

# profile



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## SIERRA LEONE COUNTRY STRATEGY AND PROGRAMME EVALUATION Focus on agricultural production and rural finance

Since 1979, the International Fund for Agricultural Development (IFAD) has committed US\$130 million in highly concessional loans and grants to Sierra Leone through eight projects that have supported rural poverty reduction and agricultural development. Its contribution to the country's rural development goals and overall economy has been even more significant since 2002, assisting the Government in reconstruction and rehabilitation, particularly of the agriculture sector that had faced the brunt of the civil war (1991-2002). In 2019, the Independent Office of Evaluation of IFAD (IOE) undertook the first country strategy and programme evaluation (CSPE) in Sierra Leone, covering the period 2003-2019.

The main objectives of the CSPE were: to assess the results and performance of the IFAD country programme and to generate findings and recommendations. It evaluated five projects that had been designed in the period covered, including one supervised by IFAD. The total funding for the projects supported by IFAD amounted to US\$201.2 million, of which IFAD provided US\$98.1 million. The focus areas of the portfolio were primarily agricultural production and rural finance.

### Main evaluation findings

IFAD's portfolio managed to keep its relevance strong in Sierra Leone by responding to the country's needs

and priorities. Directly after the civil war, the portfolio provided support to building productive assets and infrastructure, and then gradually shifted to enhancing growth in production, marketing and the spread of rural finance. The stand-alone nature of its projects – either agricultural production or rural finance – kept the design simple.

The outreach of the portfolio was impressive, with targets at or close to 100 per cent achieved. Vast areas of land hitherto unused are now rice fields. Financial services successfully reached rural areas, thus becoming accessible to over 200,000 households. About 88 per cent of the community banks and 83 per cent of the financial services associations are

operationally sustainable. Rehabilitated rural roads have improved connectivity, and the capacities and infrastructure of decentralized political entities have been built. However, the portfolio was not without some shortcomings. To ensure participation of the more vulnerable in project activities, quotas were created for women and youth, but the lack of a needs assessment to design activities specifically suited to them meant that their participation was far less than effective. True financial inclusion was missed: farmers constituted only a small proportion of the clientele of rural financial institutions. Creation of market linkages for farmers was treated as an auxiliary activity to production and failed to generate the expected benefits. Similarly, IFAD was not able to fully leverage its potential in contributing to rural development through its policy engagement and strategic partnership-forming efforts.

Looking ahead, the country's resource-poor and fragile context is likely to put at risk the sustainability of benefits, infrastructure and institutions. The lack of access to good quality seeds, fertilizers, equipment and other inputs is exerting a strain on the productivity levels of rice achieved during the project implementation period. The projects' capacity-building activity involved far too few private-sector input suppliers for them to be able to reach all farmers. Moreover, not only is the availability of mechanized equipment in the country limited; its affordability to farmers is also a constraint. The lack of adequate government resources risks reversing project benefits attained from roads and weakening the capacities of government departments and decentralized government bodies.

## Key recommendations

- **Recommendation 1. Deepen the developmental impact of agricultural growth through a sharper focus on strengthening linkages along the value chain.** The new Country Strategic Opportunities Programme (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 should be pursued. The focus of future projects should also be on developing systematic partnerships with private-sector actors and creating incentives for their participation.
- **Recommendation 2. Pursue diversification more vigorously as a strategy to improve nutrition and build economic resilience.** 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 subsectors, such as livestock, as a pathway to increased economic benefits, improved resilience and better nutrition.

- **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 should support Apex Bank in designing an appropriate and comprehensive strategic and business plan, and a modern, flexible agricultural lending policy for rural financial institutions should be finalized. IFAD should explore a flexible, multi-financier refinancing window for Apex Bank to attract incremental funding from multiple sources, in order to expand the rural portfolios in the network of financial institutions and beyond.
- **Recommendation 4. Rebalance the focus from an almost exclusive focus on development and oversight of individual projects to management of the country programme.** A well-designed knowledge management strategy should be adopted. IFAD should participate more actively in the United Nations Sustainable Development Cooperation Framework and the coordination groups for agricultural and rural sector donors. More efforts should be made to collaborate with other Rome-based 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.
- **Recommendation 5: Strengthen the targeting focus by mainstreaming youth in the country portfolio through a country-specific youth strategy.** A needs assessment based on a vulnerability analysis must be conducted in order to identify the needs of young people, and a youth strategy should be developed. Youth participation must be strongly monitored, not only in terms of numbers but also in relevant monitoring questions. Activities should be designed in such a way that there is a considerable likelihood that young people can sustain them without external support.

## SIERRA LEONE AT A GLANCE

Population: **7.6 million (2018)**

Rural population: **58% (2018)**

Gross domestic product growth: **3.7% (2018)**

Poverty head count ratio (at national poverty line: % of population): **52.9% (2011)**

Life expectancy at birth: **54 years (2017)**

Human development index: **0.4 (2017) ranked 184 out of 189**

Number of IFAD projects approved since 1979: **8**

IFAD loans and grants approved since 1979: **US\$130 million**

Sources: World Bank, IFAD.

### Further information:

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