

CONTRIBUTIONS TO POLICY DIALOGUE IN SIERRA LEONE

ON TRADE, MINING, THE ENVIRONMENT, YOUTH EMPLOYMENT AND SOCIAL ACCOUNTABILITY



OVERVIEW OF FOUR RECENT WORLD BANK STUDIES

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ON MINING, THE ENVIRONMENT, TRADE, YOUTH
EMPLOYMENT AND SOCIAL ACCOUNTABILITY

STUDY POINT PERSONS IN THE WORLD BANK

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THE DIAGNOSTIC TRADE INTEGRATION STUDY

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IMPROVING OPPORTUNITIES FOR YOUTH EMPLOYMENT

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**'GOVMENT BIZNESS NA WI BIZNESS' AT A GLANCE
BUILDING DEMAND FOR GOOD GOVERNANCE AND ENHANCING CONDITIONS FOR SOCIAL
ACCOUNTABILITY IN SIERRA LEONE**



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P R E F A C E

In addition to supporting projects across various sectors and providing direct budget support to government for poverty reduction, the World Bank has also undertaken analytic studies on Sierra Leone. In 2007, Sierra Leone elected a new five-year term government with a new team of political leaders in charge of policy formulation and execution.

This booklet is intended to present summaries of findings and recommended actions of four recent World Bank studies on trade, mining, the environment, employment and accountability to serve the purpose of contributing to the policy dialogue of the new government and its development partners at a time when actions are underway for developing the next generation of the country's poverty reduction strategy.

This summarized and simplified booklet is not intended to substitute for the detail studies themselves, but to rather apprise readers of basic facts about the studies which are in four separate volumes available on the Sierra Leone page of the World Bank website www.worldbank.org/sierraleone.

One of the analytic products is called the **Diagnostic Trade Integration Study**. This study bears an Action Matrix which contains a number of recommended actions aimed at adding value through export-promoted trade, particularly in the agriculture and mining sectors, to be rolled out by the Ministry of Trade.

Another product is called the **Strategic Environmental and Social Assessment for the Mining Sector** which proffers mining reform recommendations and ways and means of managing the reform process, noting a myriad of issues which include reform of laws and regulations relating to land tenure, institutional inadequacies to regulate and monitor the country's minerals industry, developing and strengthening human resources, institutions and governance in the mining sector and opportunities for the availability of income, physical and human capital to undertake profitable and environmentally sustainable mining ventures.

The third product is called the **Improving Opportunities for Sustainable Youth Employment in Sierra Leone**, which looks at one of Sierra Leone's greatest post-conflict and development challenges. It provides recommendations on what should be done in addressing the country's youth unemployment crisis in both the short and medium-to-long term.

Last, but not the least, is a study entitled **GOVMENT BIZNESS NA WI BIZNESS: BUILDING DEMAND FOR GOOD GOVERNANCE AND ENHANCING CONDITIONS FOR SOCIAL ACCOUNTABILITY IN SIERRA LEONE**, which proposes recommendations aimed at strengthening "demand" for good governance and accountability by empowering citizens with adequate and appropriate *information*, *voice* platforms and *negotiation* skills to engage the state and its development partners, including civil society organizations and the private sector, on accountability issues.

Editors: *Engilbert Gudmundsson and Mohamed Sidie Sheriff*

CHAPTER ONE

THE DIAGNOSTIC TRADE INTEGRATION STUDY AT A GLANCE

The Framework

The Sierra Leone **Diagnostic Trade Integration Study** is prepared under the Integrated Framework for trade related technical assistance to least developed countries in response to a request from the Government of Sierra Leone¹.

Background to the Study

Sierra Leone's period of violent civil conflict from 1991 to 2001 wreaked havoc on its economy and people. Among the country's current challenges is re-establishing food supply, rebuilding essential government services and stimulating economic growth to induce employment and poverty reduction. But with only six million people of minimal purchasing power, the domestic market is too limited to drive growth. Exports should therefore play a major role. Happily, the country has many options. The question is where to start, how to make the most of the limited human and financial capacity currently available to kick-start a virtuous cycle of growth? This study aims to elaborate on the role which trade can play in the Poverty Reduction Strategy, by (1) analyzing the key constraints to expansion of trade, (2) providing a sense of priorities, and (3) developing a targeted Action Matrix of policy and regulatory reforms, technical assistance and investment projects. It is primarily about export development, as Sierra Leone has already adopted a relatively liberal import regime – one which is now determined on a regional basis.

Macroeconomic Context

Though trade is ultimately about products and sectors, it depends critically on a sound macroeconomic environment if it is to flourish. The foreign exchange rate is arguably the most important price in the economy, followed closely by the domestic interest rate. The tax structure, whether it be for imports, sales, or income, is another critical dimension. This study highlights three macroeconomic concerns:

- (1) the potential overvaluation of the Leone resulting from heavy dependence on mineral exports and foreign assistance – at present there would not appear to be a problem, but future movements of the real exchange rate need to be monitored;
- (2) fiscal deficits leading to inflation, increased public borrowing, higher interest rates, and crowding out of private sector borrowing – the Government must avoid the situation which prevailed in 2004 where public borrowing pushed the interest rate on treasury bills above the prime lending rate, undermining the incentive to lend to the private sector;
- (3) heavy dependence on taxes collected by customs for public revenue – with customs duties comprising almost 50% of government revenues, trade policy and customs administration may be driven by fiscal considerations. This could weaken commitment to the ECOWAS free trade area and reduce the focus of Customs on trade facilitation.

¹ *The Integrated Framework is a multi-agency and multi-donor program established to promote the integration of the least developed countries into the global economy. The participating agencies are the International Monetary Fund (IMF), the International Trade Center (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Program (UNDP), the World Bank and the World Trade Organization (WTO).*



Trade and Poverty

Artisanal diamond exports have been the main source of trade-related income for the poor in the last five years. However, production is probably close to its peak, and employment is expected to fall as diamonds become more difficult to find and mechanization becomes increasingly necessary. The focus here must therefore be on better management of the existing level of production, better distribution of the benefits in favor of the poor, and a plan for orderly exit for surplus labor.

Large, modern-sector mining is taking off once again, with the promise of significant fees, taxes and royalties for government. This could have a major indirect impact on poverty if these resources are properly managed. This depends on improved public expenditure management and governance. It also requires a sophisticated regulatory regime which ensures that an appropriate fiscal regime is in place, and properly enforced.

The industrial fishery presents even more complex challenges to those of modern mining, as the main players are very mobile and hard to reach. Here again, the medium-term contribution will be indirect through government revenues, and the immediate priority must be to establish a sound regulatory framework. In the longer-term, the sector should be in a position to generate significant direct benefits, as national artisanal and small to medium-scale fishermen gradually replace the foreign industrial fleet.

There was a small but thriving holiday tourism industry in the 1980s and there is every reason to believe that it can be rebuilt. However, it is going to take time to bring back both the investors and the tourists in significant numbers. When they do come, skilled and unskilled jobs will be created, though the impact on the rural poor will be modest.

Agricultural exports offer the most important potential for a major increase in incomes in rural areas, where the majority of the poor reside. Cocoa holds particular promise for fairly rapid growth in the next ten years which could bring direct benefits to more than 140,000 households, many of them very poor. The experience of Cote d'Ivoire and Ghana offers ample proof of the potential. International market conditions remain sufficiently robust to absorb whatever Sierra Leone might produce for the foreseeable future, providing reasonable quality standards are met. And cocoa expansion could help absorb some of the labor released from artisanal mining. As the Government's capacity to drive agricultural export production is extremely limited for the moment, this study's first and most important message is: ***get the cocoa sector working again!***

Oil palm, cashew nuts, ginger, garri (cassava), and rice also have potential and should be encouraged. Palm oil, garri and rice exports will be largely confined to the sub-region, with modest growth potential, while cashew nuts and ginger will benefit a smaller number of farmers. Coffee is one alternative export crop that could reach similar numbers, but the international market for robusta coffee is not promising. Export horticulture is too demanding in terms of logistics, standards, and marketing to be a viable option in the immediate future. Under realistic assumptions, the total annual income gain to rural producers from agricultural exports could be 463 billion Leones, benefiting as many as 250,000 households – at least one-quarter of all rural households.

Agricultural Exports

With its very limited capacity, it is vitally important that Government focus its energies on areas which no one else can do. These include formulation of an overall agricultural strategy; establishing an enabling environment for NGOs, private sector investment, and farmer organizations; assuring plant and animal protection; supporting agricultural and livestock research; and providing for the acquisition, multiplication, and dissemination of new and improved plant and animal material. NGOs have proven particularly effective at disseminating information on new techniques and technologies. Farmer organizations also



have an important role to play in this dissemination, as well as in helping to develop markets, storage, finance, and other ancillary services. The private sector should be encouraged to build its capacity to deliver a wide range of services.

