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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE:  
SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Assistance for the development of Sierra Leone

Report of the Secretary-General

1. The General Assembly, in its resolution 37/158 of 17 December 1982, entitled "Assistance for the development of Sierra Leone", requested the Secretary-General to dispatch a multi-agency mission to Sierra Leone to hold consultations with the Government on the additional assistance needed for the economic and social development of the country. In this connection, the Assembly expressed its deep concern about the weak and underdeveloped state of the economic and social infrastructure of Sierra Leone and the lack of capital resources, the lack of economic growth in recent years, and the critical unemployment problem. The Assembly also noted the serious difficulties being experienced by the country's mining and manufacturing industries.
2. In pursuance of this resolution, the Secretary-General arranged for a multi-agency mission to visit Sierra Leone in March 1983. The report of the mission, which is annexed hereto, reviews the economic and social situation in Sierra Leone and presents the additional high-priority needs for external assistance.
3. In paragraph 7 of resolution 37/158, the General Assembly invited a number of specialized agencies and organizations of the United Nations system to bring to the attention of their governing bodies the special needs of Sierra Leone and to report the decisions of those bodies to the Secretary-General by 15 July 1983. Their replies will be reproduced in a report of the Secretary-General covering Sierra Leone and other countries for which the Assembly has requested the Secretary-General to organize special programmes of economic assistance.

\* A/38/50/Rev.1.

ANNEX

Report of the multi-agency mission to Sierra Leone

(14-21 March 1983)

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION .....	1 - 4	4
II. SUMMARY .....	5 - 7	4
III. BACKGROUND .....	8 - 23	5
A. Physical characteristics .....	8 - 10	5
B. Factors affecting development .....	11 - 23	6
IV. ECONOMIC AND FINANCIAL SITUATION .....	24 - 51	8
A. Structural imbalances in the economy .....	24 - 30	8
B. Balance of payments .....	31 - 34	11
C. Budget .....	35 - 36	13
D. Public debt .....	37 - 39	13
E. Foreign exchange position .....	40	15
F. Measures to restore short-term economic stability and revive long-term growth .....	41 - 48	16
G. National Development Plan .....	49 - 51	17
V. PRIORITY ECONOMIC AND SOCIAL SECTORS .....	52 - 87	18
A. Agriculture .....	52 - 61	18
B. Energy .....	62 - 65	21
C. Mining .....	66 - 71	22
D. Industry and manufacturing .....	72 - 75	23
E. Transportation .....	76 - 78	24
F. Health, water and sanitation .....	79 - 81	24
G. Housing .....	82 - 83	25
H. Education and training .....	84 - 87	26
VI. PROGRAMME OF ASSISTANCE .....	88 - 213	26
A. Introduction .....	88 - 90	26
B. Project descriptions .....	91 - 213	32

	<u>Paragraphs</u>	<u>Page</u>
1. Agriculture .....	91 - 126	32
2. Energy .....	127 - 129	38
3. Mining .....	130 - 142	39
4. Industry and manufacturing .....	143 - 152	41
5. Transportation .....	153 - 161	43
6. Health, water and sanitation .....	162 - 183	44
7. Housing .....	184 - 194	48
8. Education and training .....	195 - 209	50
9. Social welfare .....	210 - 213	52

APPENDICES

I. List of additional projects .....	54
II. Map of Sierra Leone .....	55

## I. INTRODUCTION

1. In response to the request by the General Assembly in its resolution 37/158 of 17 December 1982, the Secretary-General arranged for a multi-agency mission to visit Sierra Leone from 14 to 21 March 1983 to consult with the Government on its most urgent additional assistance needs. The mission was led by the Co-ordinator for Special Economic Assistance Programmes, Under-Secretary-General Abdulrahim A. Farah, and included representatives of the Department of International Economic and Social Affairs, the Department of Technical Co-operation for Development, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Centre for Human Settlements (Habitat), the United Nations Industrial Development Organization (UNIDO), the United Nations Children's Fund (UNICEF), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO) and the World Bank.

2. The Head of State, His Excellency Dr. Siaka P. Stevens, received the leader of the mission. In the course of its stay the mission held meetings with the Minister for Finance, the acting Minister for Foreign Affairs, the Minister for Development and Economic Planning, the Minister for Agriculture, the Minister for Trade and Industry, the Minister for Health, and the Governor of the Bank of Sierra Leone. The mission also held meetings with senior officials of these Ministries as well as of the Ministry of Natural Resources, the Ministry of Transport and Communications, the Ministry of Education, the Ministry of Works, the Ministry of Information and Broadcasting, the Ministry of Mines, the Ministry of Lands, Housing and Country Planning, the Ministry of Social Welfare and Rural Development, and the Ministry of Energy and Power.

3. The diplomatic community and the voluntary agencies represented in Sierra Leone were briefed on the preliminary findings of the mission.

4. The mission leader wishes to express his appreciation to the Minister for Development and Economic Planning for the great assistance rendered to the mission's work, and for the very full co-operation given by all branches of the Government. The support of the Resident Co-ordinator of the United Nations System's Operational Activities for Development and her staff was most valuable.

## II. SUMMARY

5. Sierra Leone is at present experiencing grave economic difficulties, with serious external and internal imbalances. Total revenues from the export of a narrow range of mineral and agricultural products, on which the country is heavily dependent, have been declining. At the same time, prices of many imports - particularly petroleum - have been rising. Despite reductions in the total import bill, the trade balance has remained in substantial deficit. Moreover, there are substantial arrears in payments due on external debts. The acute shortage of foreign exchange has depressed activity throughout the economy. The Government budget is in serious deficit, largely because of reduced revenue from export and import taxes, which constitute a considerable proportion of total revenues. In its effort to hold down expenditures, the Government is unable to correct serious

deficiencies in health and other basic social services or to fund urgently needed improvements in the educational system. Furthermore, the lack of resources seriously inhibits the Government from strengthening the transport infrastructure, deficiencies in which are handicapping the country's social and economic development.

6. However, Sierra Leone is well endowed with natural resources and has excellent potential for accelerated development. The Government is undertaking a number of measures to revitalize the economy but, because of the country's present financial situation, it needs a considerable amount of external assistance in the short and medium term. The soils and climatic conditions are favourable for increased agricultural production, in particular of rice, a staple food, of which the country has had to import increasing quantities in recent years. The exploitation of the presently known mineral deposits could be increased and it is likely that other mineral resources exist. There are excellent possibilities for the development of hydropower.

7. A number of projects which need external assistance are presented in section VI of the present report. These are suitable for rapid implementation and meet one or more of the following criteria: increased production for domestic and export markets; saving of foreign exchange; support for the most essential parts of the economic infrastructure; and amelioration of the very unsatisfactory national health profile. The need to minimize the burden on the recurrent budget has been taken into account. Seventy-one projects, costing some \$275 million, are described. Twenty-seven of these, costing \$124 million, are considered especially urgent. Additional important projects, costing \$196 million, are listed in appendix I. The recommended programme of assistance is directed to overcoming the country's principal economic and social difficulties, as described in sections IV and V of the present report.

### III. BACKGROUND

#### A. Physical characteristics

##### 1. Geography

8. The Republic of Sierra Leone, on the north-west African coast, has a roughly circular land area of 27,925 square miles, the slightly longer north-to-south axis being about 215 miles. To the north and east it borders the Republic of Guinea and to the south-east the Republic of Liberia.

9. The country is divided into three main geographic regions. The smallest area is the mountainous Sierra Leone peninsula where the capital, Freetown, is located. The peninsula is only 25 miles long by 10 miles wide. A lowland region stretches from the coast into the middle of the country and contains tracts of grassy swamplands and small valley swamps. Further east, the country rises up gradually into a broad, moderately elevated plateau with several mountainous regions.

## 2. Population

10. According to the census of 1974, the population of Sierra Leone was 2.7 million; it is currently estimated at approximately 3.3 million. The average annual growth rate is 2.2 per cent. About 75 per cent of the population lives in the rural areas and about 40 per cent of the population is concentrated in the age group 0-14 years. The rate of illiteracy remains high - at 80 per cent. Medical services are highly inadequate, and this is reflected in the very high rates of infant and child mortality and maternal deaths.

### B. Factors affecting development

#### 1. Sierra Leone as one of the least developed among the developing countries

11. The high rate of illiteracy and the accompanying shortages of skilled technical and managerial personnel have been major constraints to Sierra Leone's economic development. Other constraints include the weak and undeveloped state of the infrastructure (particularly transportation), the lack of capital resources, the decline in recorded production of the major export, diamonds, and the dependence of the small manufacturing sector on imports for almost all the materials it consumes. Performance in all sectors of the economy has been below potential and economic growth has in recent years been sluggish. This situation has been aggravated by factors largely outside the country's control, particularly adverse movements in its terms of trade. In 1980/81, gross domestic product (GDP) at producers' prices amounted to Le 415 per capita. a/

12. In recognition of the country's situation, the General Assembly, in its resolution 37/133 of 17 December 1982, added Sierra Leone to the United Nations list of the least developed among the developing countries.

## 2. Colonial period

13. Sierra Leone's colonial history helps to explain the present-day pattern of development. In 1808 the Freetown area became a colony of the British Crown and from 1821 to 1874 was the seat of government of all Britain's West African colonies; one of its advantages was an excellent port - Freetown having the third largest natural harbour in the world. On the other hand, it was only in 1896 that the British declared a protectorate over the rest of present-day Sierra Leone. Thus, whilst the Sierra Leone peninsula did see some economic development and the construction of some social and economic infrastructure (for instance, the renowned Fourah Bay College, now part of the University of Sierra Leone, was founded in 1827), the rest of the country lagged considerably behind. This situation still prevailed at independence.

### 3. Post-independence political developments

14. Independence was attained in April 1961, and the country became a Republic in 1971. Dr. Siaka Stevens, who had been elected Prime Minister in the general election of 1967, assumed the presidency of the Republic and remains in that office.

15. Sierra Leone is a member of the Commonwealth and of the African, Pacific and Caribbean States that signed the Lomé Convention with the European Economic Community (EEC), of the Organization of African Unity (which held its 1980 meeting at Freetown), of the Economic Community of West African States, of the Mano River Union (comprising Sierra Leone, Liberia and Guinea) and of the Islamic Council.

### 4. Natural resource endowment

16. Sierra Leone enjoys favourable natural endowments and has the potential to achieve fast and, eventually, self-sustaining growth. The soil and climate are such that much of the country is suitable for agriculture. There is no great pressure of population on the land and production could increase substantially. Over 60 crops are grown, including rice, cassava, maize, sorghum, millet, ground-nuts, sesame, citrus fruits and sugar; and, as export crops, coffee, cocoa, palm kernels, ginger, kola nuts and piassava.

17. Sierra Leone has considerable mineral deposits and the mining sector has provided the majority of exports. The most important mineral is diamonds, the production of which began on a significant scale in 1935 under a monopoly concession. This situation led to considerable illegal mining, and in 1956 the concession was renegotiated and large parts of the country were opened to independent diggers who have to acquire an annual licence from the Government. The other major change in the industry took place in 1970 when the Government negotiated a 51 per cent interest in the former large producer. However, since that time diamond production has been in decline largely because of problems of depletion. In 1969, recorded production was nearly 2 million carats; in 1982, it was only 303,000 carats. The opening up of the country's first underground kimberlite mine is expected to arrest but not reverse the recent decline. The ease with which diamonds can be concealed and their high value to weight ratio have led to a considerable amount of smuggling, even of those diamonds produced under licence, in order to obtain foreign exchange and to evade export taxes. While hitherto the country's diamonds have been found in alluvial deposits, making for scattered, small-scale operations which has facilitated illicit mining, the new mine should be easy to police.

18. The other important minerals produced are bauxite, iron ore and rutile. The Government is interested in constructing a plant at Port Loko to process bauxite into alumina. This operation would depend on the availability of domestically-generated hydroelectric power. Exports from the iron ore mine at Marampa, which was closed in 1975, were resumed in February 1983. Sierra Leone is the world's second largest producer of rutile, which is mined by a wholly foreign-owned company. Gold was mined from the 1930s to the 1950s and production has recently resumed at a modest level.

19. Exploration and drilling for oil has been conducted offshore. It is hoped to proceed with further exploration soon.

20. It has been the policy of the Government to provide private foreign investment with a secure and equitable investment climate. With a view to attracting new investment and reviving exploration activity, which has stagnated recently in spite of the country's very promising geological formations, the Government is planning to draw up a comprehensive new mining code.

21. The country has considerable potential for meeting its electric power needs through hydroelectricity, and thus for reducing the present high oil import bill. The country's major rivers abound in rapids and falls and its total hydroelectric potential is estimated at over 1 million kilowatts. A large hydropower project, at Bumbuna, is now in the initial stages of development.

22. Sierra Leone has excellent tourism potential. The Freetown area has some of the best beaches in Africa and several tourist hotels of international standard; plans have been drawn up for the development of national parks and game reserves in other parts of the country.

#### 5. Disturbances in the world economy

23. Sierra Leone's considerable agricultural, mineral and water resources provide a very strong base for economic growth. However, the economy must first overcome the impact of the slow-down in global economic activity in recent years. For an open and vulnerable economy like that of Sierra Leone, this slow-down has proved very serious. The situation has deteriorated since 1979 as high interest rates and low prices for its commodity exports have compounded the country's balance of payments and foreign debt problems.

#### IV. ECONOMIC AND FINANCIAL SITUATION

##### A. Structural imbalances in the economy

24. Sierra Leone is experiencing the most difficult period in its economic history. The economy is being damaged by severe scarcities of imported raw materials and spare parts for industry, a drying up of trade and commercial credits, large commercial payments arrears and unmitigated strains on government finances. Commercial activity and employment have fallen. The Government has adopted a strategy to overcome the present crisis and to reduce the underlying imbalances in the economy, which places the highest priority on expanding domestic productive activities. The Government feels that international assistance is needed to help it meet this challenge and to restore long-term growth and stability to the country.



25. Sierra Leone is a small countr with a weak productive base: manufacturing accounted for only 5 per cent of gross domestic product in 1980/81 (see table 1). It has to rely upon imports to satisfy most of its demands for consumption, and intermediate and capital goods. In 1980/81 and 1981/82 imports were equal to about 40 and 30 per cent, respectively, of gross domestic production (see table 2).

Table 1

Sectoral composition of gross domestic product at factor cost

(percentage)

	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>
Agriculture, forestry, and fishery	35.1	33.0	32.3
Mining	12.4	11.7	9.9
Manufacturing and handicrafts	5.8	5.5	4.6
Electricity and water supply	0.5	0.4	0.6
Construction	3.1	4.2	4.6
Wholesale and retail trade and hotels and restaurants	15.5	14.4	13.8
Transport, storage and communications	11.5	15.0	16.7
Finance, insurance, real estate and other business services	7.2	7.5	8.2
Other private services	2.2	2.0	2.5
Producers of government services	6.7	6.3	6.8
Total	<u>100</u>	<u>100</u>	<u>100</u>

Source: Central Statistical Office, Freetown.

Table 2

Composition of gross domestic product at producers' prices

1980/81 to 1982/83

(percentage)

	<u>1980/81</u>	<u>1981/82</u> a/	<u>1982/83</u> a/
Private consumption	90.7	91.0	90.7
Government consumption	<u>7.0</u>	<u>6.7</u>	<u>6.7</u>
<u>Total</u>	<u>97.7</u>	<u>97.7</u>	<u>97.4</u>
Gross domestic fixed capital formation	18.2	13.0	14.5
Change in stocks	0.8	0.7	0.7
Exports of goods and services	23.0	16.4	16.8
Imports of goods and services	<u>-39.7</u>	<u>27.9</u>	<u>-29.3</u>
<u>Trade balance</u>	<u>-16.7</u>	<u>-11.5</u>	<u>-12.5</u>
Gross domestic product	100.0	100.0	100.0
Net factor income from abroad	<u>-1.8</u>	<u>-3.0</u>	<u>-2.4</u>
<u>Gross national product</u>	<u>98.2</u>	<u>97.0</u>	<u>97.6</u>

Source: Central Statistical Office, and Central Planning Unit, Ministry of Development and Economic Planning.

a/ Provisional.

26. The country depends on a few commodities for its foreign exchange earnings. In 1982, diamonds made up 48 per cent of exports, bauxite 10.4 per cent, rutile 7.4 per cent and gold 3 per cent. From the agricultural sector, coffee and cocoa each made up 14 per cent of exports, and palm kernels 1.5 per cent; the others (including piassava, ginger and kola nuts) amounted to 1.7 per cent of exports.

27. In certain earlier years, when international price trends were favourable to Sierra Leone, the country's revenue from exports exceeded its payments for imports. However, in the present world recession the country has incurred serious payments deficits as the prices of its major exports, both of mineral and agricultural products, have been weak while the price of one of its major imports petroleum, has risen. In 1982, the cost of oil imports, Le 80 million, amounted to 60 per cent of the revenue from the country's merchandise exports. As indicated in table 2, the deficit in trade has amounted to between 11 1/2 and 17 per cent of GDP in the three years 1980/81 to 1982/83.

28. The unfavourable price trends have exacerbated a longer-term problem caused by the decline in the domestic output of consumption and export goods. In the mining sector, which accounts for about 10 per cent of GDP, the decline in the recorded production of diamonds accelerated in recent years: production in 1982 was only one third of the 1977 level. The agricultural sector, in which about 75 per cent of the population is employed and which accounts for a third of GDP, has also experienced decline or stagnation in the production of major crops. A serious deficit has developed for Sierra Leone's staple food, rice. The country, which was once a net exporter of rice, in 1981 imported 54,000 tons at a cost of Le 28 million. In 1982, rice imports increased to almost 90,000 tons costing Le 48 million, equivalent to 36 per cent of export earnings.

29. To foster an increase in the production of agricultural commodities, in December 1982 the Government increased the producers' price of rice by 68 per cent; the price paid for cocoa was raised 28 per cent but the price for coffee declined marginally in view of the weak export price. At the same time, the Government also took steps to reduce the incentives to smuggle diamonds.

30. It is particularly important for the country to increase domestic production so as to provide domestic resources for investment. As can be seen from table 2, private and public consumption together amounted to almost 100 per cent of GDP in recent years. Resources for investment have not come from domestic savings: the country has had to rely on external resources to finance domestic investment.

#### B. Balance of payments

31. The effects of the decline in the volume and value of exports on the country's balance of payments can be seen from table 3. The fall in export earnings after 1980 has forced a cut-back in imports. Since outlays on essential food imports increased, the cut-back in imports of other commodities was further accentuated. In particular, imports of timber, raw materials, chemicals, building materials and machinery and transport equipment, all required for the country's immediate and long-term economic growth, were cut drastically, resulting in shortages of spare parts and raw materials in all sectors of the economy and a further reduction in the productive capacity of the economy.

Table 3

Summary of the balance of payments of Sierra Leone, 1980-1982

(Millions of leones)

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Exports of goods (f.o.b.)	224.1	176.9	133.0
Imports of goods (f.o.b.)	<u>405.1</u>	<u>326.9</u>	<u>325.8</u>
<u>Trade balance</u>	<u>-181.0</u>	<u>-150.0</u>	<u>-192.8</u>
Balance on services (net)	-66.0	-66.0	-73.4
Unrequited transfers (net)	<u>55.5</u>	<u>50.7</u>	<u>33.5</u>
<u>Current account balance</u>	<u>-191.5</u>	<u>-165.3</u>	<u>-232.7</u>
Official long-term capital (net)	43.1	22.5	65.2
Suppliers credits and other (net)	62.8	-17.1	-9.8
Private capital (net)	22.8	43.0	28.3
(of which direct investment)	<u>(-19.6)</u>	<u>(8.7)</u>	<u>(...)</u>
<u>Capital account balance</u>	<u>128.8</u>	<u>48.4</u>	<u>83.7</u>
Overall balance as recorded	-62.7	-116.8	-149.0
Arrears and refinancing	55.6	67.1	53.5
Fall in reserves and related items	<u>7.1</u>	<u>49.7</u>	<u>95.5</u>
<u>Total financing</u>	<u>62.7</u>	<u>116.8</u>	<u>149.0</u>

Source: Bank of Sierra Leone.

32. Whereas in 1981 the sharp contraction in imports more than offset the decline in exports, leading to an improvement in the trade balance, the necessity to increase imports of rice made it impossible to reduce total imports further in 1982. Crude oil and rice imports in 1982 absorbed almost the total of export earnings. As receipts from exports and unrequited transfers fell, the current account deficit rose significantly last year.

33. The capital account surplus contracted sharply between 1980 and 1981, largely because the repayments of suppliers' credits and other short-term Government obligations exceeded new drawings. There was some improvement in 1982 as official long-term capital flows increased. However, the overall deficit rose to more than

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double what it had been in 1980. This deficit was financed by running down reserves, going into arrears on external payments and obligations and obtaining (in 1980) a rescheduling of debt obligations to the principal creditors.

34. The Government sought the help of the International Monetary Fund (IMF) in 1980 and, in April 1981, agreement was reached on support amounting to \$200 million over a three-year period. However, by the end of June 1981, the agreement became inoperative and was formally cancelled in April 1982. In February 1983, the Fund allocated 20.7 million SDRs (\$22.3 million) as part of its compensatory financing facility for shortfalls in Sierra Leone's export earnings. This facility (which does not involve conditionality) was to be the first of a three-stage package of IMF support; the details of the subsequent stages have not been announced, but would involve a stand-by arrangement and therefore agreement on conditionality.

#### C. Budget

35. The foreign trade situation has directly affected the country's budgetary position as a great part of its revenue - as much as 40 per cent in 1981/82 - comes from taxes on international trade (see table 4). As the value of exports and imports continued to fall and domestic activity stagnated, the Government has had to revise downwards the October 1982 estimates for receipts in the current fiscal year 1982/1983. The revisions made in March 1983 estimated total revenues and grants at Le 196 million compared to the earlier estimate of Le 249 million. The revenue from duties on imports and taxes on goods and services was expected to be almost one third below the October estimates.

36. Although the revised budget includes cuts in planned development expenditure and in other charges, the deficit is expected to increase from Le 160 million in 1981/82 to Le 205 million in 1982/83. Le 30 million of the increase results from provisions to reduce external arrears. Since there have been virtually no domestic savings on which to draw to cover budget deficits, resort has been made to foreign borrowing and, to a much greater extent, to central bank credit, with consequent inflationary effects. Moreover, such deficit financing is quickly transformed into demand for foreign exchange because of the high import content of domestic expenditures.

#### D. Public debt

37. The rapid growth of public debt in recent years is shown in table 5. The increase in internal debt has come from the Ways and Means Advances from the Bank of Sierra Leone. Loans from foreign Governments and international organizations account for the rise in the country's external debt since 1979.

38. The Government informed the mission that it expects disbursements of loans and credits to contract over the next few years, from Le 92.8 million in 1982 to Le 31.4 million in 1985. The reduction will be greatest for suppliers' credits because of the difficulty of making repayments on existing credits.

Table 4

Sierra Leone - budgetary operations for financial years beginning 1 July

(Millions of leones)

	<u>1981/82 a/</u>	<u>1982/83 b/</u>	
		<u>October 1982 Revision</u>	<u>March 1983 Revision</u>
<u>Total revenue and grants</u>	<u>209.1</u>	<u>248.6</u>	<u>196.0</u>
Taxes on net income and profits	42.6	44.7	44.0
Taxes on goods and services	45.2	48.8	35.0
Taxes on international trade	83.2	89.1	62.0
Import duties and fees	(69.2)	(78.5)	(50.0)
Export duties	(14.0)	(10.6)	(12.0)
Other revenues and grants	38.1	66.0	55.0
<u>Total expenditure</u>	<u>368.7</u>	<u>393.4</u>	<u>401.0</u>
Current expenditure	251.6	275.0	260.0
Wages and salaries	(122.6)	(123.3)	(123.0)
Interest payments	(39.4)	(45.2)	(41.0)
Other charges	(89.5)	(106.5)	(96.0)
Development expenditure	94.9	118.4	100.0
Other expenditure	22.2	-	11.0
Arrears reduction	-	-	30.0
<u>Overall deficit (-)</u>	<u>-159.6</u>	<u>-144.9</u>	<u>-205.0</u>
<u>Financing</u>	<u>159.6</u>	<u>144.9</u>	<u>205.0</u>
Foreign (net)	31.9	30.1	35.0
(drawings)	(63.6)	(63.7)	(58.0)
(amortization)	(-31.7)	(-33.6)	(-23.0)
Domestic	127.7	114.8	170.0
(banking)	(138.8)	(100.0)	(166.0)
(non-bank services)	(-11.1)	(14.8)	(4.0)

Source: Ministry of Finance.

a/ Provisional.

b/ Projections.

Table 5

Public debt of Sierra Leone (outstanding and disbursed)

(Le million at year-end a/)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
External debt	331.0	396.9	447.1	512.4
Foreign Governments	90.5	142.9	143.9	202.2
International organizations	<u>80.7</u>	<u>95.8</u>	<u>125.5</u>	<u>148.0</u>
<u>Total official</u>	<u>171.2</u>	<u>238.7</u>	<u>269.4</u>	<u>350.2</u>
Banks	0.6	0.7	13.1	13.7
Suppliers' credits	<u>159.2</u>	<u>157.5</u>	<u>164.6</u>	<u>148.5</u>
<u>Total private</u>	<u>159.3</u>	<u>158.2</u>	<u>177.7</u>	<u>162.2</u>
Internal debt	339.6	397.0	500.1	669.6
(Ways and Means Advances)	(152.2)	(235.1)	(338.2)	(500.2)
Total Public Debt	<u><u>670.6</u></u>	<u><u>793.9</u></u>	<u><u>947.2</u></u>	<u><u>1 182.0</u></u>

Source: Bank of Sierra Leone.

a/ Valued at the official rate of exchange (see footnote a/).

39. At the end of 1982, the total of arrears in external payments amounted to Le 244 million. Of this, the sum of arrears of commercial remittances was Le 133 million. In December 1982, the Government froze the total of commercial arrears as the first step towards eliminating them; imports would henceforth only be allowed if the importer had secured the required foreign currency.

E. Foreign exchange position

40. The servicing of the public sector's external debt has absorbed a considerable amount of foreign exchange. Gross foreign reserves had fallen to Le 13 million at the end of 1982, the equivalent of about two weeks' imports. The shortage of foreign exchange has increased the incentive to conduct commercial transactions outside the official trade and exchange system. Smuggling of diamonds, and also of other exports, has reduced the availability of foreign exchange to pay for essential imports and to meet debt payment and commercial obligations, and has reduced Government revenues from taxes on trade.

F. Measures to restore short-term economic stability and revive long-term growth

1. Overall strategy

41. The Government has set out the overall goals of the programme to recover from the present crisis and to address the underlying structural problem of the economy. They are the expansion of the Government's revenue base; the restoration of financial and fiscal discipline; the eventual resumption of economic growth and an increase in productive investment and in employment opportunities; and the continued welfare of the country's citizens, particularly the lower-income groups in towns and rural areas.

2. Expansion of the Government's revenue base

42. To expand the revenue base, most specific import and excise duties were converted in 1982 to ad valorem rates, duty free exemptions were restricted and steps taken to prevent the evasion of import duty and to increase the efficiency of the tax collection system. The Government's policy is to increase the efficiency and equity of the tax system, not to deter private enterprise by high taxes.

3. Restoration of financial and fiscal disciplines

43. Measures taken to restore balance to the Government's budget included imposing much stricter accounting practices, the creation of a nucleus of an inspectorate division in the Ministry of Finance and a closer supervision of expenditures. In this connection, the Government is directing its efforts to those projects that will yield quick results in terms of increased production and that will not give rise to substantial increases in its recurrent expenditures.

4. Measures to increase the availability of foreign exchange

44. On 17 December 1982, the Government introduced a series of measures to increase the availability of foreign exchange and to strengthen the export sector. These included the introduction of a dual exchange system. The official rate remained unchanged, but would only be applicable to a limited number of transactions, including purchases of essentials such as rice, flour, wheat, and crude oil and petroleum products. The commercial rate, which would be determined by fortnightly auctions of foreign exchange by the Bank of Sierra Leone, was expected to result in a more realistic rate of exchange. The commercial rate is expected to reduce incentives to smuggle goods out of the country, to attract foreign exchange from the parallel (black) market into the domestic banking system and to stimulate domestic production.



45. Unnumbered import licences were also abolished in order to keep closer control over foreign exchange dealings and to reduce smuggling. As some importers continued to pay for their imports outside the banking system, a regulation was promulgated in March 1983 which permitted imports only when the importer was able to show that the required foreign exchange had been obtained legitimately, under the procedures established on 17 December 1982.

#### 5. Increasing the role of the private sector in development

46. The Government's policy is to bring about greater participation of the private sector in activities which aid the development effort or relieve the Government of its mounting responsibilities and expenditures. The Government considers that, whenever it is in the public interest to do so, operations of some Government entities should be passed on to private enterprises and, in this context, it is reviewing operations of public corporations and parastatal organizations. A decision has already been taken to remove the Government monopoly of rice importation and marketing.

47. A new Development of Industries Act, to replace an act dating from 1960, has been drawn up and is being examined by the Chamber of Commerce so that it will fully satisfy the legitimate needs of the private sector, while helping to promote the country's overall development objectives. In reviewing and appraising its policies to promote economic growth, it has been the Government's policy to have full discussions with those sectors which have an interest in the proposed measures. While this has involved some delay in the enactment of these measures, the Government places great emphasis on arriving at measures that will provide a stable environment for attracting private foreign and domestic investment.

48. Improvements in the country's infrastructure would assist agricultural development and it is the Government's aim to harness and aid the self-help desire and potential of rural communities. To this end, provisions for self-help projects in the 1982/83 budget have been more than tripled.

#### G. National Development Plan

49. Sierra Leone's Second National Development Plan, for the period 1982/83 to 1985/86, is in the final stages of preparation. The Plan will address measures that have to be taken as a matter of urgency and as a pre-condition for creating the appropriate economic and financial climate for national development. The Government indicated to the mission that growth in GDP is expected to result predominantly from increases in the output of a wide range of commodities, particularly diamonds, for which the new kimberlite mine will help reverse the overall decline in output, and iron ore. The volume of imports essential for development, such as machinery and transport equipment, chemicals and building materials, will continue to grow, but rice and sugar imports should fall as domestic production revives. The net result should be a significant reduction in the imbalance on the trade and current accounts.

50. Rural areas are receiving considerable attention in the Government's development plans; policy is directed towards obtaining mass participation in the development efforts and concentrating on those activities that will provide the basic needs of the people and raise marketed agricultural production. Resources will be devoted to quick-yielding agricultural projects aimed at increasing food supplies and the production of export commodities. For these policies to be truly successful, an expansion of education and health facilities is required, and these remain of high priority.

51. As a result of the lack of domestic resources to devote to investment, the Government is planning that the major part of the public investment programme be financed by external resources. The bulk of the domestic funds for this programme would go into the agriculture and energy sectors. Apart from the mining sector where investment in new projects would require large inflows of foreign capital, foreign resources would also go predominantly to these two sectors. Increases in the output of food, energy and minerals would have a very favourable effect on the balance of payments. Moreover, the great availability and better distribution of electric power would make viable other productive activities. Other sectors that would receive attention in the public investment programme, but whose capital needs are smaller, include water supply and construction.

## V. PRIORITY ECONOMIC AND SOCIAL SECTORS

### A. Agriculture

52. Sierra Leone has considerable agricultural potential. Almost three quarters of the territory is arable land, of which 80 per cent is upland and 20 per cent (10,600 sq. km) is swampland. While not more than 10 to 12 per cent of the upland areas can be under cultivation in any one year under the present traditional shifting cultivation systems, with improved agronomic practices increased and diversified production can be achieved. The swampland areas have great potential, especially for rice production.

53. Agriculture provides the livelihood of about 75 per cent of the population (comprising about 300,000 farm families), contributes up to one third of GDP and a little over one third of export revenues. However, the growth of agricultural output has been sluggish, probably averaging a little under 2 per cent since 1975 in the face of a rate of population increase of 2.2 per cent per annum. The very poor transportation infrastructure in the interior of the country has been a major constraint on agricultural development. Production is predominantly on small farms of 0.5 to 2 hectares employing traditional methods of shifting cultivation, and probably not more than 40 per cent of output enters the monetised economy. Selected production statistics are shown in table 6 below.

Table 6

Selected agricultural production (estimates)

	(tons)		
	<u>1970/71</u>	<u>1975/76</u>	<u>1980/81</u>
Rice (husk) <u>a/</u>	450,000	580,000	556,000
Ground-nuts (shelled)	10,600	10,700	10,100
Palm oil	30,700	43,100	49,000
Palm kernels	67,200	53,800	41,400
Sesame	800	900	1,100
Coffee	20,100	22,400	30,500
Cocoa	6,500	8,100	8,600
Ginger	...	800	1,200
Kola nuts	4,100	5,400	9,000
Piassava	4,200	3,000	2,600
Cassava	81,000	86,000	90,000

a/ One ton of husk rice equals approximately 600 kg of milled (cleaned) rice.

54. Rice is by far the most important food import, followed by wheat products, sugar, milk products, meat products, edible oils and fats, tinned fish, onions and tomato paste. Import substitution is feasible, to some extent, for all of these products (including the mixing of maize meal with wheat, which is under investigation).

55. Nomadic cattle owners are concentrated in the north-east. The cattle population in 1979 was estimated at 333,000 head. The local breed, the Ndama, is generally tolerant to trypanosomiasis. There are an estimated 420,000 sheep and goats. However, fish constitutes the main source of animal protein for the population; dried, smoked or fresh fish is a major element in the diet and the local demand is not fully satisfied.

56. In general, the country has great potential for agricultural expansion through (a) improved agronomy in the presently cultivated areas, (b) utilization of large areas of arable swamplands, especially for rice, and (c) exploiting the potential for expanded production of tree crops (coffee, cocoa and oil palm). The critical areas of need are to improve production methods (extension services, farm inputs and pilot projects), to provide greater incentives to producers (pricing, marketing and supplies of consumer goods), and to organize appropriate services to the farming communities (credit, storage, feeder roads, crop research and diversification, improved technologies, social services and infrastructures). In the short term the strengthening of incentives and improved production methods would have the greatest impact. It is the Government's policy to encourage private investment in commercial farming.

57. Steps have been taken in recent years to increase farmers' returns from rice production and thus give greater incentives to increase marketed output. However, weak world market prices have led to static or declining producer prices for the export crops. Table 7 shows the development of producer prices in recent years.

Table 7

Producer prices

(Le per kilo)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Rice	0.22	0.24	0.24	0.44	0.74
Cocoa beans	2.13	2.02	1.79/1.46	1.46	1.87
Coffee	1.75	2.02	1.61	1.61	1.54
Oil palm kernels	0.16/0.20	0.13	0.16	0.16	0.24
Ginger	1.23	0.86	0.63	0.72	0.85

58. The value of agricultural exports fell by 45 per cent in the last three years, to Le 38.8 million in 1982, of which coffee and cocoa each accounted for 46 per cent. The producer price in 1982/83 as a percentage of export price was 23 per cent in the case of coffee and 26 per cent in the case of cocoa, reflecting the importance of export taxes (35-40 per cent) and the high handling costs.

59. In the rural areas the supply of labour basically comes from households which are themselves engaged in farming. Hired labour is relatively rare, often comprising the pooled efforts of neighbouring households, with meals often being the only form of payment. Therefore sowing, weeding and harvesting operations are often not optimal because farmers are forced to stagger their tasks in relation to the labour available. There is thus, in effect, a labour shortage in the rural

areas, and it has been found virtually impossible to attract wage labour back from the urban areas. If the returns from farming could be increased significantly, it might be possible to stem or reverse migration to the urban areas and thus overcome the rural labour constraint.

60. A major policy thrust in the agricultural sector is to move rice production from shifting upland cultivation to lowland swamp cultivation, which can double the yield from about 1.3 tons per hectare to 2.5 to 3 tons per hectare. This leaves room for the development of new crops, or the expansion of other traditional crops, in the uplands. Increased rice production in the swamplands does, however, face the obstacles of overcoming traditional practices, periodic labour shortages at harvest time, which are a problem even today, and ensuring adequate health standards for dwellers of swamp areas.

61. The Government is undertaking regional efforts aimed at agricultural and rural development through Integrated Agricultural Development Project (IADPs). Some 80 per cent of the country and 60 per cent of farm families are in areas now covered by IADPs, but only 18 per cent of farm families have as yet become involved in IADP programmes. The focus of IADPs is to provide small farmers with credit, extension facilities, farm input supplies and marketing facilities for food and cash crops, and considerable importance is given to infrastructural development in the form of village water supplies, feeder roads and basic health facilities. While the goal is both to increase agricultural production and to provide rural development services, most activity and expenditure to date have related to the latter. The Government, therefore, now plans to give much greater emphasis to direct support of productive activities in IADPs.

## B. Energy

62. Sierra Leone is at present almost entirely dependent on crude oil imports for its commercial energy consumption, mostly for transport and for generating electricity. Imports in 1982 amounted to 230,000 tons at a cost of some Le 80 million, or almost 60 per cent of export earnings. The imported crude is processed for domestic consumption and bunker sales at the Freetown refinery which has a capacity of 10,000 barrel-per-day but operates at 50 per cent of capacity because of the lack of foreign exchange for crude purchases. Gas oil and heavy fuel oil used for generating diesel electric power account for about 25 per cent of the volume of imported crude oil. Fuel wood remains the main source of domestic fuel, both in the urban and rural areas; remaining forest reserves cover only 4 per cent of the land areas and there is evidence of continuously decreasing fuel wood resources. Sierra Leone has a large potential for hydropower. Lignite deposits exist near Freetown but have not yet been proven in sufficient quantities for exploitation. Drilling for offshore oil has been undertaken but the first well was unsuccessful.

63. The total installed electricity generating capacity is about 98MW, practically all of it diesel. The National Power Authority, which is responsible for public power supply, operates a capacity of 58MW; privately owned plants, serving mining and other industry, operate 38MW; and the Freetown reservoir is rated at 2.4MW.

64. To reduce the country's dependence on imported oil, the Government has taken steps to develop the country's hydroelectric potential by constructing the 67MW (Phase I) Bumbuna hydroelectric project. Currently initial construction, including river diversion, is underway. Further financing requirements are estimated at \$256 million. The World Bank is planning to hold a lenders' meeting during 1983, and the mission hopes that the international community will respond positively. In addition, several small-scale hydroelectric projects with a total capacity of some 25MW to serve isolated provincial centres are under study, and these are expected to cost some \$50 million.

65. Some 80 per cent of the power generated by the National Power Authority is consumed in the Western System which includes Freetown and serves some 20,000 consumers. The remaining 20 per cent is accounted for by isolated provincial systems. Demand is projected to grow at 4.6 per cent per year and most of this would be absorbed by the planned hydroelectric installations.

### C. Mining

66. Sierra Leone is a country with considerable mineral resources, many of which remain untapped.

67. The major constraints on the development of the mining sector are: (a) insufficient geological studies and exploration; (b) lack of laboratory and support equipment as well as know-how for systematic evaluation of mineral prospects and the preparation of projects; and (c) inadequate local entrepreneurship and capital for implementing new projects. There is also a need to prepare an adequate legal framework for mining activities.

68. Slightly over half of the export value of diamonds comes from the Diamond Mining Corporation (DIMINCO), a company in which the Government holds a 51 per cent share. The remainder is mined by small-scale labour intensive operators. DIMINCO employs about 3,200 workers, while over 50,000 miners appear to be involved in small operations. The future development of diamond mining depends essentially on the strengthening of the world market and on the possible implementation (in the mid to long term) of new projects based on already identified kimberlite reserves; the required investment would amount to about \$US 120 million at present prices.

69. About 0.7 million tons per year of bauxite is mined at Mokbanji and Gondama, by a foreign-owned company. Additional capacity of 0.3 million tons per year has been recently installed at Gondama. There are plans for a project at Port Loko, which will consist of a mine and alumina plant with annual capacities of 1.5 million and 0.5 million tons, respectively. This would require an investment exceeding \$700 million.

70. Rutile is mined by a private company at Gbangbama, with installed capacity to produce 100,000 tons per year of 96 per cent concentrate. Two additional deposits located nearby, with similar mineralization characteristics, are to be developed in the future and this will compensate for the depletion of reserves at the present site. However, technical difficulties have delayed the project schedule by over

five years, and limited production to less than 50 per cent of designed capacity, with large losses in Government revenue. Major efforts are now being made to operate the facilities at rated capacity.

71. The development of gold production is receiving priority. Alluvial gold mineralization remains in previously mined areas and the lode sources have yet to be located. About 343,000 ounces of alluvial and placer gold were produced between 1930 and 1956. In addition, some gold was recovered by DIMINCO at the diamond mines. However, no reliable estimates exist on gold reserves, owing to lack of exploration. Basic field work is underway to prepare an exploration programme.

#### D. Industry and manufacturing

72. The industrial and manufacturing sector in Sierra Leone, which contributes about 5 per cent of the GDP, can be considered in two categories, namely, the traditional subsector and the modern subsector. The traditional subsector is thought to provide employment for about 45,000 persons. The low level of technology utilized, the virtual absence of credit facilities and a lack of marketing skills inhibit development. However, the labour-intensiveness of the traditional subsector results in high value added, and it is estimated to generate about 55 per cent of the GDP of the sector as a whole.

73. The modern subsector is composed of about 180 businesses, the majority privately owned, employing about 8,000 persons. Much of the modern subsector is import-substituting but is heavily dependent on imported raw materials and therefore achieves a rather low value-added, perhaps in the region of 20 per cent. In effect, the viability of much of the modern subsector is dependent on the availability of foreign exchange, and its recent poor performance is a reflection of this. Overall, the contribution of the industry and manufacturing sector to the GDP has fallen over the last five years.

74. The ownership of the modern manufacturing subsector is mostly in the hands of non-nationals. Much of such local capital as is available has gone into housing construction rather than into manufacturing enterprises.

75. Nevertheless, the Government hopes for substantial investments in the industrial sector during the Second National Development Plan, in support of which a new Development of Industries Act, 1983, will shortly be presented to Parliament. The priority areas are:

(a) Agro-based industries and those based on domestic raw materials;

(b) Labour-intensive small-scale industries, including handicrafts, based on local raw materials and involving very minimal, if any, foreign exchange requirements;

(c) Engineering industries to supply components and spare parts to other industries;

(d) Industries which support or promote exports and increased agricultural production;

(e) Import-substituting industries showing net foreign exchange benefits.

#### E. Transportation

76. The surface transport network consists of a total of about 6,600 miles of roads, of which 4,430 are classified roads (including 772 miles of paved road) and the remainder minor roads. There is, in addition, a construction programme for 1,200 miles of feeder roads in IADPs, which is of high priority in support of agricultural expansion; to date 480 miles of these have been constructed with external assistance. The International Development Association (IDA), an affiliate of the World Bank, together with other donors, is providing some support for the maintenance of the classified road network through a programme of resealing one quarter of the bitumen roads, resurfacing one tenth of the gravel roads, and providing routine maintenance on the remainder; however, parts of the network have deteriorated too much to qualify for funding under this programme and reconstruction is necessary. Assistance is urgently needed for the maintenance of the 2,200 miles of minor roads.

77. Historically, the transportation sector has suffered from lack of integrated planning. A railway line from Freetown to Pendembu in the Eastern Province (with a branch line to Makeni) operated until 1970 but, although it provided reliable service to important agricultural areas, it was running at a loss and was closed down. This action is seen in retrospect to have been premature, since it was undertaken before an adequate road link had been established to replace the railway. Thus, the network of roads feeding the railway was left without an adequate arterial link. Coastal transportation once flourished, but has now become insignificant, much to the detriment of the coastal and estuary populations.

78. The internal mobility of goods and people is constricted not only by the poor condition of the roads, but also by acute shortages of fuel and spare parts because of the present foreign exchange difficulties. As a result, road transportation costs have increased substantially and reliability has fallen. Moreover, many outlying areas have become nearly inaccessible or accessible only in the dry season. The poor state of the internal transport network is today a major constraint on economic life and on all development efforts. The relative inaccessibility of rural areas is also a factor in the population movement from rural to urban areas.

