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# Republic of Sierra Leone Country Strategy and Programme Evaluation Agreement at Completion Point

# **Note to Evaluation Committee representatives**

Focal points:

Technical questions:

<u>Dispatch of documentation:</u>

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## **Note to Executive Board members**

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# Republic of Sierra Leone Country Strategy and Programme Evaluation Agreement at Completion Point

# A. Introduction

- 1. This is the first country strategy and programme evaluation (CSPE) in the Republic of Sierra Leone conducted by the Independent Office of Evaluation of IFAD (IOE). The main objectives of the CSPE were to: (i) assess the results and performance of the IFAD-financed country strategy and programme; and (ii) generate findings and recommendations for the future partnership between IFAD and the Republic of Sierra Leone for enhanced development effectiveness and rural poverty eradication.
- 2. The CSPE assessed the IFAD-Government partnership pursued under the Country Strategic Opportunity Programmes (COSOPs) of 2003 and 2010. To inform the assessment, the CSPE covered: (i) the lending portfolio (US\$201 million across four loans effective between 2003 and 2019, and one IFAD-supervised project); (ii) non-lending activities (knowledge management, policy dialogue, partnership-building, and selected grants); and (iii) performance of IFAD and the Government.
- 3. This agreement at completion point (ACP) contains recommendations based on the evaluation findings and conclusions presented in the CSPE report, as well as proposed follow-up actions as agreed by IFAD and the Government. The ACP is signed by the Government of Sierra Leone (represented by the Minister of Agriculture and Forestry as well as the Ministry of Planning and Economic Development) and IFAD Management (represented by the Associate Vice President of the Programme Management Department). The signed ACP is an integral part of the CSPE report in which the evaluation findings are presented in detail, and will be submitted to the IFAD Executive Board as an annex to the new country strategic opportunity programme for Sierra Leone. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.

### B. Recommendations and proposed follow-up actions.

- 4. Recommendation 1: Deepen the developmental impact of agricultural growth through a sharper focus on strengthening linkages along the value chain. The CSPE recommends strengthening the horizontal and vertical linkages along the value chain is important for sustainable pro-poor development in a fragile context to occur. In this regard, the new COSOP should focus on improving relationships among the stakeholders, including buyers, sellers, service providers and regulatory institutions. Multi-stakeholder forums that bring together value chain actors to develop dialogue between them, with the aim of improving communication and trust, should be pursued. Knowledge and information on prices and other market conditions should be provided to poor producers and their groups.
- 5. The focus of future projects should also be on developing systematic partnerships with the private sector actors and creating incentives for their participation, including mechanisms for risk and cost-sharing. A strong technical analysis on viability of value chains must be undertaken early at the project design stage, and shared with all stakeholders. At the policy and regulatory level, IFAD must assist the government in creating an enabling environment for private sector participation and for public-private partnerships, ideally in collaboration with other development partners.
- 6. The Round-table at the National Workshop proposed incentives for attracting private sector in agro-processing and agri-businesses by developing infrastructure such as storage and preservation facilities, providing assistance in obtaining certification for food standards, packaging and labelling of products, deploying financial instruments

that play a catalytic role in directing private sector financing into rural micro, small and medium enterprises, etc.

- 7. **Proposed follow up.** IFAD and the Government agree with the recommendation to further strengthen linkages along the value chains with particular focus on strengthening the relations with the private sector. The activities to achieve that will include:
  - The design of future IFAD-financed value chain projects will be based on a strong viability analysis undertaken early at the project design stage
  - Under the AVDP, multi-stakeholder platforms will be set up to bring together value chain actors to develop dialogue between them, with the aim of improving communication and trust. Likewise, the platforms will serve to exchange knowledge and information on prices and other market conditions.
  - IFAD will support the government in creating an enabling environment for private sector participation and for public-private partnerships, through the financing of analytical papers and knowledge exchange trips that can feed into the required policy formulation.
  - Building on past experiences, the IFAD-financed country programme will strengthen and expand outgrower schemes to better link smallholder producers to medium and large-scale entities for agricultural production and offtake.
  - IFAD-financed projects will continue to create the conditions for increased private sector investment by developing relevant infrastructure as well as enhancing technical capacity and soft skills among smallholder farmers.

