

COUNTRY STRATEGY AND
PROGRAMME EVALUATION

Sierra Leone

Executive summary

Background

1. In line with the International Fund for Agricultural Development (IFAD) Evaluation Policy and as approved by the 125th Session of the IFAD Executive Board, the Independent Office of Evaluation (IOE) undertook its first country strategy and programme evaluation (CSPE) in Sierra Leone in 2019.
2. The main purpose of the evaluation was to assess the results and performance from 2003 to 2019 under the two country strategic opportunity programmes (COSOPs) – COSOP 2003 and COSOP 2010, the Country Strategic Note 2017-18 and to generate findings and recommendations for the upcoming COSOP, to be prepared in 2020. The evaluation categorised findings with a focus on four thematic areas: productive capacity, agricultural marketing, rural finance, and institutional strengthening. Specific attention was paid to youth as an important crosscutting subject and of immense importance to Sierra Leone.
3. The CSPE covers both lending and non-lending activities (such as knowledge management, partnership building, country-level policy engagement and grants), the performance of IFAD and the Government of Sierra Leone, as well as the country strategy.
4. The evaluation team conducted desk reviews of available relevant documentation, and to corroborate the information assimilated through the desk review, the team undertook extensive field visits to selected sites in March and June 2019, to cover all projects under review. Through the two missions, all 12 districts of Sierra Leone were covered: Moyamba, Bo, Pujehun, Tonkolili, Bombali, Kambia, Port Loko, Bonthe, Koinadugu, Kenema, Kono and Kainahu.

Portfolio

5. Since 1979, IFAD has committed US\$130.4 million in highly concessional loans and Debt Sustainability Grants to eight projects. IFAD has supervised one project on the request of the Government. Five out of these are under evaluation. The projects focus on the three main sectors agricultural development (four projects), rural development (three projects), and credit and financial services (two projects).
6. The five evaluated projects amount to US\$201.2 of which IFAD provided US\$98.1 million, the Government US\$21.1 million, local private financiers and beneficiaries US\$19.2 million and international financiers US\$ 62.8 million. At the time of conducting the evaluation, the five projects were at different stages of their life cycle: two were completed, two were ongoing or not closed, and one was approved in December 2018.
7. **Context.** Around 60 per cent of the population lives on less than US\$1.25 a day. Even though the country avails of a rich natural resource endowment, the civil war from 1991-2002 was a major setback to the economy, and Sierra Leone has suffered from strong economic regression and political instability ever since. The Ebola Virus Disease Outbreak in 2014 additionally affected the gross domestic product. Agriculture is very important for the country's economy at 60 per cent of gross domestic product; however, Sierra Leone is still highly dependent on external aid.
8. After the war, most farmers have returned to their farms, but they are still facing the consequences, notwithstanding a gradual improvement in their situation. Almost 60 per cent of rural households are still food insecure and 31 per cent of children are chronically malnourished. In addition, gender inequalities persist based on cultural beliefs and a lack of gender analysis leads to inadequate interventions. Youth, comprising 40 per cent of the population, face serious underemployment at 70 per cent.