A better knowledge of market conditions must be obtained by investigating the regional market for garri, rice, palm oil, palm kernel oil, and cashews. Another priority is a tree crop survey of the distribution, demography, and condition of the major tree crops: cocoa, oil palm, and cashew nuts. Farmer Field Schools (FFS) should serve as the principal vehicle for the multiplication and distribution of improved plant material, and technical advice regarding planting, maintenance, and rehabilitation. They should be encouraged to establish regional buying centers and be federated into Marketing Associations. With the need to import new varieties of plant material, it is imperative that a strong phytosanitary policy and a quarantine system for imports be established.

Cocoa: The overriding concern in the cocoa industry is decreasing productivity, especially due to the high incidence of black pod disease. It is also important to introduce high-yielding hybrid cocoa varieties used in Ghana and Côte d'Ivoire. The operations of the experimental seed gardens need support. Another priority is quality improvement. Cocoa exports currently suffer a large price discount due to the prevalence of mould, so drying techniques need to be improved, along with a pricing system which offers an incentive to supply better quality cocoa. The number of inspections of cocoa must be rationalized, and the Ad Hoc Committee disbanded. The Sustainable Tree Crop Program based at IITA in Ghana could bring valuable experience. Most importantly, there needs to be a consensus across Government that the cocoa sector is a top priority.

Oil Palm: The highest priority is rehabilitation of existing plantations, both estate and village. This may require a redistribution of estate land to individual farmers or groups of farmers. Technical assistance should be provided, and in some cases replanting with improved seedling varieties promoted. Improved plant material should be obtained from Malaysia or other West African countries. Entrepreneurs should be encouraged to invest in small-scale mills for processing.

Cashew: Raw cashews should be exported until the level of local production justifies processing. A five-year plan for seedling production and sales should be prepared. Seed nuts of high yielding cashew varieties, probably from Guinea-Bissau, should be obtained

Garri: The profitability of making small-scale equipment available for processing cassava into garri should be assessed. A study is required to improve the present system of marketing, including the establishment of one or more markets that could act as entrepôts for more efficient distribution.

Ginger: The main priority for ginger is to monitor carefully the varieties that have recently been introduced and to assess any potential damage to the local crop. Local varieties should be tested to see how they might respond to export market requirements.

Forest Products

Forest resources are being depleted through the spread of shifting cultivation, excessive logging, and fuel wood harvesting. There is little effective regulation of the use of forests. Some timber is being exported and this activity, although illegal, appears to be expanding. Given the many advantages to maintaining forest cover, including for eco-tourism and non-wood exports, it would seem unwise to promote timber exports.

Mining

Sierra Leone's export sector has traditionally been dominated by mining, and will remain so in the immediate future even as it pursues diversification. Export revenues from mining reached \$143 million in 2005. With the reopening of rutile and bauxite mines, and the



prospect of new modern gold and diamond mines, annual mineral export revenues could exceed \$370 million. The Government of Sierra Leone faces several challenges. In the large-scale sector, it must attract more foreign investment – and keep that which has already been attracted – while extracting a fair share of the rents, using them for the benefit of the wider population, and ensuring that communities in the immediate vicinity of the mines receive a share of the benefits.

In the artisanal mining sector, the focus needs to be on increasing the share of revenues going to the poor and their communities, improving working conditions, reducing the environmental impact, maximizing the total output of the sector, and managing the transition to mechanized operations. The Ministry of Mineral Resources must extend its extension services on diamond identification, sorting and basic techniques used in valuation to enhance miners' knowledge and bargaining power.

The increasing competition between the modern, large-scale mining companies, artisanal mining, and the emerging small-scale mechanized sector has become critical. The geological extension services should be used to identify known and new alluvial deposits appropriate for exploitation by artisanal methods, while deeper deposits are reserved for small scale mechanized or industrial mining operations. The development of a Mining Cadastre is the corner stone of a secure mineral rights system, and is fundamental in developing investor confidence and administering the artisanal mining sector. By 2007, all mineral rights should be issued using the Cadastre system on a first-come first-serve basis to reduce the potential for discretionary intervention and improve transparency.

Transparency is critical. Large sums are at stake in the mining sector and everyone needs to know what the laws are, and why they are considered fair, and be reassured that they are being respected. The Extractive Industries Transparency Initiative (EITI) supports improved governance through the publication and verification of company payments and government revenues. This should be incorporated into the legal framework for mining.

Fisheries

Sierra Leone has two different fisheries – industrial and artisanal – and most of the current exports come from the former. Sierra Leone must manage the resource rents inherent in the fishery, collect its fair share, and expand its share over time. Expansion of fish exports should be pursued through expanding volumes and greater value-added. In the long-term, the sector's contribution will be maximized through its transformation into a locally-owned artisanal-cum-semi-industrial fishery. To achieve this vision, measures must be put in place immediately to prevent over-fishing.

The short-term strategy will support the sustainable expansion of the industrial fishery, starting with an assessment of the status of fish stocks; improvements in monitoring, surveillance and control; a cautious increase in the number of licenses for industrial vessels; investment in port and processing infrastructure; and satisfaction of EU food safety standards. Financial resources must be attracted through the negotiation of one or more fisheries agreements, but only after careful preparation and consultation with other countries in a similar position.

Tourism

Tourism has the potential to generate significant economic benefits for Sierra Leone. But the government must be careful not to over-invest public resources in the sector, depending instead on private initiative for the bulk of expenditure. The government has a critical role to play in planning and promoting the sector. A strategic plan, with regional master plans, is urgently required to lay out the parameters for private sector development. The Aberdeen/Lumley Beach area requires urgent attention, followed by the Western Peninsula. Small-scale beach hotels offer the best opportunity in the short-term, but if the right large-



scale hotel operator could be attracted it could send an important signal to the industry and kick-start the sector in Sierra Leone. A low-cost campaign should convey the message that Sierra Leone is at peace and open for business.

Customs

While the Customs and Excise Department has started to reform since the creation of the National Revenue Authority, a broader strategy is needed. There has been no skills and knowledge development around international standards such as the Revised Kyoto Convention, WTO Agreement on Customs Valuation (ACV) or the Framework of Standards to Secure and Facilitate Global Trade (SAFE). Customs must introduce concepts of risk management, client segmentation, sound technical ability, ready access to management information and a high degree of automation. And Customs must learn to balance its revenue-generating, trade facilitation, and regulatory functions.

The current valuation system is unfair to genuine traders, increases the already high cost of trade, lacks transparency, and contravenes WTO rules. Yet, the ACV has proven difficult for most African countries to implement. Sierra Leone does not have the capacity to implement it, and will have to rely on the pre-shipment inspection service currently in place for another two years or more to improve valuation and other procedures. But that service contract needs to be better managed so that the company fulfils its original mandate to build national capacity and works itself out of a job.

Other priorities include tariff classification, customs legislation, simplification and automation of procedures, introduction of Fast Anti-Smuggling Teams, differentiation among traders depending on their record of compliance, staff training, consultation with stakeholders, and partnerships with other Customs administrations.

Infrastructure

Infrastructure suffered badly from the war. The road system is in poor shape, adding considerably to the cost of bringing agricultural exports to the port, and discouraging tourists from venturing into the interior. Greater attention needs to be paid to the requirements of the export sector, beginning with the Eastern cocoa-producing region. This will generate additional funds which can be ploughed back into road maintenance.

An enabling regulatory framework should be introduced to promote public-private partnerships in the building and operation of ports, dry ports, terminals, and handling and storage facilities. The clearing and freight forwarding market would benefit from opening to entry by foreign companies. Dialogue between stakeholders could be improved through the establishment of a National Working Group on trade facilitation.

Electric power services are seriously deficient, very expensive and unreliable, posing major problems for the competitiveness of commercial and industrial enterprises. Considerable effort is being put into increasing supply for the national grid, but it is proving difficult even to keep up with demand in Freetown. Hence, this study assumes that agro-industrial enterprises will furnish their own power in the foreseeable future.

Telecommunications coverage and quality are very poor. Sierra Leone has one of the lowest tele-densities in the world. To the extent that there is any regulation, this is done by SIERRATEL, the state-run landline telecommunications company, which is also a major player in internet service and potentially for cellular service. The Government needs to look at the possibility of introducing an independent telecoms regulator. Insofar as trade is concerned, cell phones are the main means by which farmers, processors, traders, and exporters communicate and receive information on prices, orders, specifications, and the like. Extension of these wireless networks is a high priority.



Financial services

It is vital to support broad-based development of the financial sector in general and rural finance in particular, rather than the subsidized, directed credit schemes of the past, which undermined financial sector development. The experience with the National Cooperatives Development Bank (NCDB) and microfinance institutions (MFIs) suggests the importance of group lending based on credit history for the development of the financial sector in rural areas. Eventually, commercial banks should become interested in working with the MFIs.

Commercial banks should become more involved in lending to processors, traders, and exporters, perhaps through structured finance (letters of credit, warehouse receipts). Competition in the banking sub-sector can be increased through privatization of the two state-owned banks, and by facilitating the entry of reputable new banks. The Bank of Sierra Leone (BOSL) needs to disengage from the Community Banks and a private sector apex organization established to oversee and work with these banks.

Trade Policy and Institutions

An effective trade policy process requires a) a clear trade and export strategy, b) effective consultation with the private sector and civil society, c) successful inter-ministerial coordination, d) access to accurate trade information, d) capacity for analysis of trade policy issues, and e) effective trade support institutions – standards, export promotion, customs. In all of these areas, capacity in Sierra Leone is very weak.

The Ministry of Trade and Industry needs restructuring with an Industry and Commerce Division and an International Trade Division. The Policy, Planning and Research Division (PPRD) must be financed through the annual budget, rather than external funding, and receive more staff. The whole Ministry needs a medium-term program to build its capacity. The PPRD must work with other relevant ministries and stakeholders to formulate and implement a detailed trade and export policy for Sierra Leone. The National Coordinating Committee on Trade (NCCT) will play an important role in implementing such a strategy, but it will require a stronger PPRD to support its work.

Export promotion and development is the responsibility of the Sierra Leone Export Development and Investment Corporation (SLEDIC). Its success will depend on its private sector focus, the quality of its staff, and the resources that are provided. The initial priority should be to serve as an advocate for exporters across the various agencies of government, addressing the constraints placed upon exporters by a hostile business environment. As these constraints are alleviated, the agency may turn to the provision of services to exporters, but it will need to remain very modest and focused in its ambitions given the limited resources available.

Quality and standards are becoming increasingly important, and they are closely related, but they are not identical. A product may not face any mandatory standards, yet suffer serious quality issues – the case of cocoa. Other products may be of sufficient quality yet the mechanisms are not in place to prove their compliance with standards – the case of fish exports to the EU. Sierra Leone should concentrate at present on the most basic functions: development of broad awareness and promotion of the adoption of ‘good’ agricultural and manufacturing practices and quality management systems, and a focus on higher risk/higher gain export-oriented sub-sectors that require specific regulation and institutional structures. Fish and cocoa are clearly the main products demanding attention at present, together with the Kimberley process for diamonds. The Government should proceed slowly with investment in expensive testing and laboratory services.

Finally, Sierra Leone needs to compare the costs and benefits of an Economic Partnership Agreement with the EU, compared with reliance on everything but arms agreement. It should also work to improve the implementation of the ECOWAS free trade area.



CHAPTER TWO

THE STRATEGIC ENVIRONMENTAL AND SOCIAL ASSESSMENT FOR THE MINING SECTOR AT A GLANCE

INTRODUCTION

The **Strategic Environmental and Social Assessment for the Mining Sector** in Sierra Leone is the result of stakeholder analysis, identification of environmental and social priorities and a scrutiny of existing mining policies, followed by a series of workshops across the country at which stakeholder priorities with respect to environmental and socio-economic needs are assessed. The study also contains case studies that analyze the effects of existing mining policies on priority issues for large-scale, small-scale and artisanal mining operations. The results were validated in stakeholder consultation at a second series of provincial workshops and a final national workshop. The study provides a summary of the findings of SESA process and makes recommendations on issues critical for the sustainability of the reform and for addressing the overall priorities: (i) strengthening environmental governance, (ii) maximizing benefits to communities, and (iii) effectively incorporating the artisanal mining sector in the reform.

MAIN ELEMENTS OF REFORM

There is general agreement amongst stakeholders, including the government that mining sector reform should take place. Policies and laws should provide the enabling environment for attracting much needed foreign and local investments into the minerals sector. Mining should enhance the social and economic benefits for the country and the communities affected by mining activities. The private sector should be the leading player in all aspects of mining development ranging from exploration and mine development to marketing and mineral beneficiation. It must be ensured that there is transparency and accountability in the laws and in the performance of the various institutions. The institutions should enhance access to information to potential investors, the public and other relevant stakeholders. Institutions should have enough capacity—in terms of the amounts and right type of human resources and equipment—to fulfil their functions. They should be well coordinated and have their work backed by the requisite legislation and regulations for monitoring and enforcement.

The main elements of mining sector reform would include the following: (i) the cadastre system is developed to follow a first-come, first-serve basis with significant fees for holding land for exploration; (ii) environmental requirements at all stages of the mining operation are well-defined; (iii) artisanal miners are organized in a manner so that negotiations can be done on a collective basis with governments, local communities, and financiers and traders; (iv) there is much stronger environmental monitoring and enforcement of artisanal mining operations and licences are dependent on good performance; (v) regulations against child labour are developed; (vi) a framework for mining companies of different sizes and capacities to interact with communities is well-defined; (vii) contracts for medium-scale and larger-scale companies are standard and transparent with well-defined tax obligations; and (viii) more of the fiscal revenues generated by mining operations are destined to go to local communities and mining regions, which may entail considerable institution building.

The greatest challenge of the reform is to ensure that this mining investment contributes to the long-term sustainable development of the country and spurs on growth in other sectors. From an environmental and social standpoint, this requires that the mining reform should strengthen environmental governance, maximize the benefits to communities and be inclusive of artisan and small-scale miners.



RECOMMENDATIONS

a. Strengthening Environmental Governance

In the workshops, the stakeholder groups included a number of problems associated with natural resource degradation—water and sanitation, soil degradation and deforestation, and land reclamation. They also complained about the present system of compensation for land and relocation when landowners were required to surrender land and move to make way for a mining operation. The resolution of each of these priorities depends not just on changing mining policy and regulations but also requires a major strengthening of environmental governance in Sierra Leone, a process that will take time to consolidate. The biggest institutional challenges in managing social and environmental problems in Sierra Leone include building the capacity to monitor, evaluate and enforce relevant environmental and social laws and regulations, while at the same time developing alternative institutional arrangements to undertake these tasks. In Sierra Leone, like in many developing countries, it is necessary to rely on monitoring by civil society, including NGOs, and self-monitoring, including voluntary codes and guidelines. It also requires a framework for tripartite consultations, negotiations, and mediation among the main parties affected by mining operations—communities, local and national governments, and the mining companies.

Rectifying the governance problems of NaCEF

The first step in improving environmental governance in Sierra Leone has to begin with the main institution responsible for the environment and forestry, the National Commission for Environment and Forestry (NaCEF.) NaCEF was created about one year ago but legal adjustments still are required for the fulfilment of its institutional mandate. To make matters more urgent, many responsibilities with respect to environmental monitoring and enforcement are currently in an institutional limbo, of which the most prominent is the environmental and social impact assessment (ESIA) process. A new Draft Act has been sent to Cabinet and is undergoing revision. The intent of the new Act is to address governance and financial issues to allow NaCEF to function properly. Along with the initial stages of mining sector reform, the legal and regulatory harmonisation problems that are currently inhibiting the ability of NaCEF to properly assume its duties as the main agency in charge of the environment in Sierra Leone should be addressed.

Institutional strengthening of NaCEF and MMR

While straightening out its mandate is a necessary first step for the proper functioning of NaCEF, it is not sufficient. At current levels of funding, NaCEF does not have the budget for recurrent expenditures to undertake its responsibilities and is very deficient in both human and physical capital. With respect to the mining sector, NaCEF needs the cooperation of the Ministry of Mineral Resources (MMR), particularly on technical mining issues, to carry out its functions related to the mining industry properly. Currently the MMR has almost no capacity in its environmental section (with one person working part-time). It is necessary for the MMR to enhance its capacity on environmental management so that it can liaise more effectively with NaCEF.

Many functions are in the process of being devolved from the central to local councils. Each local council is supposed to have a Mineral Resources Committee (MRC) in charge of environmental issues, one of whose duties is to facilitate the reclamation of mined-out areas. Another expected function of the MRC is the coordination of mining licences. Nevertheless, due to limited capacity and funding, the local councils have been very slow to respond to their mandate and often MRCs have not been established. It is, therefore, essential to clarify the responsibilities and strengthen the capacities and coordination of NaCEF, the environmental section of MMR, and the MRCs as part of the mining sector reform.



Environmental and Social Impact Assessments

There are still no clear environmental standards on many issues in Sierra Leone, and NaCEF, even with the best of intentions and a realistic budget, would not be able to carry out its monitoring and enforcement functions. In the Sierra Leonean context, the main challenge of the ESIA system is that it requires quite sophisticated monitoring and enforcement capacities. In the short-term, at least, it will be necessary for NaCEF to prioritize its efforts with respect to sectors and types of environmental risks and damages.

Present legislation requires both large- and small-scale mines to prepare an ESIA. If NaCEF ensures these are well done and pertinent environmental and sustainable development issues are well handled in the ESIA, it will be much easier to monitor the companies that are fulfilling their commitments than rely on very sophisticated monitoring systems. While these processes are important in all countries, they can be crucial in countries with weak monitoring capacity as they set the stage for the methods of production that will be largely used in the following years. Over time, the emphasis should shift from monitoring the processes followed to the actual environmental and social outcomes. These factors imply that environmental reporting (and access to sites) needs to be very transparent and ESIA and other documents need to be presented in a simple, non-intimidating manner to civil society. Moreover, a monitoring framework providing clear roles for participation of local governments, civil society and NGOs in addition to NaCEF and MMR should be established.

Mining companies in Sierra Leone do not have to pay into a surety that is used for remediation and reclamation both during and after the lifetime of the mine. In the vast majority of mineral rich countries the type and deployment of effective financial assurance (EFA) that a mining company will pay into is normally part of its ESIA. Financial sureties for reclamation should become mandatory in Sierra Leone in the large-scale mining sector and for mechanized small-scale mines greater than a certain size.

Consultation, Negotiation, and Mediation

Following good practices, in the case of large-scale mines, the actions and responsibilities of the various parties with respect to environmental and social costs and benefits should be determined in tripartite consultations and negotiations that include the national government, the mining company, and representatives of the local community, including civil society and local government. It will also often be necessary to include NGOs, which may or may not be located in the region, if local capacity is limited. These consultations and negotiations should begin with exploration, be ongoing throughout the lifetime of the mine, and continue after closure. They normally include many of the priority environmental and social issues in Sierra Leone, including technical issues like reclamation standards, administrative issues such as the responsibilities of local councils and their sources of funding, and community benefits like training and infrastructure.

It is also essential that a dispute resolution mechanism that is satisfactory to all parties is established in order to avoid resort to the general legal system as much as possible. Such a mechanism would not only save a great amount of time and money, it would also help level the playing field as local community members will generally not have the resources to 'go to battle' against large mining companies in the more formal legal system. Given its relatively low cost, the use of an independent mediator as the first stop in dispute resolution is becoming a very popular option around the world.

Land Compensation and Resettlement

Land compensation and resettlement will usually be among the most critical issues discussed in tripartite negotiations. Experience on land compensation has shown that many landowners



who receive a lump-sum amount for their land, just or otherwise, will not be able to manage this sum well and will soon find themselves with neither money nor a livelihood. Consequently, the new mining law should include a framework for compensation and resettlement that is centred on the long-term livelihoods of the affected families.

There are also problems associated with the current system of land tenure in Sierra Leone. Land is supposed to be provided by landowners with the acquiescence of chiefs and approval of the MMR. Although land is not overly difficult to obtain, a significant number of problems are associated with accessing land because Sierra Leone does not have a land titling system that validates property rights. According to customary land laws, provincial lands are not sold but leased to investors. Leases for large-scale mining operations are obtained in contractual agreements negotiated with the paramount chiefs. Paramount chiefs, along with lower ranking village and section chiefs have considerable influence in the allocation of mining leases for small-scale and artisanal mining. There needs to be much clearer legislation on land rights in mining areas. Land users are not technically landowners due to the communal nature of most lands, but their involvement in mining lease and surface rent negotiations is essential. While clarification of land tenure is desirable, until land policy can be reformed, land users should be included in allocation decisions for leases and licences for all scales of mining.

b. Enhancing Benefits to Communities

There is need for new policy and institutional and governance building for mining to become a development driver of local communities and provincial governments. The central objective of the new policy would be to enhance the human and physical capital of local and regional communities in a self-sustaining manner. For each mining operation above a certain size, it would be essential for all the stakeholders involved to hold consultations and negotiations on the types of benefits that would be critical to meet this objective. The area of influence and the type of benefits associated with each mine would vary depending on its size, type of operation, and geographical location. While some mining operations (or groups of mines) would need to be placed in the context of a regional plan, other smaller operations would focus mainly on the host community. Nevertheless, three of the key issues that would almost always be part of the negotiations are local employment, provision of infrastructure, and public services.

Local Employment, Infrastructure and Public Services

Local employment in the mine and in providing goods and services to the mine is critical for building up new skills and capabilities, including small business and management skills. Progress in this area is essential for sustainable community development as well as the sustainability of the mining reform. It is becoming common in mining policies that contracts include a schedule of graduated benefits to the local community; that is, a certain percentage of employment in the mine, which grows over time, must go to local community members. Such a policy is often combined with an obligation of the mining company to provide training to local community members to make them employable. Just as or more important, it may be an obligation on the mining company to procure an increasing percentage of its outsourcing from local providers, with a similar training obligation. Employment related obligations would need to be negotiated early on in the mining cycle and refined over time depending on the success of different programmes and as new possibilities arose.

The provision of infrastructure will also help drive community development by opening up new opportunities, including access to other markets. It is essential in this regard that at the beginning of the development, the responsibility for the provision of roads, power and other essential infrastructure is made quite clear, including the earmarking of taxes if necessary. It will usually also be desirable that, if the mining company needs to construct a dedicated power source, efforts are made to provide power to surrounding communities. It is important



that infrastructure concerns are decided in stakeholder negotiations and not left to the whim of the company or central and local governments.

Similarly, preferably through local government provision, local community members—and not just the families of mine employees—should benefit from better provision of public services such as water, sanitation, education and health facilities. It is important in the original consultations to plan for the increase in services that will likely be required as soon as construction of the mine begins.

Even if the new policy and institutional framework encompasses all these requirements with respect to employment, infrastructure and public services, there will still be important implementation challenges. First and foremost, in all three areas, it is likely that the mining company and, to a lesser extent, central government will have to play a disproportionate role in the near future. Over time, however, if mining operations are going to be true drivers of sustainable community development, local government agencies will have to take over more and more of the responsibilities. Care must be taken, however, to avoid making companies the primary agency of local governance.

Second, the types of benefits that are provided as well as their distribution could be driven by the demands of elite groups, both at the national and local levels. Civil society—NGOs in particular—will have to play an important watchdog role here. The less discretion that is allowed in contracts between the central government and large mining companies, the less likely that elite groups can capture the benefits. In this regard, it is important that there is a ‘template’ of processes that must be followed in negotiations and decision making, even if it is not possible or desirable to have a template of benefits.

Third, care must be taken to distinguish between the capacities to deliver of small mining companies in contrast to the multi-national ‘major’ companies. The obligations negotiated with smaller companies must be realistic given their smaller cash flow and overall resource restraints. At the same time, there will be a need for mechanisms to ensure that they will be able to meet their negotiated obligations.

c. Effectively Incorporating the Artisanal Mining Sector in the Reform

Organisational and enforcement challenges in AM

The greatest institutional challenge confronting a mining authority in a low income country usually is how to manage the environmental and social costs of artisanal mining. The most important reason for the limited success in resolving problems in the AM sector is the lack of any formal institutions among the miners. The inability to bring a common solution to the sector means that the free rider problem dominates the situation; some miners may be willing to work with different methods or behave in a different manner but if most others do not, they will bear a cost and the solution will still be far off.

In addition, there are important political economy challenges associated with bringing stronger enforcement of laws and regulations to the AM sector. Artisanal mining is dominated by the powerful supporters and dealers—who provide financing, supplies, and marketing services to the miners—and the various chiefs, who allocate the mining land and licences. None of these groups are going to be supportive of a reform of the AM sector that reduces their patronage power, and all of these groups have enough power to potentially block the implementation of reforms. A first step as a counterbalance to this power would be to require all local stakeholders to be involved in decisions to open up areas to artisanal mining and not just individuals who may benefit from allocating permits.

Another step would be to work through the mechanized small-scale sector wherever possible. In Sierra Leone, it is common practice to agglomerate artisanal mining leases by communities and work in concert with mechanized small-scale mining companies. If this process were



formalized in legislation, including incentives to agglomerate leases, it would be much easier to monitor and enforce behaviour, particularly if the responsibilities for compliance were largely placed on the mechanized small-scale partners.

To subject AM to a regulatory framework (or mining law) similar to large-scale mining is likely to be an exercise in futility. Two options for eliciting more environmentally and socially sound practices for miners meeting certain criteria are: (i) provide access to extension services, including joint processing plants, which are more efficient and environmentally friendly; and (ii) provide the ability to sell output through special channels, such as 'fair trade' markets. Fair trade initiatives in mining generally involve some certification given to the miner's product when it is produced with an environmentally and socially acceptable process. This certification allows it to be sold directly to special markets (avoiding some middle-men) where it receives a higher price or where it would not be allowed at any price without certification (as in the case of so-called blood diamonds).

Monitoring and enforcement of remediation in AM is another difficult challenge. Currently, artisanal miners must pay a reclamation fee, which is far lower than necessary for even basic remediation. Moreover, the reclamation fund is not currently being used for its intended purpose. Even if required, it is not likely to be feasible to adequately monitor reclamation by artisanal miners until much more progress is made with respect to their organisation. In the meantime, monitoring and enforcement could focus on the much smaller population of financiers/supporters and traders, whom the miners are very dependent on. Pressure on the 'middle-men' for more sustainable mining practices with respect to both the environment and society could be translated into pressure on the miners themselves. The activities of middlemen (supporters) should be formalized and subject them to a system of progressive reporting of their activities, including the miners they are supporting and the mining areas for which they hold (or control) licences.

Increasing the contribution of AM to sustainable local development

Most attempts at resolving the problems associated with AM have focused on the miners, although if their environmental performance improves, certainly the nearby communities will benefit. Nevertheless, if AM is to truly contribute to local communities in a sustainable manner, it is important that small industries are developed to add value to the output of the miners. Again it is important that the local community members, not just those involved in mining, are given the opportunity to participate in any programmes to develop skills and small businesses.