Responsible partners: all projects, MAF and IFAD

Timeline: 2020 onwards

- 8. Recommendation 2: Pursue diversification more vigorously as a strategy to improve nutrition and build economic resilience. The focus of the portfolio has primarily been on crop production. This has meant that incomes of beneficiaries remain exposed to climate- and market/price- related shocks. Further, while nutrition has been emphasised in the COSOP, the assumption has been that income increases (which depend on crops alone) will drive improvements in nutrition.
- 9. The new COSOP should put the spotlight on resilience and nutrition through a more emphatic approach to diversification. Thus, the future scope of the projects should be expanded from crop production to include other sub-sectors as for example livestock as a pathway to increased economic benefits, improved resilience and better nutrition. Livestock is also a thrust area of the government's development plan and is an area with a proven potential in rural development. As women are traditionally keepers of smaller animals, activities should specifically target them.
- 10. **Proposed follow up.** The Government and IFAD agree that further emphasis should be put on livelihood diversification in order to strengthen nutrition and economic resilience. The Government and IFAD agree to:
  - Include activities to diversify the livelihood of the beneficiary families in future IFAD-funded projects and in the process create a balance between the main staple crops (rice and cassava) and the others. This is likely to include livestock development, with particular focus on production systems and animal health.

Responsible partners: all projects, MAF and IFAD Timeline: From 2021/2022 when the next IFAD-funded project design is scheduled.

11. Recommendation 3: Elevate the engagement in rural finance by building on the existing structures and the increased awareness of rural finance in the country. The CSPE recommends that IFAD continue engaging in rural finance in Sierra Leone but pay greater attention to the underserved farming community. Apart from the achievements and the structures created under its rural finance projects, future

- interventions will also benefit from the increased awareness in rural communities on financial products and their potential.
- 12. IFAD should focus on making the Apex Bank a competent, profitable and professionally managed umbrella organisation capable of serving the CB/FSA network through the design of an appropriate, comprehensive strategic and business plan. The design of the implementation of modern, flexible agricultural lending policy for CB and FSAs needs to be finalised. IFAD must support the development of the outreach and impact of the CBs and FSAs through the introduction of new services and policies in deposits, loans and dividends, using IT based solutions and linkages with other financial institutions when appropriate. IFAD should explore a flexible, multi-financier re-financing window for the Apex Bank to attract incremental funding from multiple sources to substantially expand the rural portfolios in the CB/FSA network and beyond.
- 13. The Round Table at the National Workshop highlighted the need to strengthen the Apex Bank's operations, conduct capacity building of CBs and FSAs towards agricultural lending and for the rural financial institutions to expand their product portfolio by providing different products to suit different requirements, with borrowing terms and interest rates adequately reflecting the risk underlying each product. It was also proposed that IFAD-supported projects should include activities to sensitize the loan recipients on the need to avoid loan defaults.
- 14. **Proposed follow up.** The Government and IFAD agree to the recommendation to deepen the engagement in rural finance, particularly by making the APEX Bank a competent, profitable and professionally managed umbrella organisation capable of serving the network of community banks and financial service associations. In that regard, the IFAD-financed country programme will:
  - Strengthen the capacity of the APEX bank to provide agricultural lending by hiring specialised staff to the agri-finance unit within the APEX Bank and further fine-tune the agricultural lending policy
  - Provide capacity building of the CBs and FSAs towards agricultural lending and for these rural financial institutions to expand their product portfolio by providing products to suit different requirements
  - Strengthen agricultural lending by fast-tracking the implementation of the additional financing for the Agricultural Finance Facility under the APEX Bank
  - To continuously look to improve cost-efficiency within the APEX bank and RFI network, which will facilitate that competitive interest rates can be offered to the beneficiaries of rural financial services
  - IFAD will support the APEX Bank in exploring the potential establishment of a multifinancier re-financing window for the Apex Bank to attract incremental funding from multiple sources
  - In order to attract additional financing sources, the parties commit to ensuring that governance of the APEX Bank adhere to international practices and in accordance with the institution's Memorandum and Articles of Association.

Responsible partners: RFCIP-II, APEX Bank, Bank of Sierra Leone, MOF, MAF, IFAD Timeline: 2020 onwards

- 15. Recommendation 4: Re-balance the focus from an almost exclusive focus on development and over-sight of individual projects to management of the country programme. This should involve mainstreaming non-lending and grants programme instruments as part of a coherent strategy in the next COSOP. The CSPE recommends the following actions in this regard.
- 16. A well-designed knowledge management strategy should be adopted that facilitates improved M&E systems at project level (that also feed into the national donor-based M&E systems), promotes deeper understanding of impact pathways in a fragile context and proposes indicators to measure progress in knowledge management.