Main findings

9. **Relevance.** The evolution of the IFAD portfolio has kept pace and alignment with Sierra Leone's changing political and economic situation. IFAD's projects have been in line with Sierra Leone's national strategies and policies and with the urgent priorities of a nation emerging from a protracted civil war with most production base and infrastructure in disarray and a strong need to infuse capital and strengthen grassroots and decentralized institutions.
10. The design of projects that supported building agricultural productive capacity was highly relevant and part of the strategic framework of the Government. Facilitating the beneficiaries' linkages to markets and improved crop marketability were important aspects included in the design, however, they were not sufficiently pursued to realise the potential of production. Construction of roads to link rural poor people to markets was a highlight of the design. The rural finance support approach was highly relevant. Interventions were designed in full alignment with the Government's development priorities in a post-conflict situation and where rural finance institutions were virtually non-existent.
11. The selection of existing farmer groups with interest and experience in rice, cocoa or palm, was found sufficiently suitable to enable participation of poor and smallholder farmers with a capacity to produce. Attention was given to selecting women and youth by including quotas for them, however, activities were not specifically tailored for them. Under rural finance there was no direct targeting to ensure that the financial products were suited to the capacities and exigencies of the smallholders, who were supposed to be the primary target.
12. The level of design complexity and clarity in the portfolio was mixed, and while the intention behind linking agricultural and rural finance projects was noteworthy, it was not always successful. The fit between budget and activities was also not always harmonious. Available limited resources did not always lead to the desired level of support for large groups of beneficiaries. Internal linkage between production and marketing activities did not work out as planned either. Still, the focus on few commodities in agricultural projects lent simplicity to the project designs.
13. **Effectiveness.** The outreach of the portfolio was impressive, with targets at or close to 100 per cent achieved. The quantity and quality of rice production vastly improved based on IFAD-supported inputs and capacity building. Nonetheless, constraints typical to a fragile context, notably limited access to quality seeds, fertilizers and mechanised equipment, affected the level of outcomes initially attained. Moreover, the slow uptake of innovation and new technology among some farmers also limited the full potential of production.
14. With regard to agro-processing and marketing, however, less success was achieved. Linkages between farmers and value chain actors were not sufficiently effectively established within the project duration. Access to markets did benefit from rehabilitation of roads though, given the prior state of neglect of infrastructure and the need to move the increased production to markets.
15. The Community Banks and Financial Services Associations strengthened/developed under the projects proved highly successful for the demanding operational environment in rural Sierra Leone. Nonetheless, although targets were achieved in terms of number of clientele reached, small scale farmers benefited less prominently. The low level of agricultural lending was due to conservative strategies of rural financial institutions and a lack of special, focused training in agro lending for them, in addition to their weak capital base. The success of the Apex Bank, created as part of the projects, was less than desired.

16. For grassroots groups, the model of support proved effective for production-based groups, but less for agri-business groups. There was little group selling and interactions between Farmer Based Organisations and Agri-Business Centers were far from perfect. There were issues related to lack of trust, elite capture in the centres and only basic functions related to post-production performed by the centres. The support to government institutions did not materialise as expected, but this was not fully under the projects' control, since it was due to structural issues associated with a fragile context.
17. **Efficiency.** The average timeline of the Sierra Leone portfolio was mostly in line with the average performance of IFAD's West and Central Africa Division when considering key milestone events for projects such as time taken between approval, signing, entry into force (effectiveness) and first disbursement. The portfolio exhibited an overall good disbursement performance and a high absorptive capacity. Project management cost as a proportion of total project cost was higher than compared with the IFAD standard, but comparable to Division's average.
18. The closed portfolio had a positive economic return as long as the cost and benefit analysis were conducted, but a close review of the analysis revealed some discrepancies between the assumptions or models applied in the analysis and the updated project M&E data. The economic efficiency of different projects was mostly positive, although the evaluation's recalibration reveals lower than reported efficiency level, especially given the high inflation rates.
19. **Rural poverty impact.** The increased productive capacity of rice was one of the most significant achievements leading to better incomes. Transfer of knowledge occurred successfully on rice production techniques, but the rate of adoption was low. Rehabilitation of rural roads was largely successful in increasing the access of people to markets. Provision of financial services contributed directly and indirectly to the increase of both productive and consumption assets. Nonetheless, due to the small proportion of loans for small-scale farmers, the micro-loans' impact on agricultural productivity was far below its potential.
20. There were almost no food security or nutrition-specific activities, and therefore the only potential pathway for improvement has probably been through increased production and incomes, and improved agricultural diversity, with a limited impact only. The portfolio's impact is visible in the domains of institutions and human and social capital through the delivery of various kinds of training. Agronomic training, mostly through farmer field schools, was appreciated by the beneficiaries and they were able to reproduce and use the knowledge. Their business management skills were only strengthened to a limited extent, through agri-business centres and cooperatives. Some positive impact was observed for training to staff of rural financial institutions that contributed to acceptable recovery rates and institutional resilience.
21. **Sustainability.** Most farmers and their organisations are still engaged in using improved practices. The profit and yields, though gradually decreasing, are still above the pre-project rates, but one of the greatest challenges to sustaining these will be the affordability and availability of inputs. Farmers appeared still not sufficiently able to rely on a collective process for marketing their produce, for a general lack of trust amongst themselves. Road construction continued to provide better physical access to markets, but lack of resources for maintenance threaten to affect the maintenance and repair.
22. Operational sustainability of the rural financial institutions was promising; 88 per cent of the community banks and 83 per cent of the financial services association were able to cover their operational costs. Nonetheless, the inability of the Apex Bank to develop a convincing banking model and strategy transpires as a threat to the entire rural financial institutions