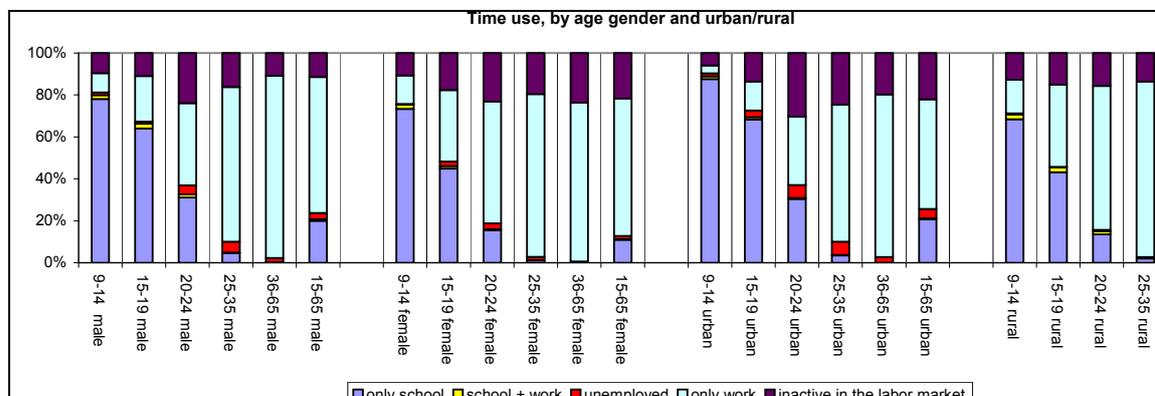
The stakeholders who often benefit the least but suffer the most from artisanal mining activities are women. Accordingly, it is important to have special programmes or institutions that deal directly with the problem of getting more benefits from AM to women and reducing the costs they incur. The SESA recommends to establish mechanisms to enhance women's participation in local governments and discussions and negotiations involving mining companies and access to mineral resources.

Initiatives and programmes that increase benefits to women may also be the most effective manner of reducing the use of child labour in mining in Sierra Leone. Stricter and greater enforcement of child labour laws may have little effect on the underlying poverty problem, particularly for children of widows and single mothers. Targeted programmes that reduce family reliance on child labour as a means of support and increase the benefits to families to maintain their children in school are essential if substantial progress is going to be made on this issue in the short-term.



CHAPTER THREE

IMPROVING OPPORTUNITIES FOR SUSTAINABLE YOUTH EMPLOYMENT STUDY AT A GLANCE



Sierra Leone has made significant efforts to promote youth development. The country has put in place a Youth Policy and a National Action Plan for Youth to enhance opportunities for youth. By focusing on job creation and skills training, these programs also seek to address key challenges that youth in Sierra Leone face today. Despite considerable investments and efforts, however, they are not having the desired impact. Creating job opportunities for the large and growing number of young people is a priority for the government of Sierra Leone. This study focuses on the context, options, and suggested actions for turning a serious political, social and economic challenge into an opportunity.

Today's youth in Sierra Leone are ...

- 15-35 years old, representing 34 percent of the population.
- Transitioning from being ex-combatants and victims of civil conflict to becoming productive civilians in a peaceful society.
- Facing significant intergenerational tensions, where elders often hold power over land and labor and where adults have more promising opportunities.
- Overcoming very low levels of education and lack of professional skills.
- Trying to prevail over high rates of teenage pregnancy and sexually transmitted infectious diseases.

Inactivity rates in the labor market are high, especially for urban youth.

- Many youth are not in school, not working, and not looking for employment.
- By age 20-24, one in three urban youth and one in six rural youth are inactive in the labor market. While inactivity rates for rural youth are similar to adult rates, those for urban youth (age 20-24) and young adults (age 25-35) are higher compared to urban adults.
- Inactivity rates for male and female youth are similar. However, while inactivity rates for female youth are similar to adult rates, those for male youth are almost twice as high as those for male adults.

The absolute unemployment rate of less than 5 percent for all youth hides significant differences among urban and rural youth, and among young men and women.

- Urban youth are ten times more likely to be unemployed than rural youth. Unemployment rates in urban areas reach 17 percent for adolescents (age 15-19).
- Young men are almost twice as likely to be unemployed as young women.



- Unemployment rates fail to capture discouraged workers, high inactivity rates, underemployment, and the quality of work.

Employment opportunities are less promising for youth than for adults.

- Youth are concentrated in agricultural activities, in the informal sector, and among the self-employed. Agricultural activities represent 70 percent of employment, with similar levels for youth and adults. The service sector is under-populated by youth, while the retail industry employs youth heavily. Formal sector employment increases with age but is very low across the life-cycle, at nine percent for the working age population.
- Self-employment represents more than half of employment. A majority of those who start their own business do so for lack of salaried or formal employment opportunities.
- Even though youth are more educated than adults, less than half of young workers receive payment for their labor, compared to two thirds of adults.
- Public sector, salaried, and formal employment opportunities are mainly for adults.
- Additional constraints to gainful employment of youth include limited access to land, especially for tree-crop farming; less social capital and connections; and less access to micro-credit than adults.

What does the labor market tell us?

Successful and sustainable youth employment programs must respond to labor market demands. A survey of employers in firms and farms undertaken for this study found that:

- *The limitations to job opportunities for youth are more linked to the overall economic situation than to specificities of youth.* Domestic competition, limited demand for products and limited access to electricity and credit are the main constraints identified by employers. For rural employers (farms) an additional factor is the cost and availability of workers.
- *Employers discriminate.* Employers are partial against youth ages 18-24 and against young women. They also prefer to hire employees based on strong social connections; which youth typically lack.
- *There is a widespread need for improving the skills of employees.* A major factor limiting youth employment opportunities is the vicious circle of lack of resources to provide training, and consequent low-skilled labor that is available for hiring.
- *Average education levels of self-employed and entrepreneurs are significantly higher than those of the average population,* implying that not all youth will necessarily succeed as entrepreneurs or self-employed.

What makes youth employment programs effective? Lessons from other countries.

Training and skills development programs are successful when they are comprehensive and closely match the needs of the labor market.

- Although they are more expensive, youth programs that hold the most promise combine extensive training with counseling, job search assistance and other services such as access to credit. These programs involve the private sector both for providing on the job training and for identifying skills needs. Cost effective alternatives include apprenticeship programs.
- Investments in public works are a sound option for creating employment opportunities for youth, particularly in the short term. These programs should also provide skills development training.
- Improving chances for young entrepreneurs holds promise for job creation, but failure rates are high.
- Traditional vocational training programs without clear linkages to labor market demand tend to be ineffective.
- Programs should be demand-driven, involve the private sector, carefully select participants and focus on *sustainable* employment creation.



- Supporting *current employers and farmers* holds promise for sustainable employment creation.

What can be done, and where are the priorities?

Sierra Leone is making significant efforts to promote youth development, but for these efforts to be sustainable, the World Bank study recommends a series of short-term and medium-to-long term actions (see table on page 17) that can be supported and implemented by the government, local private sector and non-governmental organizations, donors, and international development agencies. Given the resource constraints in Sierra Leone, programs should be coordinated, prioritized and resources reallocated from unsuccessful programs to more promising approaches. Specific programs should be developed for disadvantaged youth such as the disabled and street children.

Recommendations: A Strategy for Strengthening Youth Employment

Priority short-term, low risk interventions serving today’s youth

Approach 1. Support creators of employment: enhance labor market opportunities for youth by supporting private sector development (formal and informal) in urban areas through skill strengthening of current employers and their employees.

Providing support to formal and informal businesses to achieve higher productivity and growth will lead to additional employment creation and opportunities for, among others, youth. On-the-job training is one of the most effective approaches for skill strengthening. Providing support to employers and employees avoids the common pitfall of not linking labor market demand to training programs. Lack of resources is one of the main constraints for employers not to provide formal training, as is access to training outside of the Freetown and Bo area.

Interventions include:

- Increase quality and availability of private training providers in management, export, production technology, marketing, information technology, accounting, human resource management, communication skills, basic literacy, and business development for both formal and informal sector.
- Pilot voucher programs to strengthen the skill level of business owners from the emerging formal private sector with a focus on management and export training
- Pilot voucher programs to strengthen the skill level of professional and skilled workers of the formal sector with a focus on production technology, marketing, information technology, and accounting.
- Develop programs to help small entrepreneurs and self-employed to identify training for business growth.
- Develop programs to provide technical assistance to “defunct” large and medium-scale businesses for rehabilitation plans and access to financing.
- Pilot voucher programs to strengthen skill levels of small entrepreneurs and self-employed to increase their production level, and marketing and business development skills.
- Pilot conditional cash transfer programs to increase literacy levels of unskilled workers in the formal and informal sectors.

The programs should be demand driven and developed in close collaboration with the private sector and donors. The GoSL and donors should provide financial incentives to support especially the smaller informal businesses. Programs should ensure access for young formal and especially informal entrepreneurs and self-employed.



Approach 2. Enhance labor market opportunities for youth in agriculture. The agricultural and agro-business sector has the potential to absorb a large number of unskilled youth, and will be the main driver of economic growth and poverty reduction in the short term. A first set of programs to enhance labor market opportunities for youth in agriculture are similar to actions proposed under approach 1: support creators of employment through improving the skill level of farmers and their employees. The study has also shown labor market bottle necks in rural areas. Repatriating youth from urban to rural areas in other countries has been costly and not successful. This approach includes alternative actions to address these labor market bottle necks.

Interventions include:

- Increase quality and availability of private training providers in food processing, marketing, management, business development, basic accounting, and veterinary skills for small and large scale farmers.
- Develop programs to help small and large scale farmers to identify training for business growth.
- Develop programs to provide technical assistance to “defunct” large scale farms for rehabilitation plans and access to financing.
- Pilot voucher programs and matching grants schemes to strengthen skill level of small and large-scale farmers with a focus on food processing, marketing, management, business development, basic accounting, and veterinary skills.
- Pilot conditional cash transfer programs to increase literacy levels of farmers and their workers.
- Pilot privately-run programs to transport urban youth to rural areas on a daily basis for those seeking work.
- Support basic agricultural skill development for urban youth willing to undertake agricultural activities.
- Support activities of already organized youth groups in rural areas such as youth labor gangs (in line with suggestions mentioned above for skill strengthening to current farmers and agro-businesses to increase productivity).

The programs should be demand driven, ensure access for young farmers, and be developed in close collaboration with the private sector and donors. The government and donors should provide financial incentives to support especially smaller farmers.

Approach 3. Enhance labor market opportunities for youth by opening pathways to jobs through public work schemes. Given infrastructure needs in the country, the GoSL will continue to invest significantly in public works in the near future. This provides an opportunity for low-skilled youth in both urban and rural areas to acquire initial work experience and a temporary income, while at the same time constructing needed infrastructure and providing necessary public services. There is also a huge backlog in maintenance, as the scarce resources for road maintenance are spent in emergency works. Developing innovative mechanism for road maintenance and other public services such as waste management through SMEs also hold the potential to absorb both unskilled and skilled youth. Contracting for public works using the AGETIP approach with NGOs merits careful consideration given its success in other countries.

Interventions include:

- Provide short-term employment opportunities through public work programs.
- Develop mechanism to ensure participation of higher-skilled youth in ongoing and planned infrastructure projects with linkage to skill enhancement programs for self-employment and entrepreneurship.



- Increase programs to develop SMEs to respond to public works need such as road building, road maintenance, and waste management.

The GoSL and donors should provide the short-term employment opportunities while developing mechanisms to link the public work schemes to basic training programs and small business development from donors, NGOs, and private sector. Programs should be implemented as much as possible at the decentralized level. Basic training would be provided by private sector, NGOs, and donors. Special attention needs to be paid to corruption in these types of programs.

Approach 4. Improve skill profile for out-of-school youth. The low average skill levels of youth, due to among other reasons missed opportunities during the conflict, constrain youth's opportunities for sustainable employment opportunities. To improve employability of youth, this approach includes strengthening of traditional apprenticeship systems to improve skill levels of low skilled youth in the informal sector to better utilize a popular and cost-effective mechanism of skill development while at the same time improving technology levels of master craftspeople. Additionally, second-chance education programs should be continued, while linking them more directly with other job-training, apprenticeship, and entrepreneur skill development programs. The second-chance programs provided by the GoSL are currently being scaled down. The development of equivalence programs should be combined with other services as part of comprehensive programs such as training, counselling, and life skill development.

Interventions include:

- Provide training to master craftsmen in the context of business improvement to upgrade technical and managerial skills including marketing, production diversification, capacity to provide training, and upgraded technology.
- Develop formal standards within a quality assurance framework and certify skills attained as a benchmark for quality and portability, while at the same time developing time limits for an apprentice to become a master craftsman him/herself.
- Pilot conditional cash transfer programs providing outcome oriented incentives to master craftsmen to ensure their apprentices follow literacy training and reach a certifiable level of skills in an agreed-upon time.
- Pilot saving schemes for apprentices to start their own business upon graduating from both literacy and non-formal education programs as well as the training.
- Scale up formal and informal second-chance equivalence programs with clear linkages to the above-mentioned programs. To ensure cost effectiveness, existing infrastructure of the education system at alternative hours (evenings, weekends) should be used as much as possible, which allows youth to combine working and improving their education level.

The GoSL should develop formal standards, while the private sector, NGOs, and donors are more efficient implementers. These interventions are cost-effective.

Short-term interventions serving today's youth with potential risks and/or high cost

Approach 1. Support creators of employment: enhance labor market opportunities for youth by supporting private sector development (formal and informal businesses as well as farmers) through increased access to financing. Lack of access to credit is one of the main constraints for current employers and self-employed to expand their businesses. The micro-credit system is only emerging in Sierra Leone. Micro-credit programs



however, if not well designed and monitor, tend to have relatively high failing rates. This approach includes improving access to credit and increasing financial literacy skills.

Interventions include:

- Develop credit schemes in both urban and rural areas to support existing employers sustain and expand employment through business growth.
- Develop mechanism to ensure youth participation in emerging credit schemes while at the same time ensuring financial reliability of youth.
- Pilot credit schemes for youth and other employers such as the Grameen Banks or other revolving group schemes.
- Develop financial literacy and skills of youth including saving schemes.
- Increase access to distance learning for understanding the basic principles and practices related to micro-credit.

NGOs play an important role in delivery of these programs and tend to be more effective than government delivery. The programs should be demand-driven and carefully targeted, including promising youth entrepreneurs.

Approach 2. Improve chances for self-employment and entrepreneurship for youth.

The chances of these programs to create sustainable employment are uncertain. However, given that self-employment and small entrepreneurship represents the vast majority of employment in Sierra Leone, programs supporting these sectors could create significant employment opportunities for youth, if well-designed. Successful self-employed youth and entrepreneurs tend to have higher skill levels than the average population. Careful targeting and screening will be crucial to success and cost-effectiveness.

Interventions include:

- Provide support to training providers to tighten labor market linkages, training content, training delivery, and follow-up.
- Develop programs to support new entrants into the informal sector including support to identify viable business opportunities, develop sustainable business development plans, access to micro-credit, mentoring, and business follow-up
- Develop programs to support highly skilled youth (university level) entering the formal sector with high-growth potential, with a focus on mentoring from the existing private sector, providing on-the-job training, managerial skill development, and understanding national and international markets.

The programs should be demand-driven and implemented by the private sector, national and international NGOs, and donors. The programs should focus on sectors with potential for growth such as agro-processing, retail, the emerging small-scale industrial mining, and small-scale tourism.

Long-term interventions serving tomorrow's youth

Approach 1. Develop skill levels of future youth: Increasing access to and quality of primary and secondary education is the number one priority for serving tomorrow's youth. The recently *Education in Sierra Leone* study (World Bank, 2006a) develops in detail strategies to increase access and quality of primary and secondary education. A potential mechanism for keeping children in school could be to pilot conditional cash transfer programs. Worldwide experience has shown that keeping children in school is a cost-effective approach to develop skills and more efficient than addressing low skill levels through second-chance education and skill development programs.



This study pays more detailed attention to TVET in Sierra Leone. The rapid increase in primary and secondary enrollment rates resulted in a significant increase in demand for TVET. Given its current low quality and high unit cost, TVET is in dire need of reforms. A second part of this approach includes development of high-skilled, specialized labor for potentially emerging sectors in need of high-skilled labor. A lack of high-skilled labor limits opportunities for local ownership in developing sectors such as the industrial large- and medium-scale mining, tourism, and agro-industries. Highly specialized skills such as large-scale mining are not being taught at the universities of Sierra Leone.

Interventions include:

- Increase public spending for TVET to align allocation with government policies of prioritizing TVET, as stated in the PRSP.
- Develop a governance framework such as a National Training Authority bringing government and employers together in decision-making and allocation of public spending for TVET to integrate a diverse provider community and improve links to the market and efficiency.
- Develop a quality assurance framework to guide efforts at the institutional level to improve quality, including developing occupational standards for skill development together with employers, strengthening of pre-service and in-service instructor training, curriculum reform including production of instructional materials, setting minimum standards for training institutions, develop accreditation procedures, and develop a mechanism for monitoring of public and private institutions.
- Develop incentives for improved performance of training institutions such as performance-based budgeting, competitive procurement of training, or voucher systems.
- Decentralize management of TVET to improve relevance and efficiency of training.
- Pilot voucher programs for access to TVET.

The GoSL should develop formal standards, provide oversight, and limited financing while the private sector, donors, and NGOs should continue to provide the majority of the training, as well as financing.

