

Sierra Leone Conference 2009 – Consultative Group Meeting
London, November 19, 2009

Communiqué

On 19 November 2009 the Government of Sierra Leone and its Development Partners held a sixth Consultative Group (CG) meeting in London as part of the Sierra Leone Conference. The other element of the Sierra Leone Conference was a landmark Trade and Investment Forum on 18 November in which more than 500 companies and individuals participated. Both events were hosted by the United Kingdom (U.K) and the keynote addresses were given by H.E. the President of the Republic of Sierra Leone, Dr. Ernest Bai Koroma.

On the 18th November the U.K. and the Organisation of Islamic Conference (OIC) held a special session on Sierra Leone. This affirmed OIC member states` commitment to continue support to Sierra Leone. The U.K. Government and the OIC signed a Memorandum of Understanding to cooperate in Sierra Leone.

Agenda for Change – Poverty Reduction Strategy

The Government of Sierra Leone presented its Agenda for Change 2009-2012, its second Poverty Reduction Strategy. It focuses on four strategic priority areas: enhancing national electricity; developing the national transportation network; enhancing productivity in agriculture and fisheries; and sustaining human development, notably health, education and water. It is built on four principles and preconditions for achieving the strategic priorities: Peace, Security and Good Governance; Macroeconomic Stability; Growing the Private Sector; and Effective Management of Natural Resources. In his introduction to the Agenda for Change, the President further highlighted three major risks: Corruption; Illicit Drugs; and Youth Unemployment.

Participants endorsed the priorities and principles of the Agenda for Change and noted some of the risks associated with its implementation. They noted that the Agenda has been developed through substantial national dialogue and has broad support. Participants, however, noted that the required inputs to meet the development challenges identified significantly exceed likely resources and therefore encouraged stronger partnerships, prioritisation and aid effectiveness. They also noted the importance of an appropriate aid architecture including the organisation of regular aid coordination meetings. Such meetings would lead to a more effective and efficient implementation of

the Agenda for Change. The Government welcomed the recent efforts by development partners to harmonise and align strategies as reflected by the joint strategies by the European Union-United Kingdom, the joint vision of the UN family and the joint assistance strategy of the African Development Bank Group and the World Bank Group, and the Organization of Islamic Conference.

Participants noted the successful Presidential, Parliamentary and Local Government elections held since the last CG meeting in Freetown 2006 and congratulated the people of Sierra Leone for these important milestones. They also highlighted the importance of continued consolidation of peace and stability, especially in view of regional volatility and the risks identified in the Agenda for Change. They look forward to close cooperation between Government and development partners in the preparation for the 2012 elections in order that Sierra Leone will again serve as an example to other countries to follow.

Participants noted with satisfaction that economic growth has remained robust in the post war years, and has been higher than the average in the sub-Saharan region. While Sierra Leone's annual growth rates have fallen during the recent global financial crisis, they have nevertheless stayed positive. The government's proactive response to the international crisis was noted and broadly supported. It was noted that a recent IMF review of the macroeconomic programme has reported positive developments, and continued progress in improving public financial management was also acknowledged.

Participants commended the Government's commitment to improving good governance and continue the fight against corruption. They welcomed the increased independence and assertiveness of the Anti-Corruption Commission, including governance reviews of key ministries and its willingness to prosecute offenders and encouraged a continued strong commitment to implement this important agenda. Participants also welcomed the Government's explicit aim, as stated in its Resource Mobilisation Strategy, to improve Sierra Leone's standing in key international ratings, not least those assessing progress on governance and corruption. In particular, they noted its rise by twelve places in the 2009 Transparency International Index.

Participants observed that human development, notably in health (child and maternal mortality), is still unacceptably low and the main reason why Sierra Leone lingers near the bottom of the UNDP Human Development Index. It was, however, acknowledged that there are indications of progress toward lower mortality rates and concerted efforts toward further progress were encouraged.

Participants voiced their support for the Government's statements about full implementation of programmes providing free access to healthcare for identified priority groups.

Participants agreed with the Government that youth unemployment is a major social and economic issue as well as a threat to peace and stability. While participants acknowledged the complexity of the issue, Government and Partners were encouraged to develop comprehensive programmes to address this issue and devote resources to it.

Participants noted that agricultural production has continued to grow and diversify and that, partly as result, poverty headcount rates have fallen notably. The new agriculture strategy, developed under the African Union/ Economic Community of West African States and the Comprehensive African Agriculture Development Programme umbrella, was welcomed but food security remains a problem which deserves greater attention. The importance of investments including maintenance of feeder roads to connect farmers to markets was noted, as well as the importance of providing finance for agricultural growth. The potential of agriculture to provide a key part of the answer to youth unemployment was also highlighted.

The Government and development partners recognised the need for continuing a meaningful increase in capacity building to convert Government policies into actions and results. In this regard, development partners also recognised the need for continuing support to the Government's Public Service Reform programme.

On the day prior to the CG, the Government of Sierra Leone presented its potential to a well attended Trade and Investment Forum. At the event, the Government was able to highlight the achievements it has made in providing a stable environment for investors, with strong emphasis on the security and governance framework as well as other investor friendly reforms. The Government was also able to convey to investors the opportunities available in the country including its underutilised natural resources such as iron ore, gold, diamonds and hydro carbons, the vast fisheries and the swathes of highly fertile arable land available. Government and development partners agreed however that in order to continue to develop investor confidence and to reduce the cost of doing business, Sierra Leone will need to increase public investment in transport and energy as well as to modernize the financial sector and strengthen the Central Bank. They also agreed to continue to reform aggressively as a complementary effort to the private sector investments that will help to deliver growth.

The recent discovery of potential oil reserves has significant possibilities to increase Sierra Leone's revenues. Participants noted the Government's commitment to establishing a framework to exploit this in the best interest of the country and its people. They noted with satisfaction that the Government is now preparing the necessary steps toward full Extractive Industries Transparency Initiative (EITI) validation. Participants encouraged Government to complete these steps as a matter of urgency and to address oil sector governance in an EITI or EITI++ context from the outset.

Participants noted the importance of reliable, appropriately priced and effectively regulated energy sector for economic growth. To this end, the approval by Cabinet of the Energy Policy and its Implementation Plan is a critical step towards promoting efficiency in the energy sector. This move will be greatly enhanced in the Energy and Water Regulation Bill that will be tabled to Parliament for ratification. They congratulated the Government on the commissioning of the Bumbuna hydropower facility; the country's single biggest public asset, and encouraged the completion of environmental and social mitigation, including benefits for communities in the vicinity of the dam and the creation of protected areas for wildlife, notably the establishment of a national park in the Loma Mountains.

Statements by development partners confirmed a continued strong level of support for Sierra Leone's development agenda and that they are expecting to at least maintain aid levels, currently at US\$ 300 million per year, and increase them where feasible. This represents a considerable achievement in a time of global economic downturn. In addition, new partners have emerged and their contributions were welcomed.

To facilitate contributions from development partners, and to facilitate the effective utilisation of aid, the Government of Sierra Leone Aid Policy was released and endorsed by development partners. To compliment this policy action, the UN has established a Multi Donor Trust Fund, which primarily focuses on human development and governance, while the World Bank has established a Multi Donor Trust Fund to support infrastructure development. Participants noted that these common financing instruments and others along similar lines together with joint planning activities should be used wherever possible to optimise support for the Agenda for Change.

The Government and development partners agreed to work on an action plan to implement the new Aid Policy and undertook to organise together in early 2010 in Freetown an Aid Effectiveness Forum to take this important agenda forward.