network. The Apex Bank has not become able to act as a central bank for the rural financial institutions and cannot operate yet without external support.

23. Sustainability of government institutions supported by IFAD, including district councils and ward committees, is still fragile, threatened by lack of funding and staff turnover. Even sustainability of acquired skills is at stake though, since after election staff replacement is common, and skills sets are not always transferred. Moreover, it is difficult for decentralised institutions to obtain funds from the Central Government to ensure maintenance and repair of IFAD-supported hardware.
24. **Innovation.** A number of innovations were identified, such as the use of youth service providers, which was beneficial for youth but also helped decreasing the burden on government resources. The establishment of property cadastral systems was entirely new in Sierra Leone and though still in a fledgling state, shows promising results. The use of rural institutional models in the rural finance programme had been developed elsewhere but not used in a post-conflict situation before. Other initiatives include the loan recovery system for agricultural activities and the Open Data Kit system for electronic data collection.
25. **Scaling up.** The local youth contractor strategy, which is now used by the Ministry of Agriculture and Forestry and others, was seen as the strongest example for scaling up. Besides, some replication was seen, including of the pilot on establishing a property cadastral system and the establishment of rural finance institutes beyond the rural finance supported locations.
26. **Gender equality and women's empowerment.** Positive result was generated under the Gender Action Learning System. In general, gender quota helped equal participation of women in activities and decision-making, but it was very low for training. Many women acquired managerial positions in community-based institutions, which helped them engage in new economic opportunities by improved access to decision-making; additionally, they received equal treatment in loan fund allocation. Even among cocoa plantation owners, IFAD's portfolio managed to reach 35 per cent women. However, IFAD was not able to do much to increase the proportion of female extension staff, which was flagged as a dire need by many respondents. Gender and age disaggregated data were not consistently reported on by the projects.
27. **Environment and natural resource management.** The agricultural activities supported by the portfolio are environmentally safe. Farmers were equipped with knowledge and skills to use good agricultural practices and sound water management, even if the lack of availability of improved certified seeds was seen as an impediment to sustain the environmentally friendly practices and technologies. There was an effort towards introducing Fair Trade and organic cocoa production, and demand for such cocoa was found promising.
28. **Adaptation to climate change.** Some activities were specifically aimed at addressing adaptation to climate change; the Global Environment Facility mainly funded these. Although the design of the activities was promising, implementation was less successful. For example, rainwater harvesting, community forests and weather stations did not take off as expected and a number of dams for water catchment had already dilapidated. The newly introduced short duration rice seed was seen as a relevant solution to adapt to climate change, provided the seeds remain available.
29. **Knowledge management.** The 2003 COSOP did not identify actions related to knowledge management, but these were identified in the 2010 COSOP. However, the strategy was found incomplete. In addition, the 2010 COSOP framework was not used to mainstream learning and knowledge management and relevant indicators were not set and monitored. The focus

of the knowledge management was on communication and local experience was only used in a modest manner in country-level policy dialogue or programme development work.

