reform process, led by the Ministry of Finance, that defines opportunities and constraints for the sector-specific scale-up proposals presented in this document, but there is little articulation of this context.

**Recommendations:**

- a) Present information on recent budget implementation performance as a foundation for the proposed scale-up, and to identify implementation constraints that should be translated into capacity building measures;
- b) Elaborate on the path, steps, and time frame for moving to the proposed SWAP / programmatic funding framework from the current "project" environment;
- c) In view of the important emphasis given in the document to financial management deficiencies, it would be good for a stronger program to be articulated regards measures to be taken to address this issue. This may well be a general budget reform issue for Ministry of Finance leadership; and
- d) Provide more context of overall budget reform (e.g. regards medium-term expenditure framework management, fiscal decentralization), that will determine expectations of agricultural expenditure management improvements.

**C5.6 Risk assessment**

There are risks inherent in the implementation of programs and Sierra Leone represents a post-conflict situation with peculiar challenges. Nonetheless if these are properly isolated, they can be mitigated.

- ✓ A good section is presented on risks as well as mitigation measures and estimates of the level of risk.

The mitigation measures are only sketched in general terms, and in view of the complexity of their implementation in some cases they will need in a following phase to be elaborated. The proposed scale up of investment in the sector, coming at the same time as the described fiscal decentralization reform roll-out, will present considerable risks to achieving the Plan outcomes. Decentralization is usually a good thing for agricultural sector investment decision making, but needs to be accompanied with a good degree of attention to capacity building, at all administrative levels.

**Recommendations:**

- a) Begin to increase the specificity and concreteness of mitigation measures as pertains to financial management aspects of the Investment Plan. The proposed focus on procurement and implementation procedures is appropriate but will need to be translated into a concrete action plan; and
- b) Give additional attention to capacity building, and ensure its adequate costing and financing, commensurate to the ambitious investment scale-up and parallel decentralization that are embodied in the Plan.

**C5.7 Financial and economic assessment (including cost-benefit analysis)**

- ✓ A fairly good beneficiary analysis is included in the Plan.

The role that economic/financial rate of return analysis plays in activity design and budget preparation is not apparent in the Plan and there is little description of economic and financial tools that are expected to be a routine part of investment activity screening and design.

**Recommendation:**

- a) A full description of program beneficiary characteristics should be provided including overall numbers targeted, geographic locations, economic and social status per component and if possible per activity; and
- b) Describe intentions for incorporation of economic and financial analysis in investment activity and budget preparation as part of implementation of the Investment Plan. A number of different cost-benefit analytic tools can be used as part of the financial and economic analysis of specific program components. An overall programme rate-of-return, with sensitivity analysis, break-even point, and cost-effectiveness analysis would be useful to help prioritize and set up targets per component/activity. A combination of various tools may be most appropriate in order to capture the complicated nature of a sector wide program. Well-known “rules of thumb” can be applied to test the adequacy and robustness of the results, and are appropriate at this investment plan stage.

**Costing and detail budget estimates (by expenditure category) – Recurrent versus Development Expenditure; existing Government vs Donor commitments; financing gaps**

There is a good level of detailed cost analysis to the activity level, including both unit costs and quantities.

There is an absence of analysis of downstream recurrent expenditure needs related to the proposed investments that will be needed for the sustainability of these investments. Some of the costs, particularly for rural roads, appear underestimated.

**Recommendations:**

- a) The sustainability of the Investment Plan could be reinforced with the inclusion of recurrent cost estimates in the overall costing; and
- b) Need to review cost estimates.



## **C5.8 Estimate of the investment to be provided by the private sector**

- ✓ At the strategic level, by focusing on commercialization of smallholder farming, the Investment Plan is clearly placing private sector development centrally. The specific investment issues confronted by smallholders are appropriately reflected in the investment program's inclusion of components to address finance constraints (rural financial services), vulnerabilities (social safety nets) and access to technology (farmer field schools).

Private investment levels – current or expected under the Plan - are not identified. Undoubtedly there are data shortcomings but some discussion of how to proceed with a smallholder promotion approach in the current absence of information would be guaranteed.

### **Recommendations:**

- a) It would be useful for the Investment Plan to state, if only at the level of strategic orientation, what role is envisioned for private investment in achieving the sector's development objectives, and what are considered to be the main links of public investment to facilitating the growth and effectiveness of such private investment; and
- b) The Investment Plan could consider as part of its M&E Plan identifying specific measures to begin building the capacity to track private investment of different types (e.g. smallholder, domestic commercial, and FDI types), and to track the key channels through which public investment can spur private investment of these types.

## **Annexure 1: CAADP Post-Compact Guide**

See attached File.

## **Annexure 2: ECOWAS 's 13 points from Cotonou for investment plans**

NAIPS are to be set out to present:

1. Origins of the investment plan (history)
2. Areas to be covered
3. Detailed description of the Programs and how they relate to ECOWAP
4. Overview of the intervention strategy
5. Evaluation of costs and financing
6. Economic and financial analysis
7. Implementation strategy
8. Synergies between Programs
9. Implications for regional public Programs
10. Safeguard for monitoring
11. Institutional evaluation
12. Monitoring and evaluation
13. Risk assessment

**Annexure 3: Post Review Road Map Template**

### Annexure 3: Post Review Road Map Template

National Agriculture Investment Plans	Activities and Benchmarks	Point	June 2010	July 2010	August 2010	Sept. 2010	Oct. 2010	Nov. 2010	Dec. 2010	Follow-on Comments	
<b><u>Component 1: Alignment with CAADP vision, principles and strategy elements</u></b>											
[Identify issue]	<ul style="list-style-type: none"> <li>[bullet out specific actions]</li> </ul>	[list who is responsible]	[insert due dates]								
	<ul style="list-style-type: none"> <li></li> </ul>										
<b><u>Component 2: Consistency with long terms growth and poverty reduction options</u></b>											
	<ul style="list-style-type: none"> <li></li> </ul>										
	<ul style="list-style-type: none"> <li></li> </ul>										
<b><u>Component 3: Adoption of best practices and inclusion of core programme elements</u></b>											
	<ul style="list-style-type: none"> <li></li> </ul>										
	<ul style="list-style-type: none"> <li></li> </ul>										
<b><u>Component 4: Alignment with country commitments</u></b>											

	•				
	•				
<b>Component 5: Operational realism (including institutional and capacity building)</b>					
	•				
	•				
<b>ACCOUNTABILITY</b>					
<b>Monitoring and Evaluation/Policy Analysis</b>	•				
	•				
<b>IMPLEMENTATION ARRANGEMENTS</b>					
<b>GAFSP (Global Hunger &amp; Food Security Program)</b>	•				
	•				
<b>OUTSTANDING COSTING ISSUES</b>					
<b>Costing of Program areas</b>	•				
	•				
<b>Financing Plan Presentation</b>	•				
	•				
<b>GAFSP CONCEPT PAPER</b>					

<b>Concept Paper Development</b>	• •				
<b>ANALYSIS NEEDS</b>					
<b>Beneficiary Analysis</b>	• •				
<b>Cost Benefit Analysis</b>	• •				
<b>Prioritizing Programs</b>	• •				
<b>Alignment with other Agricultural strategies and programs</b>	•				
<b>Policy Analysis</b>	• •				
<b>Environmental Assessments as Needed</b>	• •				
<b>Gender Analysis</b>	• •				
<b>ACCOUNTABILITY</b>					
<b>Monitoring and Evaluation/Policy Analysis</b>	• •				

