I. Project Context

Country Context

Sierra Leone is a post-conflict country that has experienced strong growth over the last decade, yet nearly half of the population remains poor. Since emerging from a decade long civil war in 2002, the economy has been on a recovery path, averaging 5.8 percent annual per capita growth between 2003 and 2011. Despite this growth, in 2011 more than half (53 percent) of the country's six million inhabitants remained below the poverty line and nearly one million (14 percent) are extremely poor. Although poverty reduction over this period was higher outside of the capital, Freetown, poverty in Sierra Leone remains disproportionately rural, with 78 percent of the poor living in rural areas. There is regional variation in poverty rates, with poverty highest in the northeast and lowest in the west.

In addition to high levels of poverty, a large number of Sierra Leoneans are also food insecure and exposed to shocks. According to the World Food Program (WFP), almost half (45 percent) of households or 2.5 million people are food insecure during the lean season. In the last 15 years, Sierra Leone has experienced four major floods that affected over 220,000 people, causing loss of lives and severe economic damage. Global economic shocks, such as the 2007/2008 global food, fuel, and financial crisis, also severely affect households’ economic conditions. Yet many of the
existing social programs suffer from low coverage, high leakage, and inefficient program administration.

Development indicators in the areas of education, health, and nutrition are amongst the lowest in the world and the country is unlikely to meet many of the Millennium Development Goals (MDGs). The country is consistently ranked at the bottom of the UNDP Human Development Index — in 2012 it ranked 177 out of 186 countries. Life expectancy in Sierra Leone is 42, or just over half of the life expectancy in the top 20 ranked countries. About 37 percent of the population is literate, with the level at just 25 percent for women, and about 26 percent of children ages 6-17 do not attend primary or secondary school.

The country's maternal and child health outcomes remain stubbornly low compared to other countries in Sub-Saharan Africa. According to the latest estimates, the country's maternal mortality ratio was the sixth highest in the world and one of the highest in the region, at 890 maternal deaths per 100,000 live births in 2010, compared to the regional average of 500 deaths per 100,000. Since the introduction of the Free Health Care Initiative (FHCI) in 2010, the country has made important progress toward increasing access to health services. For example, the percentage of births delivered in a health facility increased from 29 percent in 2007 to 52 percent in 2011, yet close to half of all births are still not being assisted by a skilled attendant. The under-five mortality rate is extremely high at 217 deaths (per 1,000 live births) compared to 130 for the whole of Sub-Saharan Africa. And chronic malnutrition for children ages 0-5 in on the rise, increasing from 40 percent in 2005 to 44 percent in 2010. Such poor maternal and child health can impair development and perpetuate poverty throughout the lifecycle.

In sum, the country faces the difficult challenge of putting in place a safety net system that can support the poor and food insecure households to achieve basic consumption, mitigate shocks, and over the longer run, increase human capital accumulation.

**Sectoral and institutional Context**

On March 30, 2011, Cabinet approved a National Social Protection Policy that defined specific outcomes and prioritized interventions for the sector. The Policy focused on 10 areas, one of which was providing transfers to increase the use of social services. The policy also called for additional analytical work to guide the rationalization and expansion of safety nets.

In 2011, the Government of Sierra Leone (GoSL), with the support of the World Bank, launched a Social Protection Assessment. The objective was to guide the development of an improved social protection system and to inform the implementation of the social protection policy. The Assessment, which was concluded in June 2013, recommended that Government should focus its efforts on three major programs selected from areas covered in the Social Protection Policy including: (a) a cash transfer to very poor households with children; (b) a social pension targeted at war victims and the elderly; and (c) a permanent labor-intensive public works program that will seek to help those rural and urban households that are seasonally exposed to food insecurity and the unemployed.

The Assessment further recommended the establishment of multi-program systems to increase the cost effectiveness of interventions and to improve coordination between actors implementing SP and related programs. The Assessment recommended that efforts should be made to: establish
social protection systems that would function as a multi-program operational platform, which would also create links between transfer programs and health and education services; reduce program fragmentation and duplication; and improve coordination between Ministries, Departments, and Agencies (MDAs), Local Councils, and NGOs and other service organizations implementing social programs.

The Government also adopted a Social Protection Strategy in 2012. This Strategy outlines the Government's priority of developing a national safety net system capable of responding effectively to the needs of vulnerable groups both during periods of crisis/shocks and in normal times, as well as improving their human capital over the long term. The government plans to focus on greater allocation of budgetary resources to increase the scope and coverage of the existing and limited social safety net system. As a result, a Social Protection Secretariat housed by the National Commission for Social Action (NaCSA) and under the overall leadership of the Chief of Staff (President's Office) has been created. The Social Protection Secretariat, which includes representatives from the various line ministries, is leading the technical discussions between the government, the Bank, and other partners on the development of safety net systems.