30. **Partnership building.** IFAD's partnerships at national level have consistently focused on the exchange of information on intentions. This is in line with practice for the other major development partners in Sierra Leone. But strategic partnerships of this type had not contributed to delivery of either co-financing or leverage in IFAD's country programme. IFAD didn't use the UNDAF process in 2014 as an opportunity to explore further potential partnerships and joint programming opportunities with other UN agencies.
31. **Policy engagement.** The policy areas identified in the COSOPs were all relevant, and good engagement has emerged with some government institutions, but policy engagement occurred mostly with a focus on lending operations. IFAD's engagement in two of the four policy areas identified – rural finance and decentralisation - was direct with government and not through the relevant sector working groups or policy processes on-going. IFAD did not systematically draw out lessons of experience within the projects that could be used in development of policy in these two areas where it did engage substantively. The development of a new Agricultural Finance Policy and Strategy for the Rural Finance Network in Sierra Leone however is a good example of engagement.
32. **Grants.** The majority of assessed global and regional grants revolved around important themes, relevant to the different country strategies. Nonetheless, they were not planned as part of the country strategies. Although potential links were alluded to in some of the grant documents, it was difficult to detect linkages between grants and loans. Moreover, current country programme management teams and implementation unit staff appeared only little aware of IFAD's global/regional grants. Overall, the majority of grants was effective as they introduced new techniques or practises and put an effort to create collaborations with local and international partners and public-private partnerships, but the sustainability of project benefits was relatively weak after grant completion.
33. **IFAD as a partner.** Except for the period of civil war, IFAD has been constantly engaged in the past forty years and has invested adequate resources and time in design, supervision and implementation support for the portfolio and demonstrated its willingness to support implementation issues. IFAD has proactively made adjustments where desired, usually with good results. IFAD has used its global experience for the development of rural financial institutions in the country. It, however, has not adequately brought to bear its global experience on effectively connecting farmers to markets.
34. The thematic approach for project design on agriculture production-focused projects and rural-finance projects has helped avoid the complexity that is often prohibitive in fragile contexts. The client survey shows that IFAD's performance was perceived as improving. Nonetheless, IFAD has not worked sufficiently closely with other development partners in design and implementation support. The limited country presence has constrained IFAD from meaningfully engaging in non-lending activities.
35. **Government as a partner.** The Government of Sierra Leone has been a close partner of IFAD, providing active support in the design and implementation of projects. Government has consequently played a strong role in the conception and implementation of the lending operations. The decision to have a dedicated National Project Coordination Unit to coordinate all IFAD-supported projects led to good implementation of projects under its charge. The decision in 2009 to decentralize part of the project management staff in the districts, closer to project's activities, was a further step in the right direction.
36. The government discharged its fiduciary responsibilities reasonably well, but also consistently under-realised its part of the funding planned at the design stage of projects.

The procurement processes and procedures were mostly handled effectively and followed the proper process. M&E systems were functional, but weak in terms of data quality and consistency, especially in collecting data on outcomes, and data were insufficiently used for decision-making and learning, with a focus on communication as opposed to knowledge management.

