 

GOVERNMENT OF SIERRA LEONE

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**local economic policy and action plan**

**ministry of local government and rural development**

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**Abbreviations**

ABCs Agricultural Business Centres

AfDB African Development Bank

CAADP Comprehensive Africa Agriculture Development Program

CDF Capital development fund

 FDI Foreign Direct Investments

GDP Gross domestic product

GIZ German Development Cooperation

KCC Kenema City Council

KDC Kenema district council

KDERP Kenema District Economic Recovery programme

LCP Local Content Policy

LED Local Economic Development

GELD Gender Local Economic Development

LGA Local Government Act

LGED-JP Local Governance Economic Development Joint Program

LoCASL Local Council Association of Sierra Leone

MAFFS Ministry of Agriculture Forestry and Food Security

MDC Moyamba district council

MLGRD Ministry of Local Government, and Rural Development

MoFED Ministry of Finance and Economic Development

NDP National Decentralization Policy

NSADP National Agricultural Sustainable Development Plan

PPP Public Private Partnership

PRSP Poverty Reduction Strategy Paper

PSD Public Sector Development

REDD+ Reduction of Deforestation and Degradation

SLIHS Sierra Leone Integrated Household Survey

MSMEs Micro, Small and Medium Enterprises

SSL Statistic Sierra Leone

TDC Tonkolili district Council

UNDP United Nations Development Program

# Forward

The Government of Sierra Leone with support from UNDP/UNCDF introduced the Kenema District Economic Recovery programme (KDERP) in 2007 as a post war poverty reduction strategy to implement in Kenema District and Kenema City councils. This was a pilot project aimed at poverty reduction. The main objective was to pilot LED activities through capacity building in bottom-up and output based gender responsive planning and budgeting to enhance public expenditure management, and increase local council’s revenue base through pro-poor investment micro projects and service delivery.

The successful implementation of the KDERP led to the development of the Local Governance and Economic Development Joint Program (LGED-JP) in 2011. The LGED-JP expanded its scope to an additional two local councils namely Moyamba and Tonkolili. The goal of LGED-JP is to enhance service delivery capacity of the local councils through participatory gender responsive planning, budgeting including gender budgeting and pro-poor investments. The intermediate outcomes of the LGED are: (i) Strengthen the capacity of the Ministry of Local Government and Rural Development (MLGRD) to provide strategic leadership in the decentralization process (ii) strengthen capacity development at the local government level in financial management and planning as a means of stimulating the local economic development (LED) through local government initiatives; and (iii) to promote investment in pro-poor economic activities, and make critical public-private partnership investments in target districts to exploit the potential of important productive sectors and value chains.

The development of this Local Economic Policy and Action Plan is a follow up of the LED conference that was held in Sierra Leone in July 2012 which recommended the Ministry of Local Government and Rural Development (MLGRD) to develop a LED Policy. The overall goal of the LED Policy and Action Plan is to create an enabling environment for the diversification of the local economy through value chain development, improved livelihoods, diversified and inclusive economic opportunities, increased entrepreneurship, improved productivity and improved service delivery for locality prosperity. The policy seeks to improve on low income and food insecure households to have access to sustainable income generating opportunities (on-farm and off-farm), facilitate economic growth, employment and wealth creation and poverty alleviation.

The Policy is expected to contribute towards the achievement of Sustainable development goals and is well aligned with the National Development Priorities as articulated in the Agenda for prosperity and Presidential Ebola Recovery Priorities. Initiated by MLGRD, the policy is designed with a purpose of strengthening the implementation of the Decentralisation program by creating a stimulated and business driven local economy, exploiting local opportunities, real potential and competitive advantages, addressing local needs and contributing to enhanced increase in quantity and quality of goods and services. The Technical Working Group has identified the following strategic policies to achieve the Policy goals and objectives: Support the development and growth of the Small and Medium Enterprises (SMEs); Strengthening the Local tax base; Development of Human Capacity; Creating labour intensive jobs through Public works of the devolved socio-economic infrastructures using a Public Private Partnership (PPP) approach; Enhancing youth employment through Agricultural development; and Expanding youth employment by exploring natural resource potentials. The Policy has also articulated the legal, regulatory and institutional framework necessary to foster an effective implementation of the policy and Action plan.

# SITUATION CONTEXT

##  **National development context**

Sierra Leone experienced accelerated economic growth in 2013 as real GDP grew by 15.2% in 2012 and 20.1% in 2013 which made Sierra Leone one of the fastest growing economies in the developing world. This accelerated economic growth in 2012 and 2013 was supported mainly by the extractive industry, especially with the commencement of large-scale iron ore mining, as well as growth in the agriculture and services sectors. However, the outbreak of Ebola Virus Disease (EVD) in the early 2014, slumped the economic growth. The socio-economic livelihoods of the country including agricultural production, trade, health and education, among others were adversely affected. Agricultural and manufacturing outputs declined by 30 and 60 percent respectively; and private sector job loss was estimated at 50%. The iron ore price decline affected the macro-financial stability and reversed the country’s remarkable positive growth as economic growth declined from 20.1% in 2013 to 4.6% in 2014 and further contracted by 21.1% in 2015. Manufacturing remains a “missing link” in Sierra Leone’s structural transformation as labour migrates from low productivity agricultural activities in the rural areas directly to low productivity services (informal jobs in the urban areas) without a transformative industrial sector. According to Africa Development Bank[[1]](#footnote-1), the country’s economy is driven by primary commodities, mainly agriculture and mineral production. Agriculture, including forestry and fisheries share to GDP is estimated at 42%; the sector is the largest employer and accounts for over 70% of the current labor force. The mining sector contribution to GDP by 2011 was 22%, and it was then the driver of growth in the economy, but the decline in the Iron Ore prices in 2015, means a very low contribution to GDP; and a lesser than 3% of total formal labor force. The service sector, which is led by banking, wholesale and retail, communication and creative art, education, health and social work, public administration, transport and tourism, has a 28% share of GDP. The manufacturing sector, mainly driven by cement and light scale consumer products is still relatively incipient and weak, and accounts for only 2% of GDP due to limitations in energy supply, weak infrastructure and poorly developed markets.

## **Back ground of the Local Economic Development**

The Government of Sierra Leone with support from UNDP/UNCDF introduced the Kenema District Economic Recovery programme (KDERP) in 2007 as a post war poverty reduction strategy to implement in Kenema District and City councils. This was a pilot project aimed at poverty reduction. The main objective was to pilot LED activities through capacity building in bottom-up and output based gender responsive planning and budgeting to enhance public expenditure management, increase local council’s revenue base through pro-poor investment micro projects and service delivery. At policy level, KDERP supported the Ministry of Local Government and Rural Development to develop the Decentralization policy in 2010 which is currently providing direction to the review of the LGA of 2004. In view of the viability of the project, government urged UNDP/UNCDF to expand the project to other districts. The report of the mid-term evaluation of the KDERP and lessons learned from its implementation gave rise to the formulation of another pilot project namely: Local Governance and Economic Development Joint Program (LGED-JP) in 2011 for an initial period of four (4) years (2011-2014). The LGED-JP expanded its scope to an additional two local councils namely Moyamba and Tonkolili. The goal of LGED-JP is to enhance service delivery capacity of the local councils through participatory gender responsive planning, budgeting including gender budgeting and pro-poor investments. The intermediate outcomes of the LGED are: (i) Strengthen the capacity of the Ministry of Local Government and Rural Development (MLGRD) to provide strategic leadership in the decentralization process and (ii) strengthen capacity development at the local government level in financial management and planning, and to stimulate local economic development (LED) through local government initiatives; and (iii) to promote investment in pro-poor economic activities, and make critical public-private partnership investments in target districts to explore the potential of important productive sectors and value chains .

LED was introduced as a Local development Fund (LDF) within the overall framework of the LGED, and aims at giving impetus to the local development process by introducing an initial capital to local councils to implement micro-investment projects that will provide services to the local communities and at the same time generate income for local councils.

The current implementing partners of the LED program are: Ministry of Local Government and Rural Development (MLGRD); the Ministry of Finance and Economic Development (MOFED) through Local Government Finance Department (LGFD); Local Councils Association of Sierra Leone (LoCASL); Kenema City Council (KCC); Kenema District Council (KDC); Moyamba District Council (MDC) and Tonkolili District Council (TDC); the program has also been extended to Kambia, Port Loko, Kailahun and Kono districts, with additional support from GIZ and Japan International Cooperation Agency (Jica) focusing on agriculture and value chain, community development and IVS production.