The GoSL is implementing a number of Social Protection programs in the Ministries of Health, Education, Social Welfare, and Agriculture, and many NGOs are also active in the country. The government recognizes that there are challenges with these programs with regard to coverage, targeting, leakage and program administration. A more effective and efficient utilization of expenditures has the potential to increase coverage of SSN and mitigate the impact of shocks for a large group of poor and vulnerable households. Therefore this project seeks to support the Government in its efforts to build an SP system and to provide timely income support to an increased number of poor households via a consolidated approach. A unified system of safety nets administration would therefore help the GoSL build both resilience and opportunities for the poor.

II. Proposed Development Objectives
The project development objective is to establish the key building blocks for a basic national safety net system and to provide income support to extremely poor households in Sierra Leone.

III. Project Description
Component Name
Development of Systems for Implementation of Social Safety Net Interventions
Comments (optional)
The objective of this component is to put in place the building blocks of a basic national safety net system in Sierra Leone.

Component Name
Cash Transfers to Extremely Poor Households
Comments (optional)
The objective of the component will be to provide income support to extremely poor households.

Component Name
Program Management and Capacity Building
Comments (optional)
The objective of this component is to ensure efficient program implementation and to provide capacity building to key stakeholders at both central and local levels.

### IV. Financing (in USD Million)

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### V. Implementation

NaCSA will be responsible for the overall implementation of the SSN program. NaCSA is governed by a Board and is headed by a Commissioner, who is appointed by the President. NaCSA’s roles and responsibilities will include, among others: supporting the targeting processes and communication campaigns at various levels; reviewing M&E reports and results of SSN program activities; approving the annual SP work plan and budget; ensuring appropriate use of SSN program resources; and sourcing funding for the SSN program. NaCSA will work in close collaboration with other ministries, local councils, chiefdoms, ward and village committees at respective levels.

The Social Protection Secretariat, currently housed in NaCSA, will be responsible for several key implementation functions, particularly those related to the SP systems-building. The SP Secretariat will be headed by a Director, and supported by the following key staff: an SSN Program Manager, a Systems/MIS Specialist, a GRM Officer, and an M&E Officer. The Secretariat specialists and officers will work closely with and in some cases under the respective NaCSA Directorates. The Secretariat will perform, among others, the following functions: lead the design of the SSN program for approval by the NaCSA Board and IAF; develop effective SP systems (e.g., targeting); design and update program guidelines and operational procedures; provide technical support for program implementation; manage program data through a robust MIS; generate evidence and utilize it to inform policy; receive and address grievances that have been escalated to the national level; and facilitate training at various levels.

NaCSA Regional and District Coordinators, as frontline workers under the Social and Economic Opportunities Directorate (SOCEP) and the guidance of the Secretariat, will lead implementation at their respective levels. They will be responsible for: ensuring that the payment service provider is implementing activities as contracted; resolving grievances and chairing a monthly District Grievance Resolution Committee meeting; monitoring and reporting; facilitating and overseeing beneficiary training; and facilitating district technical committee meetings on the SSN program. Each target community, with support from NaCSA, will form a Community Identification Committee (CIC) of five members, which will be responsible for: mobilizing community members; communicating payment information and reporting payment-related issues as needed; leading community targeting processes; and informing beneficiaries about the GRM.

Statistics Sierra Leone (SSL), the National Registration Secretariat (NRS), and the Anti-Corruption Commission (ACC) will also take responsibility for specific implementation activities, under MOUs with the SP Secretariat. SSL will be responsible for collecting and recording information from potential beneficiaries during the PMT verification stage of the targeting process, as well as
collecting impact evaluation data. If feasible, NRS will provide national identification cards to designated household transfer recipients in households that pass the PMT verification. The Anti-Corruption Commission will be responsible for resolving all corruption reports and maintaining a national corruption reporting hotline, with support from ACC Regional Officers, District Coordinators, and civil society monitors.

VI. Safeguard Policies (including public consultation)

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Comments (optional)

VII. Contact point

World Bank
Contact: Suleiman Namara
Title: Senior Social Protection Economist
Tel: 458-8388
Email: snamara@worldbank.org

Borrower/Client/Recipient
Name: Republic of Sierra Leone
Contact:
Title:
Tel:
Email:

Implementing Agencies
Name: National Commission for Social Action
Contact:
Title:
Tel:
Email:
VIII. For more information contact:
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop