

**Sierra Leone MDTF**

**Fund Signature Page**

<b>Participating UN Organisation(s):</b> UNDP	<b>Priority Area:</b> JV: II.5. Accessible and Credible Public Services VII. Helping Coordinate International Assistance AFC: 11. Effective Management of Natural Resources
<b>Programme Manager, Participating UN Organization:</b>  <b>Name:</b> Ms. Jiyong Jon, UNDP <b>Address:</b> 76 Wilkinson Road, Freetown <b>Telephone:</b> <b>E-mail:</b> Jiyong.Jon@undp.org	<b>Implementing Partner(s):</b>  <b>Name:</b> Mr Kawusu Kebbay - Director of DACO Ministry of Finance and Economic Development <b>Address:</b> <b>Telephone:</b> +232 76 610 968 <b>E-mail:</b> kawusukay@yahoo.co.uk
<b>Project Number:</b> Joint Vision Programme 3	<b>Programme Duration:</b> 3 years <b>Estimated Start-Up Date:</b> 1 JAN 2011
<b>Project Title:</b> Support to Aid Policy Implementation	<b>Programme Location:</b> Activities: Freetown Impact: Nationwide
<b>Project Description:</b> See attached Project Document	<b>Total Project Cost:</b> US\$1 200,000  <b>SL- MDTF (DFID):</b> \$400,420 <b>Government Input:</b> \$120,000 <b>UNDP regular:</b> \$300,000 <b>(Unfunded: \$376,000)</b>  <b>GRAND TOTAL:</b> \$820,420
<b>Development Goal and Key Outcomes:</b> PRS/MDG/Macro Economic Policy Development and Management Strengthened capacity for aid coordination; Increased coordination ant Sector and District levels; Improved aid information management and analysis; Higher mutual accountability for aid effectiveness;	
<b>Deliverables: (As detailed in the ProDoc)</b>  <i>Building a strong Government aid effectiveness team</i> <ul style="list-style-type: none"> <li>Recruitment of one young professional and three recent graduates as DACO support staff to work on DAD and DEPAC, Sector Working Groups, Budget Committees and more</li> <li>Recruitment of one dedicated contract staff to provide substantive secretariat to DEPAC</li> <li>Clarification of roles of DACO, DHACC, PDU, DEPAC and line Ministries in the aid system, including the development of a DACO action plan, list of deliverables, organogram, services standards and asset management policy</li> <li>Provision of training based on a comprehensive capacity development plan</li> <li>Provision of basic office equipment and supplies</li> </ul> <i>Strengthening coordination at sector and district levels</i> <ul style="list-style-type: none"> <li>Recruitment of three contract staff to form substantive link between MoFED and the Working Groups</li> <li>Provision of limited practical and logistical support to Working Group chairs</li> </ul> <i>Improving the quantity, quality and se of aid information:</i> <ul style="list-style-type: none"> <li>Renewal of the license and contract for hosting and technical support for the DAD</li> </ul>	

- Relying on the above staff for:
  - Training of the above staff and development partners on the DAD
  - Soliciting of regular data updates and provision of support to data entry and validation
  - Production of analysis and substantive reports on the state of aid and aid effectiveness in Sierra Leone
  - Soliciting of feedback from partners on the DAD system
  - Establishment of a quarterly e-Brief from DACO to development partners

	Signature	Date	Name/Title
UNDP		4 April 2011	Mr. Sevenais Sterling, Country Director a.i.
Co-Chair DEPA		5 April 2011	Mr. Vijay Pillai Country Manager The World Bank
Co-Chair DEPA		5 April 2011	Mr. Michael von der Schulenburg Executive Representative of the United Nations Secretary-General



## Project Document

**Project Title** Support to Aid Policy Implementation

**UNJV Priorities:** II.5. Accessible and Credible Public Services;  
VII. Helping Coordinate International Assistance

**Expected CP Outcome(s):** 2.1.1. PRS/MDG/Macro Economic Policy  
(Those linked to the project and extracted from the CP) Development and Management

**Expected Output(s):** Strengthened capacity for aid coordination;  
(Those that will result from the project) Increased coordination at Sector and District levels;  
Improved aid information management and analysis;  
Higher mutual accountability for aid effectiveness

**Executing Entity:** Ministry of Finance and Economic Development

**Implementing Agencies:** Ministry of Finance and Economic Development

## Brief Description

The programme will facilitate multi-donor support to the implementation of Sierra Leone's Aid Policy using the framework of the agreed Implementation Plan. The Government of Sierra Leone and its development partners will provide funding for the implementation of a holistic package of activities that will increase the overall effectiveness of aid in Sierra Leone. These activities are clustered around four main outputs: (1) Supporting a strong Government aid effectiveness team; (2) Increasing coordination at Sector and District levels; (3) Improving aid information and utilisation; (4) Improving mutual accountability for aid effectiveness.

The Multi-Donor Trust Fund established by the UN for Sierra Leone is proposed as the vehicle to channel both UNDP's and other development partners' contributions to this programme. The Ministry of Finance and Economic Development will implement the project through the Development Assistance Coordination Office (DACO) with administrative support from the Integrated Project Administration Unit (IPAU). To minimise transaction costs, funding will be disbursed to the Ministry of Finance and Economic Development (MoFED) in quarterly tranches and all financial requests, reports and accounts centralised in the IPAU.

Programme Period:	Jan 2011–Dec 2013	Total resources required:	\$1,200,000
Key Result Area (Strategic Plan)	Accessible & Credible Public Services	Total resources allocated:	\$ 816,000
Atlas Award ID:	48008	• UNDP regular	\$ 300,000
Atlas Project ID:	73614	• Other:	
Start date:	1 Jan 2011	◦ DFID	\$ 396,000
End date:	31 Dec 2013	◦ Donor	
PAC meeting date	9 Sept 2010	◦ Government	\$120,000
		◦ Unfunded:	\$376,000
		In-kind contributions:	
		◦	

Agreed by (Government)

Agreed by (UNDP):

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## I. SITUATION ANALYSIS

At the Consultative Group (CG) meeting held in Paris in 2002, the need to rationalise the aid landscape in Sierra Leone was underscored. It was against this background that the Development Assistance Coordination Office (DACO) was established in 2004 through a first phase of support to DACO by the Government of Sierra Leone, UNDP, the European Commission, DFID and World Bank. The project support came to an end in 2008 after the completion of the second PRSP – the Agenda for Change.

The achievements of the first phase of the project can be summarised briefly as:

- Built basic capacity for aid coordination within DACO
- Established the Development Assistance Database (DAD) to manage aid information
- Coordinated the development of the two poverty reduction strategies (PRSPs)
- Established PRSP pillar working groups for aid coordination and PRSP monitoring
- Facilitated surveys on the Paris Declaration principles and the principles of Good International Engagement in Fragile States and Situations
- Prepared periodic reports on aid inflows to Sierra Leone

Despite these achievements, the Government of Sierra Leone is still faced with the challenge of ensuring effective institutional mechanisms for aid management. As a first step, the Government of Sierra Leone developed an Aid Policy in 2009 which was subsequently endorsed at the CG meeting in London in November 2009.

The fundamental analysis of the state of aid effectiveness in Sierra Leone, the related capacity challenges and the appropriate response has been undertaken repeatedly in a number of documents and consultative discussions, and will not be repeated in its entirety in this document. For further such details beyond the core analysis outlined below, the reader is referred to the 2008 **Survey of the Paris Declaration on Aid Effectiveness<sup>1</sup>**, the 2009 **Aid Policy<sup>2</sup>** and the 2010 **Aid Policy Implementation Plan** as well as to the outcome documents from the **formulation mission exit meeting to stakeholders in Freetown in June 2010**, the **consultation on the OECD Principles for Good International Engagement in Fragile States and Situations** in October 2009 and the **consolidated comments of the development partners to the draft Aid Policy** in July 2009.

For obvious reasons, the most central document is the mutually endorsed Aid Policy—in which all the stakeholders have a practical blueprint to enhance aid effectiveness and monitor progress—and the Aid Policy Implementation Plan, which this project is directly formulated to support and which therefore forms the overarching results framework guiding it in spirit as well as in practice.

Also important is the **UN Joint Vision for Sierra Leone<sup>3</sup>**, the UN's concerted contribution to support the successful implementation of the country's PRSP II and deliver on the peacebuilding and development mandate of the UN. In so doing, the Joint Vision highlights that it will *"put into practice the main principles of the Paris Declaration on Aid Effectiveness"*. The Joint Vision is in itself a substantial contribution to the Paris Agenda by establishing a single programme, a common budgetary framework and a harmonised reporting mechanism for all resident and non-resident UN organisations active in Sierra Leone.

With aid making up nearly 18% of national GDP, its efficient and effective use is of key importance to development and peace consolidation in Sierra Leone. However, the Government and its development partners recognise that such use is not currently the norm, as noted in the Aid Policy: "Sierra Leone remains well short of internationally agreed targets on Aid Effectiveness."

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<sup>1</sup> <http://www.oecd.org/dataoecd/3/27/41952575.pdf>

<sup>2</sup> [http://www.sierraleoneconference2009.org/docs/sl\\_aid\\_policy.pdf](http://www.sierraleoneconference2009.org/docs/sl_aid_policy.pdf)

<sup>3</sup> [http://www.sl.undp.org/1\\_doc/joint\\_un\\_vision\\_sl\\_final.pdf](http://www.sl.undp.org/1_doc/joint_un_vision_sl_final.pdf)

The main issues highlighted by Government, partners and the aforementioned reports include:

- a. **Serious fragmentation of projects and implementation modalities**, with a notable but insufficient attempt towards SWAPs, MDTFs and other multi donor arrangements and little effort to harmonise the plethora of administrative, reporting and monitoring requirements that “present a huge capacity drain on GoSL” (OECD).
- b. **Imperfect alignment to Government strategies**, partly due to the lack of sufficiently detailed and results-oriented sector planning frameworks, which makes it worth noting the admonishment in the Aid Policy for partners “to align with sector strategies where they exist and to assist Government with their articulation in their absence” (emphasis added).
- c. **Weak capacity across the public service**, including aid coordination structures, as well as “the tendency for this to be used by GoSL as a universal justification for inaction” perceived by some of the partners (ODI).
- d. **Continuing proliferation of parallel implementation units (PIUs)** and opaque salary top-up schemes by development partners to Government officials and staff in line functions, tending to distort incentives and weaken efforts to build capacities within the public service.
- e. **Persistent dearth of information on past, present or future aid flows and their use**, despite the existence since 2007 of an online aid database (DAD) and regular pleas from Government to its partners for data on past years and projections for coming ones.
- f. **Low use of national systems and aid on budget**, resulting from the poor quality of public financial management as well as a lack of accurate data on aid flows. It is worth noting here the explicit commitments in the Accra Agenda for Action by donors to use country systems as the first option and, where such support is not deemed feasible, *to support the Government in diagnosing and remedying the weaknesses with a view to increasing the use of national systems*.<sup>4</sup>
- g. **Unsustainable capacity development support and use of technical assistance**. The Aid Policy explicitly requires of partners that “aid and technical assistance planning should focus on sustainability and include clear articulations of exit strategies”, be “co-ordinated and Government-led” and “focused on transferring knowledge through harmonised programmes that are consistent with Sierra Leone’s development priorities.”

The above analysis is reflected in various reports, e.g. the 2008 Paris Declaration monitoring survey where Sierra Leone scores poorly in terms of aid recorded on budget (54%), coordinated capacity development (22%), use of national public financial management systems (20%), in-year predictability (30%), and use of common arrangements (27%) (see Annex for full outline of PD survey results).<sup>5</sup>

It is also reflected in the conclusions of the 2009 OECD report that “donors need to make real progress in simplifying and harmonising their support” and that “the time has now come to re-evaluate the level of risk donors are willing to accept and to understand that fully empowering the GoSL to manage its revenue, and to account for it to both donors and to citizens of Sierra Leone, is an essential step that must inevitably be taken.”

In line with the above, the Aid Policy underscores the need to strengthen Government’s ownership of the development process, improve alignment and harmonisation, predictability, utilisation and reporting on aid. The Policy attempts to address these issues through developing capacities, strengthening partnerships and promoting mutual accountability. In this regard, the Government of Sierra Leone and development partners have committed themselves to the implementation of the Aid Policy Action Plan.

The Government and its partners do not start from zero in this effort but can build on the achievements of the previous support to DACO project. The establishment of an enabling

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<sup>4</sup> It is further worth noting that donors in the AAA pledge to “immediately start working on and sharing transparent plans for undertaking their Paris commitments on using country systems all forms of development assistance; provide staff guidance on how these systems can be used; and ensure that internal incentives encourage their use.”

<sup>5</sup> As the PD survey is based on self-reporting, some bias towards positive results is generally assumed. A case in point is the result that Sierra Leone in 2007 had only two PIUs, which is widely recognized as being far off the mark.

institutional framework for the Government to take the lead on aid effectiveness is well underway, with the following key results recently achieved:

- DACO has been integrated into the MoFED and empowered with a clear mandate on aid coordination and aid effectiveness.
- DACO has produced the Sierra Leone Aid Policy (adopted by Cabinet in Nov 2009) and concomitant Aid Policy Implementation Plan (adopted Mar 2010) in a participatory process engaging the development partners in several rounds of discussion and revision.
- Two Development Partners Committee meetings have been organised by DACO in May and September 2010, with a third planned for the end of the year.
- DACO has proposed a sector Division of Labour (DoL) for development partners which has been agreed in principle.
- DACO has taken ownership of the Development Assistance Database (DAD) and led several rounds of data updates, training sessions for development partners and basic analysis.
- The structure of Sector Working Groups (SWGs) has been agreed, including Government chairs and development partner co-chairs, with work begun on six sectors based on priority and prior existence of working groups.
- DACO has drafted generic TORs for both Sector and District Working Groups (DWGs) and worked with chairs to tailor these TORs for respective SWGs.
- DACO has facilitated the 2008 Paris Declaration Survey as well as the 2009 consultations on the OECD Principles for Good International Engagement in Fragile States and Situations and is currently preparing the next Survey to be conducted in February 2011.
- Sierra Leone, through DACO, has recently become an active and appreciated participant in international aid fora, including the International Aid Transparency Initiative (IATI).
- A Donor Harmonisation and Aid Coordination Committee (DHACC) is being established as a cross-Governmental body to review proposed programmes and projects financed by development partners.
- A Project Development Unit (PDU) is being established in MoFED to facilitate and support the work of the DHACC.

These results all build directly on the support provided in the former multi-donor project *Support to Aid Coordination*, notably in the form of (a) the DACO staff capacitated by the initial project, who were taken onto the MoFED payroll and form the core of present Government efforts to strengthen aid effectiveness (b) the DAD which was established and maintained by that project (c) experiences from organising DEPAC and Pillar Working Groups as well as results based management and reporting on PRSP results, development assistance flows and aid effectiveness supported by the initial project.

Continued progress will however required sustained support by development partners. The Ministry of Finance and Economic Development has therefore requested a multi-donor project to provide the financial and technical resources to enable the Government to strengthen its leadership on aid effectiveness. It is expected that the partners will also benefit from this investment through increased synergies, reduced transactions costs and limited duplication of efforts. More fundamentally, however, the proposed project is a practical means of living up to aid effectiveness commitments frequently made at the global as well as local level.

In conclusion, the Sierra Leone Aid Policy "recognises that donors and the Government have collective responsibility to build a stable, effective and accountable state in order to promote effective ownership and thus more effective aid. This notion of shared responsibility underpins the principles [of the Aid Policy]" as well as this proposed multi-stakeholder project.

To achieve the above objectives, the project will undertake the following main activities:

**1. Building a strong Government aid effectiveness team**

- a. Recruitment of one (1) young professional and one (1) recent graduate as DACO support staff under the UNV modality to strengthen aid monitoring through the DAD by scaling up work on:
  - i. training counterparts;
  - ii. collecting and entering data;
  - iii. analysing aid flows and aid effectiveness;
  - iv. producing reports on the state of aid and aid effectiveness;
  - v. enhancing and troubleshooting the system etc.
- b. Recruitment of two (2) recent graduates as DACO support staff under the UNV modality to enable basic coordination functions, including quarterly DEPAC meetings and working linkages with the SWGs, Budget Committees, DHACC, PDU and development partners.
- c. Recruitment of one (1) dedicated contract staff to provide a substantive secretariat for DEPAC to greatly enhance planning, preparation, follow-up and communication around these meetings by:
  - i. implementing a strict meeting schedule;
  - ii. managing a system for agenda-setting;
  - iii. soliciting and ensuring the quality of meeting inputs;
  - iv. taking and sharing detailed minutes;
  - v. ensuring professional follow-up on action points;
  - vi. producing regular communications around DEPAC; etc.
- d. Clarification of the respective roles of DACO, DHACC, PDU, DEPAC and line Ministries in the aid system, including the development of a DACO action plan, list of deliverables, organogram, services standards and asset management policy.
- e. Provision of training activities based on a comprehensive capacity development plan designed from a needs assessment undertaken in the initial phase of the project and financed by a Capacity Development Fund (see Annex for TORs).
- f. Provision of basic office equipment and supplies on a needs basis.

**2. Strengthening coordination at sector and District level**

- a. Recruitment of three (3) contract staff to form the substantive and operational link between MoFED and the Working Groups, each assigned to specific Sector and DWGs and tasked with:
  - i. providing central guidance and support to the work of the WGs;
  - ii. monitoring progress on PRSP and aid effectiveness targets
  - iii. identifying and resolving challenges;
  - iv. synthesizing information from the WGs to the Ministry and the DEPAC to enhance the policy and programme dialogue around development assistance
  - v. liaising closely with Government and development partners in the respective sectors/Districts to promote key aid effectiveness objectives such as Division of Labour arrangements, mutual accountability, coordinated mission planning, joint analysis and programming etc.;
  - vi. establishing formal linkages between DACO, the MoFED Budget Committees, the SWGs and the DWGs.
- b. Provision of limited practical and logistical support to Working Group chairs that lack sufficient capacities to undertake their role and whose co-chairs and partners are not providing such support, in the form of a Working Group Fund (see Annex for TORs)

**3. Improving the quantity, quality and use of aid information**

- a. Renewal of the license and contract for hosting and technical support for the Development Assistance Database.
- b. Relying on the staff in (1a) and (2a) above:

- i. Training of government and development partners on the importance, use and functionality of the DAD;
- ii. Soliciting of regular data updates, support to data entry and validation of those data with government and development partners;
- iii. Production of analysis and substantive reports on the state of aid and aid effectiveness in Sierra Leone drawing on the improved data in the DAD, including an annual Aid Report;
- iv. Soliciting of feedback from partners on the DAD system, identification of problems and recommendations for improvement for further communication to the technical service provider;
- v. Establishment of a Quarterly e-Brief from DACO to development partners covering progress on the aid policy, outstanding commitments and new programmes and projects that have been approved.

#### 4. Checks on mutual commitments

- a. Drafting, consultation and agreement of a Mutual Accountability Framework (MAF) for aid effectiveness setting forth localised commitments from both government and development partners in furtherance of agreements made in the Paris Declaration, Accra Agenda for Action etc.
- b. Ongoing tracking of progress and compliance by the Ministry of Finance and Economic Development,
- c. Independent assessments of the compliance of government and development partners with the MAF by external monitors.

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## II. STRATEGY

The Government's Aid Policy Implementation Plan provides the main strategic framework for the improvement of aid mobilisation, delivery and monitoring. The Aid Policy highlights the need to enhance Government ownership and capacity, improve information flows, deliver on practical coordination at the sector and District level and ensure more rigorous mutual accountability. This project concentrates directly on supporting the Government in realizing its Aid Policy by meeting these needs.

It is of paramount importance for support to aid effectiveness to ensure strong Government ownership, strengthen the use of national systems and build sustainable capacity to undertake the work. For this reason, the programme concentrates directly on supporting GoSL in implementing its Aid Policy, including a substantial capacity building element, and aims to exclusively recruit nationals who are to be absorbed into the civil service on completion of the programme. Internationals will be hired only to provide technical skills not otherwise available in Sierra Leone and will be geared towards designing technical solutions or providing capacity development for national staff on a on a short term (max 1yr) basis.

With these tenets in mind, the programme is built around the following pillars:

- Firstly, **building a strong Government aid effectiveness team** is an essential pre-requisite for the delivery of the other actions proposed. It is also a clear commitment of the agreed Aid Policy.
- Secondly, **strengthening coordination at the sector and District level** will promote more and better joint work with clear Government sector strategies that development partners can align and harmonise behind. This should mean better use of aid and therefore improved implementation of the PRSP.
- Thirdly, **improving the quality and use of aid information** is essential for keeping Government and development partners informed on what is happening, where gaps and overlaps lie, what works and what needs working on. It will facilitate informed management decision-making on where and how to best target aid.



- Fourthly, **checks on mutual commitments** is necessary to call both sides to account for specific deliverables, a fundamental element that has been somewhat neglected in the past, with the result that commitments on paper have not always been put into practice.

The project's core strategy is one of **sustainable capacity development**, as it is widely acknowledged that a key constraint to improving aid effectiveness in Sierra Leone. Both the Agenda for Change and the UN Joint Vision recognise that building Government's capacity for aid management and improving aid effectiveness is vital to the success of the Agenda for Change as well as to sustainable peace and development in the country.

As the precise training requirements and forms of delivery cannot be planned in detail at the time of signature of the project, a needs assessment will in the initial phase be conducted in order to design a capacity development plan that identifies in sufficient detail the key content, recipients and delivery methods for training support to be provided by the project. Once approved by the Project Board, this plan will form the basis for project financing of training activities so as to ensure that they are coordinated, well defined and subject to general agreement among the participating partners.

To increase transparency and accountability around of the use of resources, financing for training activities will be managed through a Capacity Development Fund, whose detailed terms of reference are available in Annex 3. Similarly, funding for the moderate logistical support that the Sector and District Working Groups may require will be managed under a Fund with explicit terms of reference outlined in Annex 4.

This project aims to primarily build the capacity of the Ministry of Finance and Economic Development, which has the core mandate for aid coordination, and secondarily, that of the line Ministries, District Councils and to some extent also the development partners. All training activities will be targeted towards staff, systems and structures that will remain in place beyond the programme and will seek to build the following capacities:

#### **Ministry of Finance and Economic Development / National**

- Gather, analyse and utilize information on the volume and use of aid funds in the country, notably including a closer integration of such funds into the national budget process and linkages to the PRSP and its intended results.
- Facilitate a strong strategic dialogue around PRSP implementation and aid effectiveness in the Development Partners Committee (DEPAC), including strengthened preparation and follow-up of deliberations and decisions to ensure that aid is optimally aligned to the national development priorities.
- Maintain focus and momentum behind key initiatives to make progress on aid effectiveness and commitments from the Paris Declaration and Accra Agenda for Action (e.g. strengthening national systems, increasing operational harmonisation, reducing project fragmentation and the use of PIUs, coordinating missions and analytical work, etc.).
- Provide technical and some administrative support to line Ministries in organising effective coordination through the respective SWGs, details below.
- Provide technical and some administrative support to District Councils in organising effective coordination through the respective DWGs; details below.
- Establish an efficient structure for feeding information from the SWGs and DWGs into the DEPAC deliberations and vice versa as well as into the national budget process.
- Design, conclude, monitor and report on a MAF for aid effectiveness with measurable commitments from both Government and its partners, based on an agreed local adaptation of the Paris and Accra frameworks.
- Communicate effectively progress, challenges and key updates around aid effectiveness, the realisation of the Aid Policy and achievement of national development results.

- Represent post-conflict and least developed countries in international aid fora such as the High Level Forum on Aid Effectiveness and the IATI.

#### **Line Ministries / Sectoral**

- Organise effective SWGs to undertake coordination in their areas of mandate, including administrative and logistical aspects as well as substantive elements, to ensure that aid is aligned with sector priorities.
- Oversee the participatory design of and agreement on a sector strategy for PRSP implementation along which development partners are requested to align.
- Coordinate the continuous monitoring and reporting of results against the sector strategy and, as the next step where possible, an associated sector capacity development plan.
- Facilitate broad ongoing dialogue in the SWGs around needs, challenges and priorities in the sector for mutual learning and discussion as well as for further reporting to the DEPAC.
- Maintain up to date information on the level and distribution of aid funds, partners active in the sector and all significant initiatives ongoing or being planned.
- Facilitate peer review of planned projects against the background of the sector strategy, the list of known interventions and SWG discussions around needs and priorities.
- Coordinate upcoming missions and analytical work among all partners active in the sector to capture synergies and avoid duplication of efforts.

#### **District Councils / Local**

- Organise effective DWGs to undertake coordination in their respective localities, including administrative and logistical aspects as well as substantive elements, to ensure that aid is aligned with local priorities.
- Coordinate the continuous monitoring and reporting of results against the PRSP goals.
- Facilitate broad ongoing dialogue in the DWGs around needs, challenges and priorities in the District for mutual learning and discussion as well as for further reporting to the DEPAC.
- Maintain up to date information on partners active in the District and all significant initiatives ongoing or being planned.

### III. RESULTS AND RESOURCES FRAMEWORK

<b>Overall Goal</b> To improve the effectiveness of aid to support the implementation of the Agenda for Change and the Millennium Development Goals in Sierra Leone, by implementing the Government of Sierra Leone's Aid Policy and thereby enhancing development outcomes in the country					
<b>Intended Outcomes</b> GoSL Aid Policy Outcomes: Each activity in the results framework below is explicitly marked against specific activities identified in the Aid Policy Implementation Plan results matrix. UNDP Country Programme Outcomes: 2.1 MDG based Poverty Reduction 2.1.1 PRS/MDG/Macro Economic Policy Development and Management UNDP Global Key Result Area: C. Effective aid management					
<b>Partnership Strategy</b> The project will inherently work in close partnership with a range of actors, including line Ministries, development partners and District Councils. The Development Partners Group regularly convened by the ERSF and the World Bank will play a significant role, as will the UN-SPU tasked with coordinating the UN Organisations through the implementation of the UN Joint Vision. Both will support the process by facilitating discussion, dissemination and the formulation of common positions among the development partners, much like MoFED will do on the Government side.					
<b>Project title and Atlas ID:</b> Support to Aid Policy Implementation [Atlas Award 48008; Project 73614]					
OBJECTIVES	LINK TO AID POLICY RESULTS MATRIX	ACTIVITIES	ANNUAL TARGETS / VERIFIABLE OUTPUTS	EXPECTED OUTCOMES	INPUTS
<b>Objective 1:</b>  To Improve GoSL capacity for aid coordination  <b>Baseline:</b> DACO established within the Ministry of Finance with 3 staff but is constrained by manpower shortage, technical capacity, weak internet connectivity and ageing equipment	A.2.2: Enhance MoFED and line ministries capacity to perform regular aid co-ordination and monitoring functions.  A.1.5: GoSL participates in regional & international AE fora.  A.1.4: District Groups identified operational.	1 Strengthen the HR and IT capacity of the Ministry <ul style="list-style-type: none"><li>Assess the training needs of DACO staff, selected line Ministry Staff and selected District staff who will work jointly to strengthen aid coordination at central and local levels.</li><li>Design and implement appropriate training, coaching and capacity building activities, financed by a dedicated capacity development fund (see TORs in Annex).</li><li>Maintain active participation in regional and international dialogue on aid effectiveness to learn from the experience of others and contribute lessons from Sierra Leone.</li><li>Recruit 3 new Contract Staff, 1 Aid Information Specialist, 3 UNVs and one administration</li></ul>	<b>Responsible parties: MoFED supported by dev't partners</b>  2011: Training needs assessment completed and training plan implemented 2011/12: Trainings held as per capacity building plan; Sierra Leone participates in international aid fora;	Learning environment created to facilitate better understanding of aid effectiveness principles and how they might be implemented.	Contract staff: salaries of \$108,000 Aid Information Specialist: salary of \$36,000 UNVs: salaries of \$32,400 Administration person: salary of \$14,400 Capacity development fund: \$350,000 Computers: \$8,000 Printers: \$1,500 Photocopier: \$1,000

DEPAC meetings held infrequently (3 meetings in the past 2 years)	A.4.7. DAD training given to focal points in district council.	<p>person to work in the Development Assistance Coordination Office (DACO) for 3 years.</p> <p>Procure 5 computers, 3 printers, 1 photocopier, 1 server and 6 months' temporary internet connection.</p>	<p>Server: \$2,000</p> <p>6 months internet connection: \$6,000</p>
A Multilateral Projects Division (MPD) and NGO Unit exist in MoFED	<p>F.5.2. Sensitisation on aid policy at District and local level</p> <p>E.2.1. DEPAC to meet quarterly</p> <p>B.2.1. Capacity Building support coordinated.</p> <p>B.2.2. TA demand-driven, build national capacities &amp; represent value for money</p>	<p>2. <u>Further professionalization of Government aid effectiveness work.</u></p> <ul style="list-style-type: none"> <li>Consult Government and donors to clarify the optimal purpose for DEPAC meetings and how they might be used to further the aid effectiveness agenda.</li> <li>Circulate an annual schedule of meeting dates to facilitate planning. Prepare the DEPAC meetings to get as much value from them as possible.</li> <li>Recruit 1 dedicated Contract Staff to provide a secretariat for DEPAC.</li> <li>Instructions formulated for line ministries on aid management and their obligations.</li> <li>Clear procedures and reporting established between DACO and Sector Working Groups and District Working Groups.</li> <li>Systems and procedures for facilitating District Working Groups' links with DACO, Sector Working Groups and line ministries established.</li> <li>Short term TA (STTA) brought in as needed to support all of the above on specific technical points</li> </ul>	<p>DEPAC meeting adapted to improve Govt/donor dialogue and to further aid effectiveness agenda.</p> <p>Contract Staff: salary of \$36,000</p> <p>Hosting of DEPAC meetings: \$18,000</p> <p>Short term TA: \$120,000</p>
Objective 2: To Increase coordination at Sector and District levels	<p>A.1.3. SWGs identified &amp; operational in priority areas.</p> <p>C.2.1. DP's sector strategies align with GoSL sector strategies</p>	<p><b>Responsible parties:</b> MoFED; charring line Ministries; District Councils</p> <p><b>2011:</b> Jointly agreed and owned processes to enhance aid effectiveness developed / improved at central and district</p>	<p>Staffing and IT under mentioned objective 1</p> <p>Fund for providing support to SWGs where lead donor support is lacking: \$50,000</p> <p>Fund to support District</p>
Baseline: Working groups have been established for		<p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>Staff numbers</li> <li>IT equipment inventory</li> <li>Training/coaching received</li> </ul>	<p>Strengthened coordination mechanisms to facilitate information sharing and better collaboration and alignment.</p>

<p>priority sectors based on existing structures.</p> <p>Health and Agriculture Ministries are actively leading aid coordination at central level but district level coordination is not linked and neither are there strong links to DACO.</p> <p>Joint missions, joint evaluations etc limited</p> <p>Quiet period from August – October set out in Aid Policy but not implemented</p>	<p>F.4.1. DPs agree to work within frameworks agreed in SWGs &amp; other frameworks of cooperation</p> <p>H.2.2. SWGs verify and utilise DAD data to upgrade budget data</p> <p>H.2.1. Dialogue between MoFED &amp; SWGs (so that aid info gets integrated into the budget).</p> <p>D.1.2. Sectoral meetings to agree on DP lead in each sector</p> <p>D.2.1. DPs and GoSL continue with successful PBAs</p> <p>D.2.2. DPs and GoSL implement PBAs in new sectors</p>	<ul style="list-style-type: none"> <li>and local councils to undertake mapping of the sectors and regions in which donor partners are operating.</li> <li>Support line Ministries and District Councils to lead the coordination process at central and District level and establish coherent Sector and District Working Groups</li> <li>Establish formal linkages between SWGs and Budget Committees to help integrate aid into the budget process</li> <li>Establish effective linkages between SWGs, District Working Groups and DEPAC.</li> </ul> <p>2 <u>Establish Division of Labour (DoL) between development partners</u></p> <ul style="list-style-type: none"> <li>Work with partners, line ministries and districts to finalise a DoL framework including defining roles and responsibilities of lead / support donors based on development partners' sectoral involvement, comparative advantages, programming cycles and future plans.</li> <li>Agree on rationalisation measures like joint strategies, programmes, sector concentration, realignment etc. to implement DoL</li> </ul>	<p>level with strong linkages and support from DACO;</p> <p>Quarterly reports on on-going projects and planned investments distributed to sectors and donor partners;</p> <p>6 SWGs functioning;</p> <p>1 DWG piloted</p> <p>2012:</p> <p>6 SWGs and several DWGs added;</p> <p>SWGs/DWGs linked;</p> <p><b>Responsible parties:</b> Dev't partners in cooperation with MoFED and line Ministries</p> <p>2011: Jointly owned DoL framework developed and agreed;</p> <p>Rationalisation measures agreed;</p> <p>2012:</p> <p>DoL and rationalisation measures implemented</p> <p><b>Indicators:</b></p> <p>Number of operational Sector and District Working Groups</p> <p>Regularity of Working Group meetings</p> <p>DoL framework agreed</p> <p>Level of fragmentation at the sector level as measured by number and average size of</p>	<p>Working Groups:</p> <p>\$100,000</p>
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	other forms of aid according to commitment schedule  D.2.3. GoSL and DPs conduct joint missions and joint analytical works	DACO to development partners covering progress on the aid policy, outstanding commitments and new programmes and projects that have been approved	quarterly <b>Indicators:</b> Percentage of DAD projects with complete information Accuracy and comprehensiveness of DAD information User perception of the system and its functionality Number of Development Assistance Reports produced Number of aid coordination e-briefs produced	Partners are kept regularly informed of progress on aid coordination and aid effectiveness	
<b>Objective 4 – To improve transparency and accountability in aid utilisation</b>  <b>Baseline:</b>  GoSL and development partners dialogue at DEPAC and DACO is engaging with OECD Paris Declaration Monitoring and OECD States Monitoring.  However there is no mutual accountability framework for GoSL/DP commitments on aid effectiveness  Technical assistance	G.1.1. Mutual Accountability framework developed by MoFED and shared with DPs G.1.2. Framework agreed and adopted F.2.1. Annual internal checks of aid effectiveness carried out F.2.2. DPs institute peer review in country.	1 <b>Establish monitoring frameworks</b> ▪ Work with donors, line ministries and districts to develop and sign a Mutual Accountability Framework. ▪ Undertake periodic monitoring and reporting on the Mutual Accountability Framework, including annual monitoring by independent monitors. ▪ Facilitate the national endorsement of the International Aid Transparency Initiative (IATI) ▪ Facilitate surveys on the Paris Declaration and Fragile States monitoring. ▪ Engage with line Ministries and Donors to draft guidelines for TA and Top-ups  2 <b>Reporting on progress and challenges</b> ▪ Provide public access to commitments and monitoring results for the Mutual Accountability Framework, Paris Declaration, Fragile States	<b>Responsible parties: MoFED and dev't partners; DACO leads drafting</b> <b>2011: Jointly owned mutual accountability framework in place;</b> <i>Surveys on Paris Declaration and Fragile States undertaken and reports made available;</i> <b>Results fed into DEPAC discussions and utilised to inform planning to improve future performance.</b> <b>2012: Jointly agreed guidelines for TA and Top-ups in place and plan to monitor their implementation devised.</b>	Government and donors agree on mutual responsibilities for improved transparency and accountability to facilitate development outcomes	Staffing and IT under Objective 1  Independent monitors: \$60,000
			<b>Responsible parties: MoFED</b> <b>2011: Rating method drafted and agreed;</b> <b>2011-13: Quarterly progress</b>	Reports adherence commitments on to are	

and salary top-ups are not coordinated The limited use of joint processes for planning, implementation and evaluation creates a heavy aid management burden on GoSL		<p>initiative, IATI, etc including the reports of independent monitors</p> <ul style="list-style-type: none"> <li>▪ Circulate regular updates on progress including individual ratings for each development partner and Government on aid effectiveness progress.</li> </ul>	<p>report made: <i>End-of-year progress report by independent monitors produced.</i></p> <p><u>Indicators:</u> Existence of Mutual Accountability Framework Regularity of MAF monitoring Percentage of follow-up actions implemented in a timely manner.</p>	regularly circulated to promote discussion and increase accountability	
<b>SUM TOTAL</b> (incl. UNDP GMS, ISS and other costs as relevant)					415,033,300



#### IV. ANNUAL WORK PLAN

Year: 2011

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Funding Source	Amount
<b>Output 1 – Improved GoSL capacity for aid coordination</b>  <i>Baseline: as above. Indicators: as above. Targets: as above.</i>	1. Strengthen the HR and IT capacity of the Ministry	X	X			MoFED and UNDP	UNDP + Contributing Donors	\$36,000
	▪ Capacity assessment and development of capacity development plan						1 x Aid Information Specialist	\$12,000
	▪ 3 Contract Staff, 1 Aid Information Specialist, 3 UNVs and 1 admin person	X	X	X	X		3 x UNVs	\$10,800
	▪ Procurement of 8 computers, 3 printers, 1 photocopier, 1 server and 6 months' temporary internet connection.						1 x administration person	\$4,800
							Capacity assessment	\$30,000
							Trainings	\$30,000
							8 x laptops	\$8,000
							3 x printers	\$1,500
							1 x photocopier	\$1,000
							1 x server	\$2,000
							6 months' internet connection	\$6,000

*Q Sep*

<p>2. Further professionalisation of Government aid effectiveness work.</p> <ul style="list-style-type: none"> <li>DACO action plan, deliverables, organogram, services standards and asset management policy agreed and operationalised.</li> <li>1 Contract Staff to provide a secretariat for DEPAC.</li> <li>Meeting schedule for DEPAC agreed, meetings facilitated and system of agenda-setting, minute-taking and follow-up established.</li> <li>Instructions formulated for line ministries on aid management and their obligations.</li> <li>Participate in Regional and International Aid Effectiveness meetings/conferences</li> <li>Short term TA as needed</li> </ul>	X								
	X	X	X	X				1 x Contract staff	\$12,000
	X	X						DEPAC (quarterly)	\$6,000
		X	X	X				International Travel	\$50,000
	X	X	X	X				TA	\$30,000

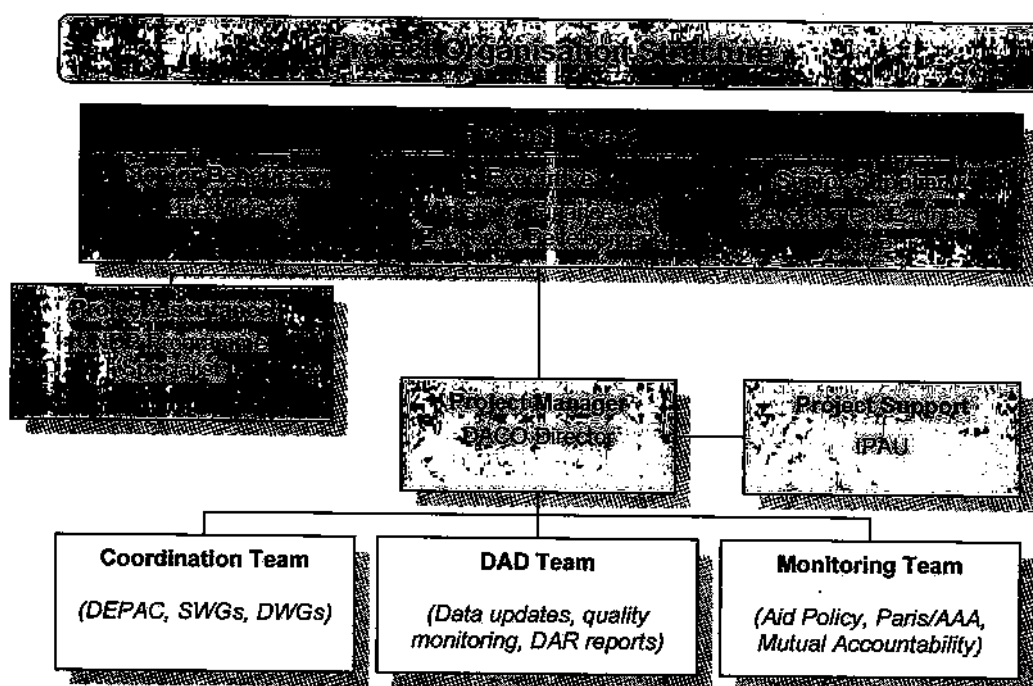
MoFED

<b>Output 2 – Increased coordination at Sector and District levels</b> <i>Baseline: as above.</i> <i>Indicators: as above.</i> <i>Targets: as above.</i>	<b>1. Improved Sector and District Coordination</b> <ul style="list-style-type: none"> <li>Full establishment of priority Sector Working Groups with Government chairs, lead donors (with agreed roles and responsibilities) as co-chairs, agreed ToRs, core deliverables, action plans and meeting schedules.</li> <li>Formal linkages established between SWGS and Budget Committees.</li> <li>At least one District Working Group piloted.</li> <li>Systems and procedures for facilitating District Working Groups links with DACO, Sector Working Groups and line ministries established and operationalised.</li> </ul>						X	X				MoFED with sector lead line Ministries, DPs plus relevant District Councils	UNDP + Contributing Donors	Funding for support to SWGs where lead donor support is lacking ( <i>part of Working Group Fund</i> )	\$15,000
							X	X	X	X		Funding to support District Working Groups	\$30,000		
<b>2. Establish Division of Labour (DoL) between development partners</b> <ul style="list-style-type: none"> <li>Development of DoL framework based on donors' sectoral involvement, perceived comparative advantages, programming cycles and future plans.</li> <li>Agreement on rationalisation measures such as joint strategies, programmes, sectoral concentration, realignment etc. in order to implement division of labour.</li> </ul>						X	X		X		Dev't partners in cooperation with MoFED and line Ministries	UNDP + Contributing Donors			

<b>Output 3 – Quality and comprehensive aid data produced and its use improved</b>  <i>Baseline:</i> as above. <i>Indicators:</i> as above. <i>Targets:</i> as above.	<b>1. Improve aid information flow</b> <ul style="list-style-type: none"> <li>Establishment of a Quarterly e-Brief from DACO to donors covering progress on the aid policy, outstanding commitments and new programmes and projects that have been approved.</li> </ul>	X	X	X	X	X	DACO	UNDP + Contributing Donors	(staff and IT mentioned above)	
	<b>2. Regular update on donor activities</b> <ul style="list-style-type: none"> <li>Donors make a full update of all their projects and programmes on the DAD, with high quality information in the correct format (training provided by DACO, if necessary).</li> </ul>	X	X	X	X	X	Development partners with tech support by DACO	UNDP + Contributing Donors	(staff and IT mentioned above)	
	<b>3. Create a more user-friendly and useful management information system for aid</b> <ul style="list-style-type: none"> <li>Government and donors propose specific improvements to DAD</li> <li>Improvements implemented</li> <li>Development Assistance Report for 2010 finalised capitalising on the updated DAD data.</li> </ul>	X	X	X	X	X	DACO and UNDP with DPs input	UNDP + Contributing Donors	TA for DAD improvements, aid analysis:  DAD maintenance & tech support	\$20,000  \$30,000
	<b>1. Establish monitoring frameworks</b> <ul style="list-style-type: none"> <li>Design of draft Framework based on consultations with stakeholders</li> <li>Signature of Framework by Government and donors.</li> <li>Undertake the 2011 Paris Declaration survey and Fragile States Principles Monitoring survey</li> </ul>	X	X	X	X	X	All partners with DACO lead on drafting	UNDP + Contributing Donors	Aid Report for 2010  (staff and IT mentioned above)	\$20,000  \$50,000
<b>Output 4 – Improved transparency and accountability in aid utilisation</b>  <i>Baseline:</i> as above. <i>Indicators:</i> as above. <i>Targets:</i> as above.										

	2. <u>Reporting on progress and challenges</u>					DACO	UNDP + Contributing Donors	(staff and IT mentioned above)	
	<ul style="list-style-type: none"><li>▪ Regular monitoring and publication of progress by DACO.</li><li>▪ Review by independent monitors</li></ul>								

## V. MANAGEMENT ARRANGEMENTS



In accordance with the National Implementation (NIM) modality, the project will be fully owned and implemented by MoFED through the DACO with administrative support from the IPAU. MoFED is chiefly responsible for the management and utilisation of project funds; financial and substantive reporting; implementation of activities; and the achievement of intended results. Within MoFED, DACO is the unit designated to take the lead on aid coordination and aid effectiveness efforts on behalf of the government and is thus responsible for substantive elements and reporting; IPAU is an existing project implementation unit with strong administrative capacities which will be responsible for financial and operational management and reporting.

Overall, guidance will be provided by a Project Board comprising of senior representatives from MoFED and the participating development partners. The Project Board is the group responsible for making (by consensus) management decisions for the project as and when required as well as for conducting annual reviews of project progress and results. Board decisions shall aim to ensure best value to money, fairness, integrity, transparency and effective international competition. The Board approves project work plans and authorizes any major deviation from the agreed plans; ensures that required resources are committed; arbitrates conflicts within the project or between the project and external bodies; etc.

UNDP will, in addition to financial resources, provide standard project management support for the NIM modality, notably the ongoing responsibility for project assurance and facilitation, including advancing funds to MoFED on a quarterly basis; monitoring progress according to work plan; reviewing quarterly financial receipts from MoFED; facilitating implementation and the production of outputs as necessary, including procurement and human resource services; ensuring the quality of final donor reporting; providing access to relevant international knowledge resources and best practice lessons; conducting audit as per UNDP rules and regulations; etc.

Participating donors will, in addition to financial resources, provide access to relevant international knowledge resources and best practice lessons as well as guidance and facilitation for the implementation of the project as required.

4

The contribution by the government of Sierra Leone will be in the form of co-financing. While not channelled through UNDP accounts, this contribution will be subject to the same financial and procurement rules, planning processes and reporting requirements as all other funding under the project. It will be deposited into the same MoFED project account into which advance payments are made and will be managed in a manner indistinguishable from other project funds. All project funds will therefore be comingled and treated uniformly in work plans, financial reports, audits etc.

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## VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

### Monitoring within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated by UNDP in Atlas and updated by the Project Manager and Project Assurance to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see Annex 1), a Risk Log shall be activated by UNDP in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, Quarterly Progress Reports (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project Lessons Learned Log shall be activated by UNDP and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons Learned Report at the end of the project.
- A Monitoring Schedule Plan shall be activated by UNDP in Atlas and updated to track key management actions/events.

### Annual monitoring

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon thereafter, to assess project performance and appraise the draft Annual Work Plan (AWP) for the following year. In the last year of the project life, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the assessing the extent to which progress is being made towards outputs and ensuring that these remain aligned to appropriate outcomes.

### Audits

- In accordance with UNDP financial rules and regulations, the project will be subject to regular external audit, the overarching objective of which is to provide UNDP and contributing donors with assurance as to the proper use of resources.
- The audit report will be required to include opinions on statements of annual expenditure; statements of assets and equipment; and statements of cash position; to ensure that they are adequately and fairly presented and that disbursements made are in accordance with the purpose for which funds have been allocated to the project. The audit report will also include any internal control weaknesses that the auditors would have identified.
- The cost of audit will be borne by project resources.



## Evaluation

- The Project Board may commission mid-term and/or end of project evaluation in order to assess the relevance, appropriateness, effectiveness, efficiency, impact and sustainability of development efforts, based on previously agreed criteria and benchmarks.
- The purposes of such evaluation are to provide a deeper assessment of what works and why; highlight intended and unintended results; and provide strategic lessons to guide the design and implementation of the project as well as future initiatives in a related area.
- The cost of such evaluation, if any, will be borne by project resources.

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## **VII. LEGAL CONTEXT**

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on (date).

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

## ANNEX 1. RISK LOG

Problem	Root Cause	Impact	Intervention	Responsible Party	Source	Responsible Party
1 Funding for the initiative is insufficient	Formulation	Financial	Certain outputs must be discarded. Functioning of SWGs at risk. Long term capacity building objectives challenged.  P = 3 I = 4	Joint resource mobilization and advocacy around the need for sufficiently resourced aid coordination mechanisms.	MoFED/DPs	UNDP
2 Line Ministries decline to run the SWGs	Formulation	Financial Operational Political	Functioning of SWGs at risk. Aid effectiveness improves less rapidly.  P = 3 I = 4	Lead development partners to commit to supporting SWG secretariats in MAF; Project funds set aside for support to needy SWGs; Ministries to commit to running SWGs in guidelines to be established for aid; SWG frequency and outputs to be included in MAF.	MoFED/DPs	UNDP
3 Government or development partners do not honour their aid effectiveness commitments	Formulation	Political	The effectiveness and national ownership of aid, use of country systems, mutual accountability improve less rapidly. Efficiency and results lower than hoped. Cynicism around Paris and Accra agenda.  P = 3 I = 3	Independent monitoring of commitments each year; DACO to regularly publicize partners' progress on DAD, MAF in regular e-brief; Office of the President and development partner HQs to be updated on issues.	MoFED/DPs	UNDP

4	DEPAC is too infrequent, insufficiently prepared and followed up	Formulation	Operational Political	Highest level efforts and commitment on aid effectiveness at risk.  P = 2 I = 3	Dedicated DEPAC focal point to be recruited in DACO; DEPAC frequency and outputs to be included in MAF;	MoFED	UNDP		
5	Objectives for long term capacity building objectives are overtaken by the 'urgent' needs of activities	Formulation		Sustainability of results at serious risk. Any improvements made to national ownership and aid effectiveness are transient.  P = 4 I = 4	MoFED agrees to bring recruited staff onto budget before the end of the project; Capacity development plan drafted in first quarter and updated quarterly throughout.	MoFED/ long-term TA	UNDP		
6	Poor communication causes lack of trust between DPs and Government	Formulation	Political	Stalling of programmatic activities on both sides  P = I =	Project Board to monitor the state of communications and relationships continually.	MoFED/ DPs	GoSL		
7	Partners do not give sufficient lead to Government in aid operations	Formulation	Political	Lack of ownership and sustainability of systems  P = 2 I = 3	Development Partners give sufficient space and decision making authority to GoSL.	DPs	GoSL		

## ANNEX 2. SIERRA LEONE RESULTS IN THE 2008 PARIS DECLARATION MONITORING SURVEY

1	Operational development strategies	C	B/A
2a	Reliable PFM systems	3.5	4.0
2b	Reliable procurement systems	B	A
3	Aid reported on budget	54%	77%
4	Coordinated capacity systems	22%	50%
5a	Use of country PFM systems (aid flows and donors)	20%	35%
5b	Use of country procurement systems	38%	51%
6	Parallel PIUs	2	0
7	In year predictability	30%	51%
8	Aid is untied	92%	More than 68%
9	Use of common arrangements (Programme-based)	27%	66%
10a	Joint missions	31%	40%
10b	Joint analytic work	56%	66%
11	Results-based monitoring framework	D	B/A
12	Reviews of mutual accountability	No	Yes

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## ANNEX 3. TERMS OF REFERENCE FOR THE CAPACITY DEVELOPMENT FUND

### Background

The Fund regulated by these Terms of Reference is established as part of the multi-donor project *Support to Aid Policy Implementation [UNDP Atlas ID 73614 under BU SLE10]*, in support of the capacity development effort recognized by the stakeholders and project partners as a prerequisite to achieving the aims of the Sierra Leone Aid Policy with regard to strengthening government ownership, coordination, and effectiveness of development assistance to the country.

The Fund is established in recognition of the fact that while the need for capacity development is unequivocal, the precise training requirements and forms of delivery cannot be planned in detail at the time of signature of the project document, but must be subject to assessment in the early stages of the project as well as allowed to evolve over the course of the project.

It is however also recognized that funds cannot reasonably be made available for any activity or set of activities without an acceptable level of control by financiers over the uses to which their contributions will be put.

These Terms of Reference are thus established to delineate the core principles and outer boundaries of capacity development support to be financed through the Fund as well as the process for approval of such financing.

### Principles

Financing solicited from the Capacity Development Fund will be used exclusively with the following principles in mind:

- **Relevance** to the challenges in Sierra Leone as articulated in various analytical papers and policy documents, with an emphasis on the national Aid Policy and the conclusions of the formulation mission for the present project
- **Focus** into a coherent capacity development effort that responds to the aforementioned challenges in an effective and comprehensive manner and is captured in a capacity development plan based upon which financing is requested
- **Sustainability** of capacities built so as to maximize their return over time, including strategies for on-training, as well as ensuring a careful balance between selecting specific individual trainees and spreading trainings over a larger number of people
- **Cost-effectiveness** of capacity development initiatives undertaken, including an emphasis on locally held trainings and the use of regional rather than global expertise

### Objectives

Financing solicited from the Capacity Development Fund will be used exclusively to build individual skills and institutional capacities of Government aid coordination structures in the following areas at the respective levels of Government:

#### Ministry of Finance and Economic Development / National

- Gather, analyse and utilize information on the volume and use of aid funds in the country, notably including a closer integration of such funds into the national budget process and linkages to the PRSP and its intended results.
- Facilitate a strong strategic dialogue around PRSP implementation and aid effectiveness in the Development Partners Committee (DEPAC), including strengthened preparation and follow-up of deliberations and decisions, to ensure that aid is optimally aligned to the national development priorities.

- Maintain focus and momentum behind key initiatives to make progress on aid effectiveness and commitments from the Paris Declaration and Accra Agenda for Action (e.g. strengthening national systems, increasing operational harmonisation, reducing project fragmentation and the use of PIUs, coordinating missions and analytical work, etc).
- Provide technical and some administrative support to line Ministries in organising effective coordination through the respective SWGSWs; details below.
- Provide technical and some administrative support to District Councils in organising effective coordination through the respective DDWGs; details below.
- Establish an efficient structure for feeding information from the SWGs and DWGs into the DEPAC deliberations and vice versa as well as into the national budget process.
- Design, conclude, monitor and report on a MAF for aid effectiveness with measurable commitments from both government and its partners, based on an agreed local adaptation of the Paris and Accra frameworks.
- Communicate effectively progress, challenges and key updates around aid effectiveness, realisation of the Aid Policy and achievement of national development results.
- Represent post-conflict and least developed countries in international aid fora such as the High Level Forum on Aid Effectiveness and the IATI.

#### Line Ministries / Sectoral

- Organise effective SWGs to undertake coordination in their areas of mandate, including administrative and logistical aspects as well as substantive elements, to ensure that aid is aligned with sector priorities
- Oversee the participatory design of and agreement on a sector strategy for PRSP implementation along which development partners are requested to align
- Coordinate the continuous monitoring and reporting of results against the sector strategy and, as the next step where possible, an associated sector capacity development plan
- Facilitate broad ongoing dialogue in the SWGs around needs, challenges and priorities in the sector for mutual learning and discussion as well as for further reporting to the DEPAC
- Maintain up to date information on the level and distribution of aid funds, partners active in the sector and all significant initiatives ongoing or being planned
- Facilitate peer review of planned projects against the background of the sector strategy, the list of known interventions and SWG discussions around needs and priorities
- Coordinate upcoming missions and analytical work among all partners active in the sector to capture synergies and avoid duplication of efforts

#### District Councils / Local

- Organise effective DWGs to undertake coordination in their respective localities, including administrative and logistical aspects as well as substantive elements, to ensure that aid is aligned with local priorities
- Coordinate the continuous monitoring and reporting of results against the PRSP goals
- Facilitate broad ongoing dialogue in the DWGs around needs, challenges and priorities in the District for mutual learning and discussion as well as for further reporting to the DEPAC
- Maintain up to date information on partners active in the District and all significant initiatives ongoing or being planned

#### Process

Financing from the Capacity Development Fund shall be solicited and approved by the Project Board as per the following process:

- Upon inception of the project, a **capacity assessment** will be conducted by external specialist(s) to identify in sufficient detail the content and recipients of capacity

development support to be provided by the project as per the parameters in the project document and these Terms of Reference. The assessment should be structured so as to provide a baseline against which results of the capacity development assessment can be usefully estimated at the end of the project. The assessment will be financed from the Capacity Development Fund.

- On the basis of that assessment, a **capacity development plan** will be drafted by the external specialist(s) in consultation with the Government and its partners, containing detail for each proposed item of capacity strengthening on (a) **content** to be covered and its relevance in the overall context (b) **recipients** of the training (c) proposed **method** of delivery (d) estimated **cost** of implementation (e) **capacity baselines and targets** to the extent possible.
- The capacity development plan will be submitted to the Project Board for formal approval.
- Once approved, the plan forms the basis for requests from MoFED for financing of capacity development initiatives under the project.
- Each such request shall make clear reference to the corresponding item in the capacity development plan and will be made either as a request for direct payment to a service provider or as part of the standard quarterly request for advances under the UNDP NIM.
- If such a request corresponds to an item in the capacity development plan without significant deviation, UNDP will advance the funds or undertake the payment without reverting to the Project Board for another approval. UNDP will be accountable to the Project Board for this assessment of "significant deviation" and will therefore seek guidance from Board members in any ambiguous situation.
- If any party sees cause to revise the capacity development plan, such revision must be formally approved by the Project Board.
- Each capacity development initiative financed by the Fund should be followed by a brief written report outlining its content, recipients, delivery method and cost as well as the expected impact on the aid effectiveness effort in Sierra Leone.
- At the end of the project, another capacity assessment will be conducted by external specialist(s) so as to establish results achieved with reference to the original baseline. This assessment will also be financed from the Capacity Development Fund.

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## **ANNEX 4. TERMS OF REFERENCE FOR THE WORKING GROUP FUND**

### **Background**

The Fund regulated by these Terms of Reference is established as part of the multi-donor project *Support to Aid Policy Implementation [UNDP Atlas ID 73614 under BU SLE10]*, in support of the effort to establish a well functioning set of working groups at the sector and District levels, recognized by the stakeholders and project partners as key platforms for achieving the aims of the Sierra Leone Aid Policy with regard to strengthening government ownership, coordination, and effectiveness of development assistance to the country.

The Fund is established in recognition of the fact that while some (hopefully a minority) of the Sector and District Working Groups are highly likely to require various forms of practical support to the convening entity and while the priority will be to request the corresponding lead development partner to furnish such support, not all development partners will be able or willing to provide sufficient assistance.

While the precise needs of individual Working Groups are hard to anticipate ahead of time and must be allowed to manifest themselves and evolve over the course of the project, it is also recognized that funds cannot reasonably be made available for any activity or set of activities without an acceptable level of control by financiers over the uses to which their contributions will be put.

These Terms of Reference are thus established to delineate the core principles and boundaries of such practical support to be financed through the Fund as well as the process for approval of such financing.

### **Principles**

Financing solicited from the Working Group Fund will be used exclusively with the following principles in mind:

- **Relevance** to the work of the Working Groups and the functions they are meant to provide as articulated in their ToRs as well as relevant analytical papers and policy documents, with an emphasis on the national Aid Policy and the conclusions of the formulation mission for the present project
- **Sustainability** of support provided so as to ensure that either the chairs, i.e. line Ministries and District Councils, or the corresponding co-chairs/lead development partners take over support as early as possible
- **Cost-effectiveness** of support provided, including bulk procurement (where necessary) and a continuous effort to identify and leverage resources already available from or potentially provided by existing actors in the sector or District

### **Objectives**

Financing solicited from the Working Group Fund will be used exclusively to provide Working Group chairs with the practical tools necessary to:

- **Plan and prepare** agenda and content for effective Working Group meetings to strengthen coordination and aid effectiveness in their areas of mandate
- **Convene** meetings of the Working Group on a regular basis in accordance with its TORs
- **Conduct** those meetings in an efficient and effective manner
- **Document** the proceedings, including minutes and action points to be circulated for validation by participants shortly after each meeting
- **Follow up** on agreed action points between meetings



- **Monitor** the level and distribution of aid funds, partners and significant development activities as well as progress on sector/District results frameworks
- **Report** regularly to MoFED and to the DEPAAC on progress, results and challenges in the sector/District

### Eligible expenditures

Financing solicited from the Working Group Fund will be used exclusively to provide Working Group chairs with the following types of support, on a strict needs basis and explicitly limited to bare minimum needs:

- **Basic office equipment and supplies** (e.g. paper, printer toner)
- **Basic communications** (e.g. Zain sticks, of which maximum one per entity)
- **Support staff**
- **Transport to/from Freetown** (District Working Groups only)

### Process

Financing from the Working Group Fund shall be solicited and approved by the Project Board as per the following process:

- Any Working Group that perceives itself unable to function adequately due to logistical and practical constraints of the aforementioned nature shall first draw up a **specific list of gaps and their impact** on the functioning of the Working Group
- The Working Group **co-chair is approached** with a request for provision of such support
- If the co-chair is unable to provide the requested support, the Working Group is convened to discuss the problem and solicit solutions and **contributions from WG members**
- If no solution is found among Working Group members, a **formal request signed by the Working Group chair and co-chair is submitted to the Board** for consideration, attaching for reference (a) the list of gaps and their impact on the functioning of the WG (b) the request to the co-chair and its response (c) the minutes of any WG meetings where the matter was tabled (d) any other relevant correspondence or documentation
- The Board will convene either physically or electronically to deliberate and approve or reject the request
- Any approval will be **valid for one year**, during which time the process of identifying alternatives and soliciting contributions must be escalated and documented
- At the end of the nine months, if no alternatives or contributions have been identified, the chair and co-chair may submit to the Board a request for extension, including detailed documentation of the foregoing resource mobilization attempts and their outcomes
- The Board will convene either physically or electronically to deliberate and approve or reject the request for extension, which if approved will be valid for a **further nine months. No second extension shall be granted.**
- Each instance of support financed by the Fund should be followed, at its conclusion, by a brief written report outlining the support provided and how it was employed to enable the work of the Working Group