## **Current Legal Basis**

In March 2004, the Local Government Act, 2004 (LGA 2004) was approved and enacted into law by Parliament to usher in the 19 local councils and the decentralization programme. Specifically, the Act aims to consolidate and streamline the law on local government to give effect to decentralisation and devolution of powers, functions and resources. Following the passing of the Decentralisation policy by Cabinet in 2010, the Local Governance and Economic Development Joint program was formulated and the LED program was introduced to support the implementation of the Decentralisation programme. The entry point of the LED programme was the local councils who are mandated by the LGA 2004 to provide services to their respective localities. The concept of LED is mentioned in the decentralization policy in view of the importance of local economic development and its multi-dimensional approach to development. The Ministry of Local Government and Rural deemed it necessary to development a separate policy to give direction to the planning and implementation of Local Economic Development in Sierra Leone and to consider it as national programme.

## **Assumptions**

The effective and successful implementation of the LED policy and Action plan will require the following conditions:

1. LED is implemented in all local councils and all local councils are trained in LED related issues in order to address the challenges of LED implementation inefficiencies due to local council transfers.
2. Full devolution of the devolved functions, power and resources to the Local councils.
3. Financial mobilization strategy is developed to ensure sufficient availability of funds for LED initiatives.
4. Roles and responsibilities of the different key stakeholders are clearly defined.
5. Active participation of all stakeholders at national local and community levels.
6. Effective coordination and co-operation between and among the key LED stakeholders.
7. There is effective communication and sharing of information.
8. Total accountability and transparency is put in place for effective LED initiatives governance.
9. Land policy is fully implemented and citizens have rights to access and own land.
10. There is strong political will to foster the implementation of the LED Policy.
11. Political stability continues to prevail across the country.
12. Local councils are fully equipped in terms of logistics and capacitated in LED planning, implementation, monitoring and reporting.
13. Gender inequality is addressed.
14. LED is factored in local councils’ development plans.

## **Opportunities**

**Strong political Will and Political stability**

The existing political Will and stability provide a conducive environment for the faster growth and expansion of the National economy. Taking advantage and continuing to embrace the political Will and stability, and aligning the LED policy with the National priorities are crucially important for building a sustainable and vibrant local economy.

**Existence of potential partners for LED**

The public, the private, and nongovernmental actors constitute the huge potential partners which are locally available. During consultative meetings with donors, the local councils, and the MDAs, it clearly came out that huge resources including financial, technical and advisory support services can be mobilized locally for the implementation of the LED policy. The key issue is to develop strong coordination and resources mobilization mechanisms, with ability to effectively coordinate the different stakeholders and streamline working relationship and structures that fully engage and consolidate these synergies for effective LED policy implementation.

**Extensive Natural Resource Endowment**

 Sierra Leone is well endowed with both renewable and non-renewable resources. These include: i) for renewables: marine resources, forestry, fertile land and water resources; and ii) for non-renewables: rutile, diamond, bauxite, iron ore, gold, and potentials in oil and gas. Managing these resources sustainably and transparently will not only generate significant revenues for the local council but could also potentially stimulate rapid expansion of a diversified economy creating more jobs, especially for the youth which is one of the ultimate objectives of the LED program.

**Business Environment**

Sierra Leone’s formal business sector is relatively small and gradually evolving but the country is rated as one of the world’s top ten business reformers. Notable business reforms include starting a business (ranking 76/185); it takes 12 days (improved from 300 days) to start a business. The country has witnessed significant private sector inflows as foreign direct investment (FDI) has increased three-fold during the past five (5) years (2008-2013). Embracing this conducive business environment is potentially important for the growth and expansion of the private sector especially the small and medium enterprises (SMEs).

## **Key challenges**

**Youth Unemployment**

Youth unemployment is one of the major development challenges in Sierra Leone, driven by small and unexpanded private sector, limited access to finance and low level of vocational/skills training opportunities which constrains their absorption into the small formal labor market. With the advent of EVD during the early 2014, followed by the shrinking of the mining activities especially Iron ore, there is little doubt that youth unemployment could be over 70%. Therefore addressing private sector development, access to finance and vocational/skills training challenges will stimulate small and medium-sized enterprises (SMEs); a policy development with high potential to bolster the generation of employment at the urban and local levels.

**Weak Human capacity**

One of Sierra Leone’s binding constraints to rapid and sustainable development especially at the local level is the weak human capacity. Human capacity development empowers the local people to identify, implement and take control and ownership of local development initiatives and their eventual outcomes within their localities. Therefore addressing the issue of human capacity is important for ensuring effective implementation of the Local economic development interventions and its sustainability.

**Limited Physical Infrastructure**

Physical social infrastructures such as roads, power and energy supply, waste management, markets; agro-processing facilities in agriculture, fisheries preservations etc pose serious development challenges and are the key binding constraints to the productive sector. Building infrastructure especially through the Public Private partnership has potential to stimulate local economy and locality prosperity.

**Unexpanded private sector**

Private sector growth and expansion is critical for building a sustainable and robust economy. However, in Sierra Leone, the private sector especially the informal sector is still small and needs to be expanded and supported in order to create goods and services and strengthening the purchasing power of the local population to consume such goods and services; and for generating employment. Private sector participation development of livelihoods and employment opportunities can be fostered through promotion of Public Private Partnership (PPP).

**Limited access to finance**

Limited access to finance, especially for the rural poor including smallholder farmers and SMEs is a major constraint to economic development. The expansion of the informal sector requires the availability of an inclusive finance which is easily available and accessible to all SMEs entrepreneurs; however this crucial service is missing thereby constraining the growth and expansion of the SMEs. Therefore, developing a comprehensive financial mobilization strategy to create a fund which is affordable and easily accessible by the rural poor and SMEs entrepreneurs is important for building a vibrant local economy. The circulation and re-circulation of money within the locality is the basis for fostering and building local capacities because as the financial services circulates and re-circulate within the community, it generates valuable social and economic benefits, which are retained within the community and this later translates into improved social services such as consumer goods and services (education, health..), and employment; consequently leading to reduction in poverty, and wealth creation.

**Weakness in Strategic Planning, Monitoring and Evaluation at Local level**

Limited human capacities at local levels, coupled with limited understanding of the LED concept among stakeholders at local levels, are key challenges for strategic planning, monitoring and evaluation of local development interventions.

**Limited access to public infrastructure**

Limited availability and access to basic public infrastructures is one of the major causes of poverty. Public infrastructure such as roads, water, markets etc provides a favorable condition that foster economic growth. Whereas the government of Sierra Leone has taken infrastructure development as one of the key priority, there is still a great need to address public infrastructure as a way facilitating the implementation of the LED policy.

# THE LOCAL ECONOMIC POLICY AND ACTION PLAN

LED involves locally based activities which serve to encourage: Economic growth in terms of sustained increase in economic output and jobs to raise average incomes and living standards; a better use of human resources by making the labour market work better (efficiency), improving the enterprise culture and supporting the access of less advantaged groups of people to jobs, incomes and business ownership (equity); and improved quality of life by providing for sustainable economic growth. LED is a process in which partnerships between local, governments, NGOs, Community based Groups and the private sector are established to manage resources, to create jobs and stimulate the economy of a well-defined territory ([Christian, May 2009](#_ENREF_1)). The World Bank asserts that the activity of LED is concerned with “local people working together to achieve sustainable economic growth that brings economic benefits and quality of life improvements for all the community” (World Bank, 2012). The International Labor Organization (ILO) defines LED as participatory development process that encourages partnership arrangements between the main Public and private stakeholders of a defined territory, with the final objective of creating decent jobs and stimulating economic activities (ILO 2006). GIZ maintains that, LED is an ongoing process by which key stakeholders and institutions from all spheres of society, the public, and private as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local business and strengthen the competitiveness of local firms (GIZ 2007). The complementary definition of LED, was adapted during the National Conference on LED held in Sierra Leone in 2011, which defined LED as “a strategic participatory process and product that encourages and facilitates partnership between and among the local stakeholders, (government, private sector, CSOs, Non-governmental organisations) enabling the joint design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating sustainable employment, increase production of good and services, creation of jobs and sustainable economic activities[[2]](#footnote-2)”.

These definitions provide a broad insight into the overall concept of LED including the principles, processes, the frameworks and the potential outcomes of LED, thus providing a basis on which the LED policy and Action Plan should be built.

## **Guiding principles in implementation of LED**

**Promoting Public Private Partnership and Non-government actions**: Cooperation and coordination of different development activities deter actors from ineffective go-it-alone approaches; while supporting the legitimacy and sustainability of the development processes.

**A strategically defined Vision and process:** Defining the strategic vision and processes for the development of LCs through LED is the first step to pursue; it involves fixing collective ideas, exchange interests and values, identifying strengths and weaknesses of their territory, among others.

**Improving skills and capacity building**: Human development is one of the outcomes of LED initiatives as well as its strength. A LED policy, which has a focus on human development and decent work principles, reinforce the convergent factors to its success, such as social dialogue, participation and partnership, valorization of the human resource, balanced distribution of the opportunities, socio-economic and environmental goals

**Systemic competitiveness:**Competition in the current economic context does not depend on the antagonism of single companies, but relies on the environmental conditions that allow a certain territory or attracting investment or selling its products or services, or facilitating advantageous agreements.

**Based on territorial approach**: LED focuses on territory (national, regional, district and community) potential and identifies specifically what local stakeholders can and need to do, to ensure that their local communities reach their potential. In this context, Local Economic Development assesses the territory’s comparative advantage, identifies new or existing market opportunities for businesses, and reduces obstacles to business expansion and creation. This will therefore require clearly defined territorial demarcations.

**Participatory decision-making and social dialogue**: The involvement of local stakeholders in the process of developing their own territory is a prerequisite for sustainable growth as it builds trust, encourages innovation and promotes the creation of social networks and activities; and fosters social cohesion, thereby decreasing the risk of further conflict.

**Functional structures & LED:** The creation of a functional structure, well defined duties and responsibilities is a key building block to the success of LED processes. Such a structure will help establish an identity and visibility for the local development initiative, act as a vehicle for communication between partners, ICT, providing the technical skills for developing projects and support entrepreneurs, facilitate coordination of efforts and initiatives. It can have long terms objectives, since it is stable, self-sustainable and permanent.

**Promoting hard-soft and institutional infrastructure**: By strengthening the capacity of key local institutions to form effective strategic partnerships the Local Government will build the competitive advantage of a business friendly environment in which enterprises of all sizes can prosper and grow.

**Locally and Community driven LED:** The council and the communities should jointly take the lead in LED implementation, negotiations and decision making on LED interventions and initiatives and such LED intervention should be locally community friendly LED Program.

## **Goal, Mission and Vision and objectives of the LED Policy and Action Plan**

**Goal:** The principle goal of Local Economic Development Policy and Action plan is to create an enabling environment for the diversification of the local economy through value chain development, improved livelihoods, diversified and inclusive economic opportunities, increased entrepreneurship, improved productivity and improved service delivery for locality prosperity.

**Mission:** The mission of the LED Policy and Action plan is to ensure a stimulated and business driven local economy founded on LED principles, which is transparent and accountable with capacity to strengthen value added and generating gender-equitable employment and wealth for the local residents.

**Vision:** Robust and inclusive economies driven by Partnerships between the government, the and key stakeholders, exploiting local opportunities, real potential and competitive advantages, addressing local needs and contributing to enhanced increase in quantity and quality of goods and services, create employment, reduce poverty and improve the quality of life for all.

**General objective**: The main objective of the policy and action plan is to improve on low income and food insecure households to have access to sustainable income generating opportunities (on-farm and off-farm) to facilitate economic growth, employment creation and poverty alleviation.

**Specific objectives of the policy**:

1. Improve institutional arrangements and legislative frameworks for LED.
2. Strengthening local economic competitiveness and LED governance.
3. Promote LED initiatives with emphasis on innovations and human development.
4. Provide urban and rural infrastructures to enhance quality services at local level.
5. Identify and harness existing and potential natural, human and financial resources.
6. Enhance the capacity of Local Economic Development Actors and LED institutions.
7. Build the capacity of Local Councils and other state actors to promote LED and monitor environmental impact of LED activities.
8. Enable local governments to support local economies to realize their potentials and make local communities active participants in the economy of the country.
9. Empower local governments to facilitate functioning partnerships between the public and the private sector in order to unlock the local economy and drive new growth.
10. Provide financial frameworks to coordinate funding flows in support of the strategy.
11. Promote broad based local participation in the economy.

**Importance**

1. By aiming at generating sustainable growth and at the same time addressing the needs of the poor in localities in which it operates, the LED program combines both the economic and the social dimension to locality development which is frequently hard to find in conventional development strategies.
2. Given that the LED strategies are mainly developed by the local government and a broad range of stakeholders at local levels, means that LED strategies is able to identify the existing local potentials, empower local societies and mobilise local resources and create an environment that stimulates the creation of more sustainable and better quality employment opportunities.
3. LED program facilitates the circulation and retaining of the local currency within the locality which facilitates the exchange of goods and services for the betterment of the local population creating wealth and locality prosperity.
4. LED program builds on effective participation of a variety of stakeholders to develop a stronger local society, develop potential to foster good governance and to enhance transparency and accountability in LED delivery which are key elements in the success and sustainability of local economic and development service delivery.
5. A LED program supports the pulling together of resources (knowledge, ideas, physical cash, technology from within and outside to address community challenges facing such as inadequate infrastructure, limited business management skills, and poor business environment.

## **Public Private Partnerships and LED delivery**

Partnership between government, the business private sector and development partners/NGOs provides the framework within which LED operates. LED focuses on exploring local opportunities and real potentials and competitive advantages which stimulate investments that promote sustained high growth in a local community; identifying what specifically local stakeholders can and need to do to ensure their local community reaches its potential. Public Private Partnership (PPP) is a key building block upon which the involvement and role of the private sector in LED is expanded. Through partnerships, dynamism, access to finance, knowledge, technologies, managerial efficiencies and the entrepreneurial effectiveness are leveraged and combined with the social responsibility, environmental awareness, local knowledge and job generation concerns of the public sector to leap the full benefits of the LED intervention. Partnerships promise benefits arising from economies of scale, and the sharing of resources, commitment and enthusiasm; stakeholders are more inclined to invest their resources, time and effort in an intervention they have contributed to design. Key benefits of PPP include:

1. Partnerships are the vehicles for expanding the involvement and role of the private sector in LED.
2. Partnerships promise benefits arising from economies of scale, and the sharing of resources, commitment and enthusiasm.
3. Through the building of partnerships, dynamism, access to finance, knowledge and technologies, managerial efficiencies and the entrepreneurial are leveraged and combined with the social responsibility, environmental awareness, local knowledge and job generation concerns of the public sector to leap the full benefits of the LED intervention.
4. Another key role of partnerships is its ability to address red tape in LED processes, which is an important building block of a local economic development initiative

# INSTITUTIONAL, REGULATORY AND STRATEGIC POLICY FRAMEWORK

## **Introduction**

Local Economic Development cannot take place in an institutional and legal vacuum, it requires legal and institutional framework that allows development to take place consistent with National priorities and strategies and in which stakeholders know that the strategic decisions and commitment they take will be effectively and competitively implemented, protected by law, and enforced. The LED Policy and Action plan, on one hand, must support the realization of the Country’s strategic objectives; while on the other hand, it is the established legislative frameworks which support the implementation and full realization of the potentials of the LED Policy and Action plan. The National policy frameworks within which the LED Policy and Action plan must operate and support are elaborated hereunder; however, the frameworks discussed are by no means the only ones to be considered, but gives a general indication of institutional, regulatory and strategic frameworks that are linked to matters of inclusive local economic development, job creation, poverty reduction and improved quality of life. Taking these policy frameworks into consideration when implementing Local Economic Development initiatives will ensure effective governance, coordination and oversight; wider government support; easier access to grants and other funding from government and donor organisations and building stronger synergies and collaborations.

## **INSTITUTIONAL FRAMEWORK**

An adequate institutional framework is an essential and indispensable elements for implementation of the LED policy and Action Plan. The effective implementation of the strategy can be coordinated at two levels:

**National Level**

## **Establishment of a LED coordinating board or a Regulatory and coordination body**

The multi-dimensional nature of the Local Economic Development calls for extensive collaboration and coordination with and among the wider MDAs in order to realize its full potentials through a regulatory and coordinating body. The body shall be composed of key institutions (MDAs and Development partners). The overall responsibility of the agency/board will be to coordinate LED activities across the country, supervised by the Ministry of Local Government and Rural Development. The Coordination board will have the following general responsibilities

1. Developing sector policies and review existing policies to ensure that they reflect the socio-economic, technical, and political realities in the country in order to guide the local councils as a policy framework within which they can act appropriately to local circumstances;
2. To ensure that the LED policy implementation is aligned with the National development priorities and sustainable development goals.
3. Ensuring that LED policy implementation supports the full implementation of the functions devolved to the local councils and all MDAs devolve their functions to the Local councils as provided by the Law so that the Decentralisation program is implemented effectively.
4. Setting standards for LED delivery and promotion in an equitable, gender responsive, transparent and accountable manners.
5. Developing sectoral monitoring systems with robust indicators and clearly defined roles and responsibilities between sector ministries, the ministry responsible for local government and local councils
6. To ensure that the LED policy implementation supports the implementation of the Local content policy.
7. To see that all LED interventions are aligned with and result into enhanced job creation, wealth creation and improved standards of living of the local population.
8. Undertaking regular evaluation of the effect and impact of LED services delivery to assess the efficiency and effectiveness of LED delivery strategies, methods and mechanisms and to provide technical and advisory services to the local councils including building their capacity and the capacities of local communities for effective LED policy implementation.

 Specific roles of each institution are summarized as follows:

### Ministry of Local Government and Rural Development

The role and mandate to supervise, oversee and coordinate the Local Government Authorities is under the direct responsibility of the Ministry of Local Government and Rural Development (MLGRD). The Ministry is responsible for the co-ordination of local government functions, and links the centre, regional, district and chiefdom levels. It monitors the decentralization process and the effectiveness of local councils, and advises the Government on decentralization and local governance issues. In the implementation of the LED policy, the MLGRD will responsible for supervising, coordinating and overseeing all LED activities across the country in accordance with the Local government Act, 2004, supported by Decentralisation Secretariat.

### Ministry of Finance and Economic Development

In the decentralization framework, the Local Government Act (LGA) provides that the Ministry of Finance and Economic Development (MoFED) is responsible for the Fiscal administration. The LGA 2004 further established a Local Government Finance Committee (LGFC) with a mandate to receive LC budgets and recommend the amount of each central government grant to each LC. The Local Government Finance Division (LGFD) of the MoFED acts as the secretariat to the LGFC and monitors the finances of LCs and will be responsible for all LED issues related to financial management, control and reporting.

### The Ministry of Agriculture, Forestry and Food Security (MAFFS)

Agricultural sector is one of the key drivers of the economy of Sierra Leone and the largest provider of employment. Apart from providing employment, the sector is responsible for ensuring food security at households and at national level. The Ministry will provide technical, advisory and supervisory support services within the framework of enhancing the creation of employment through agricultural development, during the implementation of the LED policy; identify and support the implementation of economically and socially viable agricultural projects; support agribusiness and the development of value chain to ensure job creation as well as support and propose market linkages.

### Ministry of Trade and Industry

The development and operation of the private sector both formal and informal in Sierra Leone lies within the mandate and responsibilities of the Ministry of Trade and Industry. The Ministry will provide guidelines, technical and advisory support services related to development of the private sector especially enhancing job creation through supporting the growth and expansion of Small and Medium Enterprises (SMEs).

### Ministry of Mines and Mineral resources

Sierra Leone is blessed with huge mineral deposit and almost all local councils have vast and different mineral deposits. By supporting, regulating and monitoring, the mining activities of small and large mining companies as well as ensuring supporting implementation of the Local content policy, the Ministry will be creating jobs to the youth and wealth to the councils which is the ultimate objective of LED, thereby contributing to the implementation of the Decentralization program.

### Development partners

The effective implementation of the LED policy and action plan requires numerous resources including financial, technical and support services from development partners. Consultative meetings with FAO/UN, GiZ, JICA, African Development Bank among other, showed readiness of development partners to sustainably support the implementation of the LED policy by providing financial, technical and advisory support services.

### The Local content Agency

The Local content Agency was established in 2016 with the aim of Promoting Sierra Leone local content development by effectively and efficiently managing the administration and regulation of the local content development in Sierra Leone; in particular, strengthen and foster collaboration between the public and private sector in order to promote and safeguard the objectives of Sierra Leone local content development and job creation for Sierra Leoneans.



### LED coordination at Local level

At the local level, a LED coordination board will be established to coordinate the LED activities at the local level. The district board will report to the Ministry of Local Government and Rural Development through the Local Council LED coordination officer under the Decentralization Secretariat. The following institutions are being proposed to compose the LED district board:

### Local councils

According to the LGA 2004, a local council is the highest political authority in the locality and has legislative and executive powers to be exercised in accordance with LG Act or any other enactment, and shall be responsible, generally for promoting the development of the locality and the welfare of the people in the locality with the resources at its disposal and with such resources and capacity as it can mobilize from the central government and its agencies, national and international organisations, and the private sector. Therefore, the local councils will support the implementation of the LED policy and Action plan within their responsibilities in accordance with the LGA 2004.

**Local Council LED committee**

The Local Council LED committee will be integrated into the Local Council LED board which will be responsible for coordinating all LED activities at district level. The district LED board will report to the National LED coordinating body.

### The Chiefdom council

The chiefdom council will be responsible for coordinating LED activities at Chiefdom level, in the same way it coordinates other chiefdom social and development activities in accordance with the Chiefdom Act.

### The following representatives will also form membership of the Chiefdom LED board

1. Representative of the private sector
2. Representative of the Civil Society Organisations (CSOs);
3. Representative of youth
4. Representative of Women
5. And other representative as per the administrative framework at the chiefdom level.

## **LEGAL AND REGULATORY FRAMEWORK**

Legal and regulatory frameworks influence the manner in which local councils should conduct local development. These frameworks do not dictate what the Local council must do in regard to LED implementation, as LED is based on the competitive advantages of the locality, rather legal and regulatory frameworks focus on what the government or the different organs and institutions of the government can do to support local councils, communities, and the Private sector and other stakeholders to realize their own and their collective objectives for locality prosperity. Therefore, a LED Policy must conform to and take into consideration National and local government legal and regulatory policies during its implementation. Some of the National legislative and Local Government legal, regulatory and policy frameworks are elaborated hereunder.

### Poverty Reduction Strategy Paper (PRSP) “Agenda for Prosperity” 2013-2018

The Agenda for Prosperity “Poverty Reduction Strategy Paper (PRSP III)” is the third poverty reduction strategy paper adopted by the Government of Sierra Leone. It builds on the success of the Agenda for Change (PRSP III 2008-2012). It is the main government policies driving development effort in the country. The PRSP III, “the Agenda for Prosperity”, 2013-2018, has 8 Pillars: Economic diversification to promote inclusive growth; Managing mineral resources; Accelerating MDGs for human development; International competitiveness; Labour and Employment; Social protection; Governance and public sector reforms; and Gender equality and Women empowerment.

### The Local Government Act (2004)

The Local Government Act (LGA) 2004 is the main legislation that provides for the legal framework for the creation, the institutional and administrative arrangement for local councils in the country; LGA was further strengthened by the Decentralization policy 2010 which defines the parameter within which the council will function. The LED policy and Action Plan implementation in the district should strategize and priorities economic sectors/projects with potential to sustainably contribute to the achievement of the decentralization policy and the district developmental mandate as articulated in the Local Government Act (LGA 2004)

### The Mines and Minerals Act, 2009

The Sierra Leone Mines and Mineral Act was promulgated in 2009. The Ministry of Mines and Mineral Resources is responsible for overseeing all mining activities in the country and for the overall responsibility of the implementation of the Act. The Act made provision for the council to benefit from surface rents from” land lease or other rights to use land obtained by the holder of a large scale mining licence: (a) Land owners 50%; (b) District Council 15%; (c) Paramount Chiefs 15%; (d) Chiefdom Administration 10%; and (e) Constituency Development Fund 10%.

### Sierra Leone Local Content Agency Act, (2016)

This Sierra Leone Local Content Act has just came into effect, this year 2016; and its object is to provide the legislative framework for the creation, the functioning, institutional and administrative arrangements for the Sierra Leone Local Content Agency. The Agency’s main objective is to promote Sierra Leone local content development, by effectively and efficiently managing the administration and regulation of Sierra Leone local content development in the country.

### The Environmental Protection Agency Act, 2008

The primary function of the Environmental protection Agency, amongst others is to co-ordinate the activities of bodies concerned with the technical or practical aspects of the environment and serve as a channel of communication between such bodies and the Minister; ensure compliance with any laid down environmental impact assessment procedures in the planning and execution of development projects.

### The National Decentralization Policy (NDP)

The decentralization as a tool for local governance is to ensure that the local people and their communities are empowered and fully involved in political and socio-economic development processes and actually formulate and implement development plans. Among the key responsibilities of the NDP include: To firmly establish the legal and regulatory framework for embedding the policy of decentralization by devolution while defining roles, responsibilities and functional relationships therein; to provide a framework to devolve service delivery functions to local councils systematically and in a coordinated fashion together with the MDAs, to build local ownership  and operational efficiency of the decentralization process through effective development planning and budgeting, financial management, monitoring and evaluation, and other managerial functions, and to provide an effective link between national development priorities and local level development initiatives; to enhance local councils capacities in order to effectively harness local revenue potentials to complement other revenue sources, including inter-governmental fiscal transfers, for the funding of their development and administrative programs.

### The National Industrial Policy

The goal of the National Industrial Policy is to achieve a market-led, regionally competitive and sustainable production of goods and services for the promotion of Sierra Leone’s economic and social development. The general objective of this Policy is to accelerate industrialization through the promotion of endogenous industrial transformation of local raw materials, the development and diversification of industrial productive capacity, strengthening of regional cooperation and the export of manufactured goods.

### Sierra Leone Trade Policy

The overall goal of Sierra Leone Trade policy is to promote a robust and competitive private sector and support growing production and service sectors to trade, at national and international levels, and contribute ultimately to wealth and employment generation. The core objectives of the policy is to build the capacity for participation in regional and global trade negotiations and developing transparent mechanism for trade.

### National Sustainable Agriculture Development Plan 2010-2030 and Comprehensive Africa Agriculture Development Plan (NSADP/CAADP).

As a government initiative, in order to organize, attract and coordinate investments in the sector, and in tandem with the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) Compact process, the National Sustainable Agriculture Development Programme (NSADP) was formulated with the aim of providing short, medium and long-term Investment programmes in the agriculture sector. The vision of the NSADP 2010-2030 is to make the Agriculture sector the engine for socio-economic growth through: (i) increasing agricultural productivity; (ii) promoting commercial agriculture through private sector participation; (iii) improving agricultural research and extension delivery systems.

### The Local Content Policy

The Sierra Leone Local Content Policy (LCP) sets out the performance requirements of private investors in Sierra Leone that will anchor sufficient integration of Foreign Direct Investment (FDI) with the domestic market through utilization of locally sourced products, employment of Sierra Leoneans at managerial level and transfer of knowledge and skill to domestic firms and individuals. The overall goal of the LCP is to promote growth and development of the domestic private sector by creating linkages with the large domestic and foreign firms through the utilization of local resources and products, and to promote the integration of Sierra Leoneans in all economic activities.

## **STRATEGIC POLICY FRAMEWORK**

A common understanding of a strategic policy is that it links economic, social and environmental concerns, represented as a set of overlapping circles, where sustainable development occurs in the central area of the overlap. To ensure effective achievement of the objectives of the LED Policy and Action Plan, the following wider range of policy intervention shall be undertaken:

### Support the development and growth of the Small and Medium Enterprises (SMEs)

Vibrant local economies across the globe are driven by the MSMEs, and is the largest provider of employment. Supporting the development and growth of SMEs can be achieved by:

1. Strengthening SMEs’ access to finance,
2. Setting or supporting and equipping business training centres for SMEs,
3. Strengthening knowledge, skills and capacity of SMEs entrepreneurs in business and enterprise development,
4. Creating an enabling environment for the development, growth and expansion of the SMEs.

### Strengthening the Local tax base

Social infrastructure development is key for stimulating the local economy due to its potential to create intensive labour works and generating social goods and services which are ingredients of local economic development as they improve the quality of life of the local population. Public Private Partnership would be development of social infrastructures including:

1. Cadastral systems development and strengthening
2. Tooling and Equipping local councils
3. Strengthening Revenue mobilization strategies
4. Tax payers’ education, communication and Information

### Development of the Human capacity

The main goal is to develop an institutional support system that enables the local economy to develop more rapidly and dynamically, support the effective implementation of LED by empowering the local people to take ownership of the LED process and eventual outcomes thereby reduce poverty at the local levels. To achieve this, the following would be required:

1. Strengthening the capacity of MLGRD in LED planning, Monitoring and fund mobilization
2. Strengthening the capacity of local councils and Chiefdom administration in LED planning and administration
3. Enhancing youth employment through vocational and skills training
4. Community sensitisation, education and awareness on LED
5. Institutionalizing Led in higher learning institutions.

### Creating labour intensive jobs through Public works using a Public Private Partnership approach.

Public works provide employment by creating labour intensive work; it also generate public goods such as physical infrastructure (roads, water, waste management, health, schools etc). Therefore, establishing, renovating and rehabilitating social infrastructures for delivery of social services especially those that were devolved to local councils is crucial not only for creating employment and public goods but also for strengthening the decentralisation program. This can be achieved through:

1. Extensive engagement with the Public Private Partnership
2. Creating an enabling environment for PPP to flourish and expand
3. Extensive education and training on PPP contract management for the local councils and chiefdom administration.
4. Establishing clear guidelines and responsibilities between the PPP and the local councils.
5. Fully devolving the devolved functions to local councils
6. Fully integrating the devolved functions into local councils’ development plans
7. Identifying, establishing, rehabilitating and renovating priority socio-economic infrastructures that were devolved to the local councils with potential for job and wealth creation.

### Enhancing youth employment through Agricultural development

Agriculture is currently the major employer of majority of the population with potential to employ more rural youth and women. Promoting agricultural development shall be achieved through:

1. Agricultural infrastructural development; this will focus on developing infrastructures to support agribusiness activities such as cassava and rice processing facilities,
2. Agricultural diversification and value chain development for increased production of strategic food and cash crop commodities based on locality competitive advantage
3. Promoting youth active participation and integrating ICT in agricultural production and marketing within the sub-regional (Mano River Union).
4. Supporting the production of horticulture farming by exploring the market and value chain potentials in horticulture especially vegetables.
5. Facilitating the full implementation of the land policy which will create greater access to and control of the land; this land rights will facilitate access to bank (as collaterals), as well as expanding agricultural activities

### Expanding youth employment by exploring natural resource potentials

1. Establishing drying and preservation facilities for fish especially in local councils with coastal lines.
2. Promoting artisanal fishing
3. Harnessing employment and Revenue potential in the mining sector
4. Harnessing employment and revenue potentials from the tourism

## **Cross-cutting issues**

1. **Social dialogue and social cohesion (Mainstreaming):** Social dialogue is an important component of the decent work. Therefore the district should strive to promote social dialogue among the different LED stakeholders.
2. **Climate change:** For sustainable development to take place, the impact of climate change on LED policy interventions at different levels must mitigate the impact of climate change and therefore mainstream it.
3. **Value chain development and value chain financing (Mainstreaming):** Value chain financing can be internal or external; exploiting these value chain potentials can be very important strategies in addressing some of the major challenges such as low gender participation in LED, low and poor quality jobs, lack of accessibility to market and limited access to finance.
4. **Gender mainstreaming:** LED strategy in the district council should facilitate the promotion of gender balances between male and female through LED policy planning, implementation, evaluation as well as education, trainings, dialogue and community meetings.

# IMPLEMENTATION

Harmonization of cadastral system: The Cadastral system as a tool, supported with other management support systems and capacity building in revenue enhancement and use of cadastral system will ensure enhanced revenue collection and administration to local councils.

Established mechanisms for joint revenue collection and sharing**:** Establishing a joint mechanisms for tax revenue collection between the local council and the chiefdom administration; and s sharing of 60% of the tax revenue to the local council and 40% to chiefdom administration has a potential for enhanced revenue collection and addressing the inefficiencies in tax revenue administration.

Establishment of an integrated Monitoring and Evaluation framework: By establishing an M&E framework at the Decentralisation Secretariat, and a user friendly data analysis, quick and appropriate corrective measures will be implemented to ensure effective monitoring of the LED policy implementation.

Development to LED hand book: A LED hand book needs to be developed to provide guidelines and processes in LED implementation in crucially important for effective implementation of the LED program.

Participation, collaboration, communication and mobilization of stakeholders are key for successful implementation of the LED Policy

Coordination: Coordination of all stakeholders through a multi-stakeholders coordination and planning meeting is crucial for identifying joint program to be funded or implemented together.

Role and responsibilities defined: Clearly defining roles and responsibilities of each stakeholder at the national and local level is important for effective LED implementation

## **Devolution of functions**

According to the Decentralization policy, the transfer of functions from central government to local councils is the cornerstone of the devolution policy. However during policy discussion with district councils, full transfer of devolved functions is still not complete, and therefore full devolution of devolved function is a pre-requisite for the effective implementation of the LED policy and Action plan. The LED program is meant to support the MLGRD in effective implementation of the decentralization interventions including supporting the implementation of the functions devolved to local councils.

## **LED Fiscal strategic framework**

The LED Policy and Action Plan is meant to support the implementation of the Local economic Development initiatives based on locality competitive advantages. The policy seeks to create a vibrant local economy with ability to wealth to the local population through a variety of mechanisms such as job creation, SMEs entrepreneurship, capacity building through skills training, and creating inclusive finance, among others. The revenue generate though the economy will support the local council fiscal administration and contribute to local council autonomy in revenue and expenditure decision making, which is the ultimate goal of the decentralization program. This will however require commitment to developing the capacities of the local and community level stakeholders in LED development initiative assessment, planning, budgeting and revenue mobilization; supported by total accountability and transparence in LED management governance.

## **Financial accountability and transparency**

Effective financial management at all levels is crucial for ensuring successful implementation of the LED policy and Action plan.

A sound financial management system supported by timely and adequate accountability, internal control and filing system is requirement for prudent and effective financial management.

The procurement processes need to comply with the National Public Procurement Authority rules and guidelines.

Working with Public Private Partners may pose challenges as many of them have better knowledge and understanding of the financial system, with a potential to manipulate financial information, in this regard, the use of the Audit Service Sierra Leone would be a better option.

Total compliance to management of finance in Public Institutions (PFM) should be totally adhered to, and LED should be integrated with the local council financial management system. Otherwise the support from the Anti-corruption Commission will have to be used.

## **Monitoring and Evaluation framework**

The monitoring and evaluation (M&E) of the Local Economic Development policy and Action plan will be aligned with the implementation mechanisms of district level development plans, and executed accordingly. The Ministry of Local Government and Rural development be responsible to coordinate and overseeing the implementation of the M&E activities will ensure that monitoring mechanisms are in place and update during and throughout the implementation of the LED policy.

 The objectives of the M&E framework for the LED Policy and Action plan will be:

1. Defining the monitoring and evaluation plan of the LED policy and Action plan intervention
2. Defining the M&E framework for data collection (logical framework; logical model; Result framework etc)
3. Monitoring the implementation of LED interventions and collect data accurately and timely;
4. Engage local level LED beneficiaries and local institutions in evaluating their own LED development interventions;
5. Introducing and building capacity of beneficiaries and local institutions in the use of scorecard methods in evaluating LED and other district level development programs.
6. Analyzing data collected; using simple and user friendly analytical tools for both qualitative and quantitative data. The district LED committee will play a key role in ensuring effective data monitoring and analysis.
7. Data collected during M&E of LED interventions will be centralized at the Decentralisation Secretariat; which will also guide on data storage and dissemination

# LOGICAL FRAMEWORK MATRIX

**Development goal:** The overall goal is to create an enabling environment for the diversification of the local economy through value chain development, improved livelihoods, diversified and inclusive economic opportunities, increased entrepreneurship, improved productivity and improved service delivery for locality prosperity.

**Development objective:** The development objective is to improve on low income and food insecure households to have access to sustainable income generating opportunities (on-farm and off-farm) to facilitate economic growth, employment creation and poverty alleviation.