- 17. IFAD should participate more actively in the United Nations Sustainable Development Cooperation Framework and the coordination groups for agricultural and rural sector donors. In order to shape its policy engagement with the Government IFAD should go beyond using only the experience of its own projects through providing a platform to a broader group of stakeholders such as research organizations, NGOs and private sector that are involved in, or are a part of, the rural landscape. The platform can be provided through inviting these stakeholders to donor and development partners' coordination group meetings. More efforts should be made to collaborate with other Rome-bases agencies on food security, gender equality and resilience. To achieve greater impact, IFAD should increase the scope of its engagement with the Government by working more closely with all ministries involved in rural development.
- 18. Increased engagement should be supported by adequate financial and human resources. Adding additional capacity with relevant technical skills in the ICO, will leave the CPM and the CPO with more time to pursue non-lending activities. Increased proximity will also facilitate deeper understanding of the fragility context.
- 19. The Round Table at the National Workshop proposed that IFAD conduct regular discussions on its programmes in the country through media and other strategic policy making forums in order to present evidence from implementation of its projects to the Government. IFAD-supported programmes should also share the baseline data collected by them with users of agricultural information either through its website or through other media.
- 20. **Proposed follow up.** The Government and IFAD agree to the recommendation to further strengthen the country programme approach. This will include:
  - The design of a knowledge management strategy for the country programme which will facilitate improved M&E systems at project level as well as strengthen their linkages to the Government M&E systems, particularly those at Ministry of Agriculture and Forestry and Ministry of Planning and Economic Development. The strategy will also propose indicators to measure progress in knowledge management.
  - IFAD will play a more prominent role within the coordinated implementation of the United Nations Sustainable Development Cooperation Framework (UNSDCF), particularly by regular participation of the IFAD Country Director in the UNCT meetings (despite his/her being posted outside the country) and the systematic participation by the IFAD Country Programme Officer in the Deputies' Group and the Programme Management Team. The Country Programme Officer will furthermore play a proactive role in the revitalization of the agricultural working group under the UNCT.
  - Subject to budget restrictions, IFAD will seek to maximise its presence in its Freetown office by also recruiting consultants, UN volunteers and other categories with required qualifications.
  - IFAD and the Government will conduct portfolio results reviews at regular intervals in order to identify possible performance issues and take corrective action as required. The results should be communicated to relevant media in order to increase visibility.

Responsible partners: all projects, MAF and IFAD

Timeline: 2020 onwards

21. Recommendation 5: Strengthen the targeting focus by mainstreaming youth in the country portfolio through a country-specific youth strategy. A needs assessment based on vulnerability analysis must be conducted to identify the needs of the youth in Sierra Leone and select those that can be addressed by IFAD-supported projects. Based on this, a youth strategy should be developed which will help unlock their potential in agriculture, includes suggested activities, linkages to other development partners and suggested responsibilities. The youth strategy and related activities need to be implemented in a structural manner, and the targeting unit in the

NPCU should be appropriately strengthened with a dedicated youth expert staff. Youth participation must be strongly monitored, not only in numbers but also in relevant monitoring questions. Activities should be designed in such a way, that there is a considerable likelihood that the youth can sustain them without external support.

- 22. **Proposed follow up.** IFAD and the Government agree to further focus on the involvement of youth in agriculture and the off-farm economy in the countryside. In order to do that the country programme will:
  - Based on the work of the National Youth Commission and in close collaboration with the Ministry of Youth Affairs, the country programme will conduct a needs assessment to identify the needs of the youth in Sierra Leone and select those that can be addressed by IFAD-supported projects.
  - Based on the assessment, a youth strategy will be developed which will help unlock young people's potential in agriculture. The strategy will include suggested activities, linkages to other development partners and responsibilities. The strategy will provide guidance for the improved implementation of the ongoing country programme and serve as blueprint for the design of future IFAD-financed projects in Sierra Leone.

Responsible partners: all projects, MAF, MYA and IFAD

Timeline: 2020 onwards.

## Signed by:

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