Interventions to ***develop high skilled, specialized labor for emerging growing sectors in need of high-skilled labor*** include:

- In the medium term, develop a specialized technology center for example for mining directed and funded by the private sector with some public support to train human capital and disseminate best practices. Expertise could be built through strong collaboration with a mining institute in, for example, South Africa. Students could receive on-the-job experience both in Sierra Leone as well as in South Africa. Other potential high skilled specialties are for example in the IT sector and agro-industries.
- In the longer term, develop a partnership between the mining industry, a university in for example South Africa and the University of Sierra Leone to develop a small mining program at the universities in Sierra Leone to decrease dependency on foreign high skilled labor in the industrial mining sector. The partnership could include a satellite campus in South Africa, visiting professors and internships for students abroad and inside Sierra Leone. This approach also applies for other industries.
- Develop exchange programs for the brightest students with mechanism to return to Sierra Leone. The fellowship programs offered should be in high skilled sectors and answer to the demands from the emerging private sector. Programs in Chile, Brazil, and Colombia could provide useful lessons for Sierra Leone.



Getting the environment right to benefit today's and tomorrow's youth

Approach 1. Address constraints for youth outside of the labor market. Increasing youth employment opportunities will also require addressing constraints youth face outside of the labor market including the current limited capacity of the GoSL to implement sustainable employment programs for youth, limited access to land, and limited access to public sector employment. To address the first constraint, this approach would help strengthen the capacity of the GoSL to coordinate and implement successful youth employment policies and programs. The approach of the GoSL for the implementation of a National Action Plan on Youth provides for active involvement of a number of ministries and agencies, with a coordinating role of the Ministry of Youth and Sports. While this multi-sectoral approach to promote youth employment is beneficial, the current capacity of the different ministries is low. The GoSL would benefit from institutional strengthening for the different ministries involved, both at the national as well as at the decentralized level, such as the District Youth Committees.

Interventions include:

- Develop a coordinating mechanism for ongoing and planned sustainable youth employment programs, including a mechanism to involve all relevant Ministries.
- Provide technical assistance to the Ministry of Youth and Sports and the recently formed Youth Employment Secretariat to coordinate sustainable youth employment schemes.
- Provide technical assistance to key Ministries to respond to the Youth Employment Strategy.
- Provide technical assistance to national NGOs to improve the quality of skill training and the development to sustainable employment opportunities for youth under the current Youth Employment Scheme from the GoSL
- Develop mechanisms to improve merit-based public sector employment.
- Increase knowledge of successful approaches and programs to promote sustainable youth employment for youth district representatives.

6.38 *The traditional land holding system in rural areas, combined with the lower social capital of youth, limits their opportunities for access to land for sustainable employment beyond subsistence farming.* Sierra Leone has abundant low skilled labor while at the same time significant uncultivated land. Skilled youth have limited access to public employment opportunities, which they feel is linked to their limited connections and social networks in comparison to adults. Potential interventions to improve access to land in rural areas for youth include:

- Analyze land ownership and land distribution systems in rural Sierra Leone.
- Develop mechanism to increase sustainable access to land for youth.
- Increase distribution of government-owned land to carefully selected youth. The land distribution should be linked to programs improving the skills of youth in agricultural activities.

Approach 2. Rethink the concept of youth in Sierra Leone. The current definition of youth includes diverse groups: adolescents (15-19), youth (20-24) and young adults (25-35). These different groups are in different stages in the transitions from child to adulthood and as such require different policy and programs. During *adolescence*, more than 50 percent are still in school, most start their sexual life and almost half of females become mothers. *Youth* (20-24 years old) represent the “transition age.” Most youth leave school during this age and start their full-time work lives, and inactivity and unemployment rates are the highest among this age group. Young adults behave similar to the adult population, and face similar constraints



and opportunities, with some exceptions related to their lower level of social capital resulting in less access to land, credit, and paid labor opportunities. In the short term, paying special attention to this group in light of their role and the impact of the conflict on their developing years is justified. In the longer term, while the GoSL should address the additional constraints young adults face, developing a more concise definition of youth might lead to more focused and efficient programming addressing the specific needs of youth, i.e. those in between childhood and adulthood. In the mean time, programs should differentiate.



CHAPTER FOUR

GOVMENT BIZNESS NA WI BIZNESS AT A GLANCE: BUILDING DEMAND FOR GOOD GOVERNANCE AND ENHANCING CONDITIONS FOR SOCIAL ACCOUNTABILITY IN SIERRA LEONE

Social accountability refers to the broad range of actions and strategies that citizens can use to hold the state to account, as well as actions on the part of civil society, media and the government itself, that promote these efforts. This study on **Social Accountability in Sierra Leone** proposes a number of recommendations aimed at strengthening the “demand side” of good governance and accountability by empowering citizens and civil society organizations with adequate and appropriate *information*, *voice* platforms and *negotiation* skills to engage the state and its development partners, including international donors and the private sector, on accountability issues.

VOICE

The study says that for citizens in Sierra Leone to gain **VOICE** to be able to express their needs and demand accountability, a number of actions should be taken.

First, it says the government of Sierra Leone should implement and support citizen empowerment and rights awareness programs, underlining the notion of public power holders as duty bearers and citizens as active participants in their own governance. Such programs, it says, should specifically underline women’s rights and youth rights and seek to build the knowledge, confidence and civic competencies of marginalized groups.

The study says government should promote emerging and culturally appropriate forms of citizen expression such as public forums and interactive radio programs, and including music, drama and story-telling.

The government is also urged to develop and support strategies, tools and media that are specifically adapted to the characteristics and needs of marginalized groups (e.g. promoting the voice of youth through music and radio, developing non-confrontational strategies and tools for use at village level that combine respect for elders with firmness in demanding accountability).

Given the country’s repressive past, the government is urged to take decisive and proactive steps to ensure that freedom of expression is guaranteed by law and protected in practice. This should include “whistleblower protection” legislation as part of a broader Freedom of Information Act and zero tolerance of any reported cases of infringement of freedom of expression.

The state is encouraged to: (i) Expand opportunities for government interaction with civil society at all levels. (ii) Support, publicize, monitor and enforce compliance with current provisions of Local Government Act 462 regarding public consultation. (iii) Consider amendments to the Act that could encourage enhanced local government-citizen dialogue, such as allowing the public to speak at council meeting; requiring public and participatory monitoring, evaluation and reporting, and; encouraging (or requiring) local councilors to participate in citizen or civil society-organized forums. (iv) Consider decentralizing local-level CSO registration to the district level (to simultaneously facilitate the registration process for local CSOs, enhance district level knowledge of CSOs, and create an opportunity for interaction and exchange). (v) Establish a public complaint mechanism at district level (as recommended in the National Anti-Corruption Strategy). The study notes that developing local taxation could also play an important role in building public ownership over local government institutions and demand for “downwards” accountability.

Government should support the development of ward committees as platforms for genuine and meaningful citizen participation, for example by: raising public awareness about the role of ward committees; reinforcing measures to ensure that committee members are elected



(rather than selected) and that women's quotas are respected; encouraging (or introducing quotas for) youth involvement; where feasible, encouraging CSOs to assist in facilitating ward committee meetings and activities; providing training for committee members and (where necessary) travel allowance, and; channeling (public and donor) community development funds through ward committees as a strategy for enhancing their relevance, influence and profile.

The study recommends the introduction of guidelines and concrete measures to "level the playing field" and to promote equitable representation of women, youth, persons with disabilities and other marginalized groups in processes of public consultation and negotiation. Strategies might include using popular and accessible platforms for consultation (such as community meetings and interactive community radio); establishing clear guidelines regarding the representation of marginalized groups in formal consultations and taking concrete steps to overcome barriers to the effective participation of such groups (e.g. carefully targeted pre-consultation information-sharing, providing local language translation, ensuring physical access for persons with disabilities, etc.).

The study also recommends the promotion and protection of media freedoms, including the repealing of criminal libel laws of the Public Order Act and crackdown on cases of censorship, harassment and intimidation.

It recommends supporting community radio stations and establishing a strong national network of independent local radio stations.

It recommends providing resources to media support agencies such as the Media Foundation for West Africa and Search for Common Ground allowing them to scale up capacity building and continuing education programs to bolster the professional journalism. The study also recommends enforcing professional codes of ethics for the media.

Funding, training and capacity building to enhance CSO advocacy activities are highly recommended in the study. Also, supporting longer-term, single-issue advocacy campaigns that are bottom-up and people-centered and which employ tried and tested accountability tools and methods are considered highly pertinent.

The study strongly proffers the support of issue-based networking and coalition among CSOs, particularly those that strengthen links between local, regional and national CSOs and between popular membership based civil society organizations and research and advocacy-oriented groups and with media outlets.

The creation of issue-based platforms for direct civil society-state interaction and engagement on key issues such as mining and human rights are highly recommended in the study.