**SHORT TERM POLICY STRATEGY INTERVENTIONS**

**Policy strategy 1: Support the development and growth of the Small and Medium Enterprises (SMEs)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Activities** | **Responsible**  | **Time frame** | **High level Indicator**  | **Means of Verification** | **Budget** |
| Activity 1.1.1: Supporting the creation of inclusive financial services to foster access to finance | UNDP/MLGRD/MTI/LCs | 2017/2018 | No. Inclusive financial created | LED reports |  1,500,000  |
| Activity 1.1.2: Building linkages between SMEs entrepreneurs and financial services providers | UNDP/MLGRD/MTI/LCs | 2017/2018 | No. SMEs linked to financial services | LED reports |  150,000  |
| Activity 1.1.3: Provision of capital and finance to SMEs. | UNDP/MLGRD/MTI/LCs | 2017/2018 | No. Inclusive financial created | LED reports |  2,000,000  |
| Activity 1.2.1: Mapping, assessing and profiling business development services providers/ training centres | UNDP/MLGRD/LCs | 2017/2018 | No Business service providers mapped | Survey/Mapping report |  250,000  |
| Activity 1.2.2: Equipping and tooling business development services providers/training centres to support SMEs | UNDP/MLGRD/LCs | 2017/2018 | No of Business service providers equipped | Inventory/ procurement reports |  850,000  |
| Activity 1.3.1: Organising training programs in enterprise development, business planning and development, business expansion and management.  | UNDP/MLGRD/MTI/Service providers | 2017/2018 | No. trainings provided in enterprise dev. | Training and field reports |  727,500  |
| Activity 1.3.2: Providing business support and advisory services to informal sector (SMEs) and supporting their transformation into formal business enterprises  | UNDP/MLGRD/MTI/Service providers/LCs | 2017/2018 | No of SMEs supported | Training and field reports |  188,000  |
| Activity 1.3.3: Providing business coaching and mentoring including support in the use of ICT in business operations  | UNDP/MLGRDLCs/Service providers | 2017/2018 | No of SMEs supported | Training and field reports |  328,000  |
| Activity 1.4.1: Strengthen the relationship between the informal sector and the local council by clearly articulating their roles and responsibilities. | UNDP/MLGRD/LCs/Service providers | 2017/2018 |   | Training and field reports |  125,000  |
|  Activity 1.4.2: Developing a database of all SMEs in the respective councils. | UNDP/MLGRDLCs/Service providers | 2017/2018 | No SMEs profiled | Training and field reports |  150,000  |
| Activity 1.4.3: Providing supportive and business friendly tax regimes  | UNDP/MLGRDLCs/Service providers | 2017/2018 |   | Training and field reports |  120,000  |
| Activity 1.4.4: Fostering social inclusion | UNDP/MLGRDLCs/Service providers | 2017/2018 |   | Training and field reports |  180,000  |
|  Sub-total |   |   |   |   | 6,568,500 |
| **Policy strategy 2: Strengthening the Local tax base**  |  |  |  |
|  |  |  |
| **Activities** | **Responsible**  | **Time frame** | **High level Indicator** | **Means of Verification** | **Budget** |
| Activity 2.1.1: Installation and harmonizing the Cadastral system in all local councils. | UNDP/MLGRD/LCs/Service providers | 2017/2018 | L/C Cadastral systems harmonized | Functioning cadastral system |  250,000  |
| Activity 2.1.2: Training, coaching and mentoring Local council staff in the use and application of Cadastral system for revenue enhancement  | UNDP/MLGRD/LCs/Service providers | 2017/2018 | L/C trained in cadastral system | Training and field reports |  150,000  |
| Activity 2.1.3: Defining clearly local council boundaries | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | Council boundaries clearly defined | District town planning reports | 272,000 |
| Activity 2.1.4: Established mechanisms for joint revenue collection and sharingbetween the local council and the chiefdom administration.  | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | No. LC and CA with established mechanism | Established MoU |  122,000  |
| Activity 2.3.1: Provide computers and other office tools to local councils | UNDP/MLGRD/LCs/Service providers/ | 2017/2018 | No & specifications of tools and equipment provided | Procurement report |  150,000  |
| Activity 2.4.1: Enhancing proper collection and administration of Local tax, Property tax, Licenses, market dues and other taxes | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | % increase in revenue collection | Financial reports |  167,000  |
| Activity 2.4.2: Ensuring proper Business Registration and Licensing | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | % increase in business registration and licensing | Field reports |  150,000  |
| Activity 2.4.3: Proper valuation, assessment and collection of tax | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | % increase in valuation and assessment | Valuation reports |  150,000  |
| Activity 2.4.4: Engaging PPP in tax collection/ debt recovery | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | No L/C engaged in PPP; % increase debt recovery | Revenue collection reports |   |
| Activity 4.3.1: Organising education, communication and awareness for tax payers  | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | No. educ, comm and awareness conducted | Field reports |  230,000  |
|  Sub-total |   |   |   |   | 1,641,000 |
|  |  |  |  |  |  |
| **Policy strategy 3: Development of Human Capacity** |  |  |  |  |
| **Activities** | **Responsible**  | **Time frame** | **High level Indicator** | **Means of Verification** | **Budget** |
| Activity 3.1.1: Organising training programs in LED planning, monitoring and resources/fund mobilization | UNDP/MLGRD/ MoFED/LCs | 2017/2018 | No. of trainings conducted | Training reports |  150,000  |
| Activity 3.1.2: Regional and International experience sharing visits. | UNDP/MLGRD/ MoFED/LCs | 2017/2018 | No people support  | Field reports |  178,000  |
| Activity 3.1.3: Establishing a M&E system unit within the Decentralisation Secretariat to coordinate the monitoring of LED activities across the districts | UNDP/MLGRD/ MoFED/LCs | 2017/2018 |   | Functioning M&E system |  35,500  |
| Activity 3.2.1: Training district staff, LED technical committee and Chiefdom administrations in LED planning, budgeting, management, administration, accountability and transparency and reporting. | UNDP/MLGRD/ MoFED/LCs | 2017/2018 | No trainings  |  |  150,000  |
| No people trained  |
| Activity 3.3.1: Setting up of vocational Youth employment, Business and Skills Development training centres as a strategy for enhancing youth employment opportunities. | UNDP/MLGRD/LCs/Service providers/ | 2017/2018 | No voc. Training centres set | Field reports |  350,000  |
| Activity 3.3.2: Identifying demand driven vocational skills and provide training to youth to enhance their employability.  | UNDP/MLGRD/LCs/Service providers/ | 2017/2018 | Skill training trades identified | Training report |  150,000  |
| Activity 3.4.1: Organising community sensitisation, education and awareness on LED and its importance | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | No. people sensitized | Field report |  150,000  |
| Activity 3.4.2: Building the capacity of Local Institutions in monitoring and evaluating LED projects/interventions  | UNDP/MLGRD/LCs/Service providers/C. Adm | 2017/2018 | No. of local institutions trained | Training reports |  150,000  |
| Activity 3.5.1: Integrating LED in the education curriculum of tertiary, vocational, technical and commercial education institutions  | UNDP/MLGRD/MEST | 2017/2018 | No institutions providing training in LED |   |  48,500  |
| **Sub-total** |  |  |  |  | **1,362,000** |
|  |  |  |  |  |  |
| **Policy Strategy 4: Creating labour intensive jobs through Public works using a Public Private Partnership Approach** |
| **Activities** | **Responsible**  | **Time frame** | **High level Indicator** | **Means of Verification** | **Budget** |
| Activity 4.1.1: Extensive engagement with the Public Private Partnership  | UNDP/MLGRD/ MoFED/LCs/PPP | 2017/2018 | No PPP engaged  | Engagement reports |  64,500  |
| Activity 4.1.2: Creating an enabling environment for PPP to flourish and expand | UNDP/MLGRD/ MoFED LCs/PPP | 2017/2018 | No of PPP formed | PPP contracts |  93,000  |
| Activity 4.1.3: Extensive education and training on PPP contract management for the local councils and chiefdom administration. | UNDP/MLGRD/ MoFED/LCs/PPP | 2017/2018 | No LC & CA trained in PPP | Training reports |  138,000  |
| Activity 4.1.4: Establishing clear guidelines and responsibilities between the PPP and the local councils. | UNDP/MLGRD/ MoFED/LCs/PPP | 2017/2018 | Documented guidelines | Documented guidelines | 23,000 |
| Activity 4.1.5: Strengthening the legal framework to support the full compliance to the implementation of the PPP. | UNDP/MLGRD/ MoFED/LCs/PPP | 2017/2018 | Established legal framework | Established legal framework | 149,000 |
| Fully devolving the devolved functions to local councils | UNDP/MLGRD/ MoFED/LCs/PPP | 2017/2018 | Established legal framework | Established legal framework | 0 |
| Fully integrating the devolved functions into local council development plan | UNDP/MLGRD/ MoFED/LCs/PPP | 2017/2018 | Established legal framework | Established legal framework | 0 |
| Sub-total |  |  |  |  |  467,500 |
| Activity 4.2.1: Establishing, rehabilitation and renovation of socio-economic infrastructures (water, waste management, local Market, health, community resource centres etc through PPP | UNDP/MLGRD/ MoFED/LCs/PPP | 2017/2018 | No social infrastructures established, renovated, rehabilitated | PP contracts established | 4,100,000 |
| **Sub-total** |  |  |  |  | **4,100,000** |
|  |  |  |  |  |  |
| **MID-TERM POLICY STRATEGY INTERVENTIONS****Policy strategy 5: Enhancing youth employment through Agricultural development** |
| **Activities** | **Responsible**  | **Time frame** | **High level Indicator** | **Means of Verification** | **Budget** |
| Feasibility and cost benefit analysis studies for agro-processing facilities with potential to create employment to youth facilities, including ESIA | UNDP/MLGRD/ MAFFS/LCs/PPP | 2018/2019 | Feasibility studies for 8 agro-processing facilities |   |  184,000  |
| Feasibility reports |
| Establishing, equipping and tooling agro-processing facilities  | UNDP/MLGRD/ MAFFS/LCs/PPP | 2018/2019 | PPP contract; tender documents | Functioning facility |  446,400  |
| Support youth groups in production and processing of diversified strategic food crops. | UNDP/MLGRD/ MAFFS/LCs/PPP | 2018/2019 | No youth groups supported | Field report |  630,500  |
| Providing capital for agro-marketing to youth groups | UNDP/MLGRD/ MAFFS/LCs/PPP | 2018/2019 | No youth groups supported | Field report |  485,000  |
| Promoting the integration of ICT in agricultural production and marketing  | UNDP/MLGRD/ MAFFS/LCs/PPP | 2018/2019 | No youth groups supported | Field report |  283,000  |
| Conducting mapping and value chain analysis vegetables with high nutritional value and high value chain potential | UNDP/MLGRD/MAFFS/LCs/Service providers | 2018/2019 | No value chain mapped | Mapping report | 185,000 |
| Support women groups in the production and marketing of vegetables | UNDP/MLGRD/MAFFS/LCs/Service providers | 2018/2019 | No of women groups supported | Field report | 358,000 |
| Strengthening of the popularization of the land policy | UNDP/MLGRD/MAFFS/LCs/Service providers | 2018/2019 | No people with land rights | Possession of land titles | 320,000 |
| Sub-total |  |  |  |  | 2,891,900 |
|  |  |  |  |  |  |
| **LONG-TERM POLICY STRATEGY INTERVENTIONS** |  |
| **Policy Strategy 6: Expanding youth employment by exploring natural resource potentials** |  |  |
| **Activities** | **Responsible**  | **Time frame** | **High level Indicator** | **Means of Verification** | **Budget** |
| Conducting feasibility and cost benefit analysis for fish preservation facilities and ESIA | UNDP/MLGRD/ MFMR/LC/PPP | 2019/2020 | No feasibility studies conducted | Feasibility and ESIA report |  198,000  |
| Drawing structural specifications for type of processing equipment and tools required | UNDP/MLGRD/ MFMR/LC/PPP | 2019/2020 | Structural plan | Functioning facility |  204,000  |
| Activity 6.2.1: Equipping men and women/groups involved in fishing business fishing boats with fishing gears | UNDP/MLGRD/ MFMR/LC/PPP | 2019/2020 | No. of fishing groups supported | List of tools and equipment |  280,000  |
| Activity 6.2.2: Providing training in sustainable fishing, drying, preservation and marketing | UNDP/MLGRD/ MFMR/LC/PPP | 2019/2020 | No. people trained | Training and field reports |  126,400  |
| Activity 6.2.3: Supporting the activities by regulating the issuing of fishing license to industrial fishing  | UNDP/MLGRD/ MFMR/LC/PPP | 2019/2020 |   | Field reports |  100,000  |
| Activity 6.3.1: Exploring employment potentials in large mining companies for young graduates from collages and vocational institutions  | UNDP/MLGRD/MMR/ LC/PPP | 2019/2020 | No of employment created | List of youth who have secured employment |  128,000  |
| Activity 6.3.2: Promoting artisanal mining by building the capacities and skills of Artisanal miners  | UNDP/MLGRD/MMR/ LC/PPP | 2019/2020 | No of Artisanal miners trained | Training and field reports | 184,000 |
| Activity 6.3.3: Supporting the training of youth in demand driven skills within the mining sector | UNDP/MLGRD/MMR/ LC/PPP | 2019/2020 | No of youth trained is specific skills | Training and field reports | 310,400 |
| Activity 6.3.4: Enhancing revenues from mining companies for the local councils and chiefdom administration  | UNDP/MLGRD/MMR/ LC/PPP | 2019/2020 | % increase in revenue to LC and CA | Proof of transfers/ | - |
| payment |
| Activity 6.4.1: Promoting eco-tourism | UNDP/MLGRD/MTCA/LC/PPP | 2019/2020 | % increase in no of eco-tourism | Field report | 360,000 |
|  |
| Activity 6.4.2: Supporting tourism support services | UNDP/MLGRD/MTCA/LC/PPP | 2019/2020 | Tourism services supported | Field reports | 284,800 |
|  |
| Activity 6.4.3: Supporting training of young people in tourism and hospitality industry | UNDP/MLGRD/MTCA/LC/PPP | 2019/2020 | No of youth trained in Tourism and hospitality | Training and field reports | 343,200 |
|  |
| Activity 6.4.4: Promote the conservation of tourist and cultural heritage and infrastructures that attract tourists. | UNDP/MLGRD/MTCA/LC/PPP | 2019/2020 | Cultural and tourist attractions renovated | Field reports | 308,800 |
|  |
| Sub-total |  |  |  |  | 2,827,600 |
| Total |  |  |  |  | 19,858,500 |
| Adm, coordination and oversight (including logistics |  |  |  | 18% | 3,574,530 |
| Monitoring and evaluation |  |  |  | 10% | 2,343,303 |
| Contingencies |  |  |  | 8% | 2,062,107 |
| **Grand total** |  |  |  |  | **27,838,440** |