Conclusions

37. **IFAD's portfolio has managed to keep its relevance strong in Sierra Leone by responding to the priorities typical to a fragile context.** Directly after the civil war, the portfolio provided support to building productive assets and infrastructure and then gradually shifted to enhancing growth in production, rural finance and roads. The situation in the country remained fragile and the interventions under IFAD's portfolio were well selected and implemented in such a context. Thus, the support to decentralisation, the strengthening of the limited capacity of government to support farmers, and youth employment, were parts of the portfolio that were particularly suitable to the context. Similarly, rehabilitating roads was an acutely significant intervention in a country with limited resources.
38. **The overall focus on poverty has been good with IFAD support reaching a target group even larger than planned.** With IFAD's support, vast areas of lands hitherto not effectively used for primary production turned into productive assets and this contributed to raising incomes of a large number of farmers who now practice crop cultivation on them. Further, the projects relied on self-selection for poverty targeting, and this worked out well in practice. All projects were also successful in setting up, supporting and capacitating rural grassroots groups and rural financial institutions, which contributed not only to their empowerment, but also helped to make the various activities more effective.
39. **The portfolio's success in rural finance was rightly driven by a focus on expanding its reach, but true financial inclusion was missed by leaving out some of the potential beneficiaries.** Overall, the selected rural financial institutions-based approach proved to be appropriate for the demanding operational environment in rural Sierra Leone, the local institutions are sustainable, and the network currently serves some 200,000 rural households. At the same time, farmers have constituted only a small proportion of the clientele. The strategies and approaches to widen the outreach and deepen the impact of the rural financial institutions network, particularly concerning the Apex Bank's role and ways to develop the scale and modalities of rural lending needed a revisit.
40. **The sequential approach to projects helped build on accomplishments of past projects, but synergy between projects was less successful.** The thematic design of projects has been very much similar and this has helped in applying some lessons from predecessor to successor projects. On the other hand, the delay in implementation of predecessor projects meant that there was not enough time to learn before applying. Further, some of the assumptions behind linking projects (such as farmer-based organizations availing loans from rural financial institutions) were questionable.
41. **The portfolio's efforts to include youth are noteworthy, but a more strategic approach to mainstream young men and women, one of the most important demographics of Sierra Leone, should have been adopted.** All projects at design took steps to include women and youth into the target group, but none of these was based on the results of a youth analysis. There was some effort to structure the work in one of the projects, but the Youth Action Plan prepared under it only appeared towards the end of the project, which may have led the project having used an ad-hoc approach to mainstreaming youth. Youth beneficiaries were reported as being reached in terms of numbers, but without a specifically structured and suitable approach.

42. **The resource poor and fragile context is likely to risk the sustainability of benefits, infrastructure and institutions.** The lack of access to good quality seeds, fertilisers, equipment and other inputs is exerting a strain on the productivity levels of rice achieved during the project implementation period. The projects capacitated the private sector input suppliers in far too low numbers for them to be able to reach all farmers. Further, not only is the availability of mechanised equipment limited in the country but their affordability to farmers is also a constraint. The lack of adequate government resources risks reversing benefits attained from infrastructure (roads), government institutions (IFAD's implementing partners), government departments (for extension services) and decentralised government bodies (tasked with prioritising and realising community needs).
43. **To better realise the goal of development, creation of market linkages should have been mainstreamed in the portfolio and not treated as auxiliary to production.** The CSPE concludes that insufficient effort was placed on create marketing linkages for farmers. The agri-business centres are mostly engaged in supporting their members in processing the produce, but do not have a service that helps farmers operate as a group and collectively buy inputs and sell their produce. The rice cooperative has failed to perform as a buyer of rice. Therefore, even though farmers enjoyed increased production, they ended up as price-takers, making it hard for them to obtain the full income potential from it.
44. **The singular focus on increasing food production has come at the cost of diversification and nutrition.** The focus of the agricultural products under the portfolio was primarily on crop production, mainly rice, and cocoa and palm, and to a lesser extent on vegetables. Even if there was a minor component on livestock in one of the projects, livestock was mostly absent. While increasing food production was critical in the initial stages, as part of the natural evolution of its portfolio IFAD should have more actively pursued diversification to non-food and -cash crops such as vegetables and livestock as a way of increasing the resilience of beneficiaries to economic and climatic shocks.
45. **The effectiveness of the lending portfolio has been constrained by IFAD not working, and not having the capacity, to address constraints identified through its non-lending work.** Although IFAD is considered by the government of Sierra Leone as its partner of choice in driving the agenda on rural development forward, the organization has not been able to fully leverage its potential in contributing to this regard. One reason is that the option of attempting to feed lessons on what has worked at project level and challenges from the field level into the broader discourses in-country on how to be more effective has not been prioritised, thus limiting IFAD's potential contribution to rural development. Another reason is the low number of staff available to manage the country programme.

Recommendations

46. **Recommendation 1: Deepen the developmental impact of agricultural growth through a sharper focus on strengthening linkages along the value chain.** The CSPE recommends that strengthening the horizontal and vertical linkages along the value chain is important for sustainable pro-poor development in a fragile context to occur. 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. 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.

47. **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. 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.
48. **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. 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.
49. **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.
- (i) 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.
 - (ii) 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-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.

- (iii) 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.

50. **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.