INFORMATION

The study recommends a number of actions, aimed at enhancing ACCESS TO INFORMATION by the citizens of Sierra Leone. Firstly, government should expedite action to adopt and operationalize "Freedom of Information" legislation. This should include: (i) repealing or revising outdated laws that are inconsistent with constitutional guarantees of freedom of information (in particular, sections of the 1965 Treason and State Offences Act, official secrecy provisions of the Civil Service's General Orders and criminal libel and other provisions of the 1965 Public Order Act); (ii) developing subsidiary legislation to guide and detail disclosure processes in specific areas of government activity; (iii) introducing systems and mechanisms for efficient and timely disclosure, and; (iv) raising public and civil servant awareness about information rights.

Government should also introduce measures to promote a more transparent and customer-oriented civil service and to break the current culture of secrecy and opacity. These could include: (i) introducing a Code of Practice on access to government information; (ii) introducing mechanisms for proactive information sharing (such as public interest broadcasts and local level citizen's information and advice bureaus), and; (iii) creating incentives (e.g.



through formal and informal recognition and awards, job performance evaluation criteria) for civil servants to facilitate access to information as well as the imposition of sanctions on those who impede it.

Government should continue to support and implement efforts to modernize and improve information and financial management systems (such as those currently undertaken by the IRCBP and the Decentralization Secretariat), ensuring adequate attention to systems of public access and disclosure.

Government should take steps to make information and processes related to the national budget and expenditures more open and accessible. It is suggested to: (i) publish essential information about (both the national and district) budgets in a language and format that is accessible to citizens; (ii) make in-year reports, audit reports, Finance and Public Accounts Committee reports, reports on extra-budgetary activities and quarterly expenditure reports available to the public; (iii) require public officials to declare their assets; (iv) form a task force (of government and civil society representatives) to explore ways for improving access to data on public transfers and expenditures in sectors of priority public interest; (v) introduce formal mechanisms for citizens and CSOs to make inputs into budget policies and debates, and (vi) expedite the implementation of the 2005 National Procurement Act.

Government should take steps to make information and processes related to local-level planning, budgets and expenditures more open and accessible. Reinforce measures to ensure compliance transparency and financial accountability requirements of the Local Government Act (sections 81, 105, 107). Where community radio exists, government should require local councilors to use them to publicly disseminate planning, budget and expenditure information.

Government should raise the profile and public awareness of the role of District Budget Oversight Committees (DBOCs) and ensure the transparent election/selection of members and provide them with training, travel allowance and essential equipment.

Government should encourage or require the public dissemination of DBOC findings and systematize the annual implementation of the PETS. Formalize links with CSOs and community radio to render the process more participatory and to raise public awareness of PETS findings. Experiment with public displays of expenditure information (such as allocations to chiefdom and district-level facilities).

Support should be given to further efforts to develop budget advocacy (for example, in partnership with ISODEC, Ghana). Facilitate and support independent, community or CSO-led expenditure monitoring initiatives (building on experiences such as civil society monitoring of the Diamond Mining Community Development Fund and HIPC community development funds).

Government and donors should build the capacity of local councils to manage and disclose information and develop strategies and incentives to encourage councilors to share information in a more open, proactive, and systematic manner (using popular and accessible forms of media, such as community radio and town criers).

Government should build citizen demand for information by organizing and supporting public education campaigns (at local and national levels) to inform citizens (especially women and youth) about their information rights and the types of public information available to them.

Government and donors should support the development of community radio stations and networks and support and strengthen relations between local government institutions (i.e. local councils, ward committees and DBOCs) and community radio.

Government and donors should provide financial support, training and capacity-building to enhance civil society research, communication and advocacy activities. This should include: raising awareness of information rights; information workshops on government processes, budgets, projects and documents; training in research, communication and advocacy techniques.

Government and donors should promote and support communication and alliance-building between different types of CSOs (e.g. operational v. and advocacy-oriented) and CSOs active at different levels (local through to national).



NEGOTIATION

Finally, the study proposed a number of actions aimed at enhancing the capacity of citizens to interact effectively with government authorities NEGOTIATE change. Firstly, the government should clearly affirm the obligation of public officials and other holders of public resources to account to citizens. The study recommends the launch of a coordinated nationwide public education campaign, through community radio, school curricula and in collaboration with opinion-formers (such as religious leaders, traditional authorities, celebrities, respected business people and politicians) to raise awareness of citizen rights, promote values of public transparency, integrity and accountability and break embedded traditions of patronage and corruption.

Donors are urged to support efforts aimed at demonstrating to government actors at local and national levels, as well as other key societal actors, the important concrete benefits of social accountability. Publicize, for example, experiences where social accountability initiatives have resulted in concrete improvements in public service delivery, greater political stability, and increased tax revenues.

Involve traditional authorities in social accountability initiatives and build capacities to exploit avenues within traditional processes for promoting social accountability practices. For example, organize sensitization and training workshops for traditional authorities (as well as religious and community leaders) on human and civil rights and accountability.

Government and donors are urged to provide funding, training and capacity-building to encourage and support civil-society led social accountability initiatives. This should include: exposure to social accountability strategies, tools and experiences from other countries; financial support to pilot new initiatives; support to sustain, expand or scale-up existing initiatives, and support for information-sharing, coordination and collaboration efforts among CSOs implementing social accountability activities.

Government and donors are urged to explore opportunities for rendering existing “supply-side” accountability mechanisms more effective through enhanced civic engagement. For example, the oversight role of Parliament could be enhanced by strengthening MP-constituency links (including allowances for constituency travel and the organization of public consultations) and encouraging civil society contributions to the work of parliamentary committees. Accountability institutions such as the Office of the Ombudsman, the ACC, the PETS and DBOCs could all be rendered more effective through greater public outreach, information-sharing and engagement with citizens/CSOs.

Government and donors are urged to establish an agreed framework for public consultations and government-civil society collaborations including guidelines to ensure that: participants are selected/elected in a transparent manner; relevant background information is made available to all parties; the level of influence and expected outcome of the consultation or deliberation is mutually understood, and; feedback and follow-up processes are clearly defined. Such a framework and terms of engagement might best be developed by a joint task force composed of key government and civil society representatives and chaired by a respected and “neutral” facilitator (building on proposals currently under development by the ENCISS program).

Government and donors are urged to explore possibilities for formalizing “demand-side” social accountability mechanisms, especially in the key sectors of health, education, mining, and justice by introducing mechanisms for systematic citizen monitoring, evaluation and feedback and by creating new platforms such as joint working groups, consultative committees, roundtables, oversight bodies that bring government and civil society representatives together as “allies” in pursuit of the public interest.

Government and donors are urged to sustain efforts to strengthen existing legal structures such as the police, the judiciary and the Anti Corruption Commission to enable them adequately discharge their statutory responsibilities.



Government and donors are urged to support judicial reform programs in order to reduce court delays, fight corruption in the justice system and promote confidence in the rule of law such as those recommended in the 2005 National Anti-Corruption Strategy.

Government and donors are urged to support and expand CSO initiatives aimed at expanding access to justice. In particular, support the introduction of social accountability mechanisms to monitor justice services and the effectiveness of reform programs. Example, support to the independent monitoring of the Auditor General's office and the publishing of statistics about the number of cases received by, reviewed and prosecuted by the office of the Attorney General.

Government and donors are urged to instigate reforms to enhance the effectiveness of the Anti Corruption Commission, for example by enhancing its powers of enforcement and prosecution; increasing resources for investigation and outreach; expanding its mandate to include periodic monitoring of the assets of public authorities and civil servants; strengthening links with parliament, and; establishing a district level presence.

At the local level, Government and donors are urged to ensure closer supervision by the judiciary to ensure the consistency and equity of rules applied by chiefs and local court officials and their compliance with the constitution and women's and human rights provisions.

Government and donors are urged to build on current efforts by, for example, the Timap for Justice Program to provide paralegal and legal aid support, especially to women, in rural areas.

Policy makers are urged to support participatory assessments of the content and status of customary laws as a way to "demystify" these laws and to empower people (especially women and other traditionally marginalized groups) who are subject to the jurisdiction of traditional laws to have a say in what the rules should be and how they are enforced. Decentralize and expand the mandate of the Office of the Ombudsman to include complaints against Chiefs.

Resource providers are urged to prioritize funding of social accountability and governance programs.

Donor organizations are admonished in the study to play an active role in working with government counterparts to enhance transparency and accountability and, where necessary, utilize conditionalities or sanctions to ensure compliance with certain minimum standards.

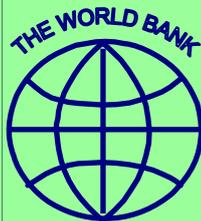
Ideally, donors are urged to develop a coherent and coordinated strategy to collectively promote social accountability in Sierra Leone. They are urged to be sensitive to the potentially divisive and disempowering impact of some forms of donor funding and promote, for example, forms of cooperative assistance and core, institution-building support.

The study proffers that donors should set an example by ensuring that their own programs emphasize and require transparency, information-sharing, participation and downward accountability.

A commonly agreed set of good practices and minimal standards in this respect would be useful, says the study.

Finally, the study underlines the importance of providing core financial and technical support to civil society organizations to help them improve management and internal governance; develop capacities and skills; strengthen constituency links; ensure equitable representation among their members and leadership; enhance membership voice and participation as well as downward accountability.





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