# Annex

## **Annex 1: List of Development partners and National Institutions for consultative meetings**

|  |  |  |
| --- | --- | --- |
| Institution | Name | Address/Telephone |
| World Bank | Mr. Sheik Sesay (Office in Charge Economist) | ++232 78347575 |
| Ministry of Finance and Economic Development (Local Government Dept) | Mr. Tommy Adams | Tel: +232 78365629Email: adtandors@gmail.com |
| Department for International Development | Shaminnah |  |
| Japan International Cooperation Agency (JICA) | Mitsukuni Sugimoto, Head, Japan International Cooperation AgencyToshihinde Kanaya, Project Formulatin Advisor | +232 76 809200Sugimoto. Mitsukuni@jica.go.jp+232 76541293Kanaya.Toshihide@jica.go.jp |
| National Mineral Agency | Mr. Peter Bangura; Director of Mines, National Mines and Mineral Agency | +232 79 252454pbangura@nma.gov.sl |
| German Development Corporation (EEPP) | Mr. Alphonso Campbell; Senior Employment and Private Sector Development Advisor | +232 79156 432Alphonso.campbell@giz.de |
| UNDP/ | Mr. Pious Bockarie; LED Project Manager | +232 76607943Pious.bockarie@undp.org |
| National Youth Commission (NAYCOM) | Mr. Manso Bangura (Youth Employment Coordination)Mr. Yusuf Kamara; M&E manager | +232 76950054+232 76805780thamroko@yahoo.co.uk |
| Ministry of Youth Affairs (M.O.Y.A) | Mr. Charles Moinina Director | +23276819431 |
| African Development Bank | Mr. Jamal Zayid (Chief Economist) | +232 30592727j.zayid@afdb.org |
| Food and Agricultural Organisation of the United Nations (FAO/UN) | Christian Schulze; Natural resources Management Officer | +232 78955687Christian.schulze@fao.org |

## **Annex 2: LIST OF TECHNICAL WORKING GROUP ON THE DEVELOPMENT OF THE LED POLICY AND ACTION PLAN**

|  |  |  |
| --- | --- | --- |
| Names | Institution | Telephone |
| Alhassan Kanu | Decentralisation Secretariat | +23276768846 |
| Adams Tommy | Ministry of Finance and Economic Development/LGFD | +23278365692 |
| Mr. Emmanuel Konjoh  | Local Content Agency | +23276829583 |
| Daniel Famah | Local Content Agency | +232 78473774 |
| Mr. Maryweather Thompson Ministry of Trade | Ministry of Trade and Industry |  |
| Bai Bai Sesay | Ministry of Agriculture, Forestry and Food Security | +23278277880 |
| Haron. Keh .Turay | Ministry of Local Government and Rural Development | +23276357192 |
| Mr. Pious Bockarie | UNDP | +232 76607943 |

## **Annex 3: Terms of Reference for the Technical Working Group**

**CONSULTANCY TO DEVELOP LED POLICY AND ACTION PLAN**

**Terms of reference for the Technical working group for developing Local Economic Development Policy and Action Plan**

UNDP/UNCDF/MLGRD has commissioned the development of a LED Policy and Action Plan to provide a guideline and framework for strengthening LED program in Sierra Leone. The introduction of local economic development could be seen as a complementary development strategy to support the decentralization policy and to fully harness the economic potentials of the localities for job creation and income generation for youth and women. The policy will create an enabling environment for the diversification of local economy through value chain development, improved livelihood through diversified and inclusive economic opportunities, increased entrepreneurship, economic productivity and improved services delivery. Strategic public private partnerships will be established with regional and local businesses and local councils with specific focus on creating wealth and jobs for the vulnerable groups. The policy will also closely examine the post EVD recovery strategies that relate to LED promotion in Sierra Leone.

The LED policy and Action plan shall be developed based on the principles of Participation, Consultation and partnership, the LED policy formulation.

Within this context, a technical working group on the development of the LED Policy and Action Plan will formed during a LED Multi-stakeholder working group. The working will work with the international consultant providing required support.

Objective: the main objective of the technical working group will be to provide support to international consultant during the development of the LED policy and Action Plan; specifically the technical working group will:

1. Work as resource person during the Multi-stakeholders’ workshop proposed 20th October 2016;
2. Support the consultant to develop thematic areas of the policy
3. Developing the tool to be used for data collection during consultative meetings;
4. Conduct consultative meetings, dialogue stakeholders through consultative meetings with different stakeholders including Ministries, Development partners, including UN Agencies;
5. Participate in periodic meeting to review the progress towards the development of the LED policy and Action Plan and provide necessary inputs in the drafted reports.
6. Actively participate in the validation work shop of the drafted LED policy and Action Plan.
7. Provide other support as shall be deemed necessary from time to time during the development of the policy and Action Plan.

## **Annex 4: List of documentations/publications reviewed**

1. Africa Development Bank (2011): Infrastructure and growth in Sierra Leone
2. Africa Development Bank: Sierra Leone Country Strategy 2013-2017 Africa. (A report for the World Bank) by Andrés Rodríguez-Pose and Sylvia Tijmstra
3. Christian R.M (2009: Strategic Review of LED in South Africa, Final report submitted to Minister Sicelo Shiceka (dplg)
4. Local Economic Development as an alternative approach to economic development in Sub-Saharan
5. Prof. Kadmiel Wekwete (2014): Local Government and Local Economic Development in South Africa. A paper prepared for Commonwealth Local Governments Forum.
6. Sierra Leone: Decentralisation Policy
7. Sierra Leone: Local content Act, 2016
8. The Environment Protection Act, 2008
9. Sierra Leone: Local Content Policy, 2012
10. Sierra Leone: National Decentralisation Program
11. Sierra Leone: National Sustainable Agricultural development Plan, 2010-20130
12. Sierra Leone: Poverty Reduction Paper (PRSP) 2013-2015
13. Sierra Leone: Poverty Reduction Paper (PRSP), 2008-2012
14. Sierra Leone: The Local Government Act, 2004
15. Statistic Sierra Leone (SSL, 2011): Sierra Leone Integrated and Household Survey (2011)
16. Statistics Sierra Leone (SSL, 2016): Sierra Leone 2015 Population and Housing Census; Provisional results
17. Stimulating and developing sustainable Local Economies: National framework for Local Economic Development (LED) in South Africa (2006-2011).
18. UNDP (2015): Human Development Report, 2015
19. UNDP (2015): UNDP Response to the Ebola Crisis in Sierra Leone: Restoring Livelihoods and fostering social and economic recovery.
20. UNDP/UNCDF/MLGRD: Local Economic Development: Peer Review and Methodology Workshop report, October, 2012
21. UNDP/UNCDF/MRGRD: National Conference on Local Economic Development in Sierra Leone.
22. UNDP/UNCDF: Local Economic Dev. Mapping Report. Kenema City Council, 2012.
23. UNDP/UNCDF: Local Economic Dev. Mapping Report. Kenema District Council, 2012.
24. UNDP/UNCDF: Local Economic Development Mapping Report. Moyamba District Council, 2012.
25. UNDP/UNCDF: Local Economic Dev. Strategy. Kenema City Council, 2014-2018.
26. UNDP/UNCDF: Local Economic Dev. Strategy. Kenema District Council, 2014-2018.
27. UNDP/UNCDF: Local Economic Dev. Strategy. Moyamba District Council, 2014-2018.
28. UNDP/UNCDF: Local Economic Dev. Strategy. Tonkolili District Council, 2014-2018.
1. Africa Development Bank Group, Country Strategy Paper, 2013-2017 [↑](#footnote-ref-1)
2. UNDP/UNCDF/MLGRD National Conference on LED, report, 2011, Rep. of Sierra Leone [↑](#footnote-ref-2)