#### F. Health, water and sanitation

79. Sierra Leone's health statistics reveal a very poor situation even by the standards of developing countries: at least 30 per cent of child population die before age 5, the maternal mortality rate is about 4.5 per thousand, and life expectancy at birth is about 50 years. Child deaths are largely due to communicable diseases such as malaria, diarrhea, measles and tetanus-neonatorum,



and to respiratory diseases and malnutrition, all of which are preventable or treatable by using relatively simple public health measures. Major diseases among adults include tuberculosis, river blindness and schistosomiasis. Many of the existing government hospitals, health centres, dispensaries and treatment centres have deteriorated considerably and are inadequately equipped and practically without drugs or medical supplies. The rural areas are therefore very dependent on religious and private health care services. There exists, however, a reasonable cadre of trained medical personnel, in government service, and therefore external support in the form of supplies can rapidly be put to use. A better distribution of health personnel between urban and rural areas would however be helpful.

80. A number of environmental health measures, particularly relating to drinking water and sanitation, could greatly improve the country's health profile. It is estimated that only 2 per cent of the people in villages with populations of less than 2,000 (where three quarters of the total population live) have access to safe drinking water, whereas in towns of over 2,000 (one quarter of the population) 50 per cent of the people have such access. Contaminated water in traditional wells - simple holes in the ground - is the main agent in the transmission of typhoid, cholera, dysentery and parasitic diseases. With agricultural development in the swampy areas, traditional wells may also become contaminated with pesticides and fertilizer. The most common contamination is, however, seepage from the simple pit latrines which the vast majority of the rural population use. Environmental health education is therefore of great importance.

81. The main effort to overcome water and sanitation problems is the wells programme: hand-dug concrete-lined wells, provided with handpumps if possible. This programme is being implemented through IADPs and needs additional resources. In order to serve 80 per cent of the rural population by 1990 some 8,000 new wells must be constructed. However, the present wells programme will be able to construct a maximum of only 1,520. In certain rocky or mountainous areas boreholes will have to be drilled, and assistance is needed for such drilling programmes.

#### G. Housing

82. In 1963, population centres of over 2,000 persons comprised 9 per cent of the population; at present they accommodate about 25 per cent of the total. Freetown and the main provincial towns are growing spontaneously and without control. The vast majority of urban dwellings are of poor structural integrity, low quality and lack essential household services such as running water, electricity and sanitation. Severe overcrowding is common. Slum areas are becoming more crowded, and squatter settlements are expanding, as more people arrive from the countryside and are unable to generate adequate cash incomes to provide themselves with even minimally adequate housing.

83. Financial and technical assistance for the Sierra Leone Housing Corporation is needed to improve housing conditions for low-income families in the main towns. A beginning must also be made in preparing a national plan for human settlements and urban development plans for the main towns, so as to lay a basis for housing and other land development use in the future.

#### H. Education and training

84. The enrolment at the primary school level is about 270,000, or just under 40 per cent of the population of primary school age. By 1984/85 it is expected to increase to 343,000. Enrolment is concentrated in the lowest grades because of high drop-out and repeater rates. Moreover, in the villages the enrolment rate drops to around 20 per cent. It is a long-term aim to raise the enrolment rate to close to 100 per cent. This will require continuous expansion of all the facilities and inputs in the educational system.

85. At the secondary level, which comprises 63,000 pupils at 162 schools, the aims are to expand the facilities for technical and vocational training, and to revise and diversify the general curriculum. There are four technical and vocational schools with a total of about 1,000 students. Out-of-school education is also a priority, in order to reduce more rapidly the very high illiteracy rate and thus to assist the rural population in receiving and absorbing information which can improve their productivity and living standards.

86. There is a severe shortage of qualified teachers at the primary level (only 38 per cent were considered qualified in 1980). In part this is due to the low pay and relatively low professional status of teachers, and the difficult living conditions in the rural areas.

87. The Government has geared its efforts largely to providing more schools in the rural areas, developing more appropriate curriculum materials, and strengthening teacher-training.

#### VI. PROGRAMME OF ASSISTANCE

##### A. Introduction

88. A large number of projects requiring international assistance were discussed by the Government and the mission. It became evident that, under present economic conditions in Sierra Leone, highest priority should be given to projects having one or more of the following characteristics:

- (a) Projects leading rapidly to increased production for the domestic or export markets;
- (b) Projects which save foreign exchange;
- (c) Projects which support the most essential parts of the economic infrastructure;
- (d) Projects which ameliorate the very unsatisfactory national health profile;
- (e) Projects which impose the least burden on the recurrent budget.

89. It was decided to present a priority list of 71 projects, costing \$275 million b/ in the short term. Twenty-seven of these projects, costing \$124 million, are considered especially urgent. In addition a number of important projects with a total cost of \$196 million which, because they were of a short to medium term nature, were not included in the priority list are identified in appendix I below. More detailed information on the projects discussed or listed in the following pages is available from the Government.

90. The following is a list of the 71 priority projects described in section B below. Those marked with an asterisk are considered especially urgent.

<u>Project title</u>	<u>Cost</u>
	(Millions of US dollars)
<u>A. Agriculture</u>	
*A-1 Expanded food production in IADPs	5.33
*A-2 Essential inputs for farmers outside IADPs	2.00
*A-3 Onion production	1.85
*A-4 Rice storage and processing	3.36
*A-5 Coastal artisanal fisheries development, Phase I	1.45
*A-6 Inland artisanal fisheries development	0.71
A-7 Rice production, Gbundapi	5.00
A-8 Rhombe Swamp Rice Development, Phase I	11.97
A-9 Pilot catchment development project, Makeni	1.01
A-10 Rice marketing adviser	0.30
A-11 Improved coffee and cocoa production	5.00
A-12 Plant protection service	0.66
A-13 Village and farm woodlots	0.74
A-14 Agricultural sector institution building, Phase I	16.61
A-15 Sheep and goat production	0.92
A-16 Feasibility study for land development and water control, Port Loko	<u>1.00</u>
Subtotal	<u>57.91</u>

<u>Project title</u>	<u>Cost</u> (Millions of US dollars)
<b>E. <u>Energy</u></b>	
*E-1 Rehabilitation of diesel generating stations in Freetown	5.70
E-2 Support for the National Power Authority	0.80
E-3 Improvement to transmission and distribution systems	<u>17.30</u>
Subtotal	<u>23.80</u>
<b>M. <u>Mining</u></b>	
*M-1 Airborne Geological Survey	3.15
*M-2 Assistance to small-scale diamond miners	1.80
*M-3 Assistance to small-scale gold miners	0.50
M-4 Revaluation of diamond deposits	0.40
M-5 Strengthening of assay laboratory services	1.95
M-6 Strengthening the Ministry of Mines	1.80
M-7 Review of mineral legislation and agreements	0.07
M-8 Control of alluvial diamond mining	0.23
M-9 Petroleum exploration studies	<u>1.00</u>
Subtotal	<u>10.90</u>
<b>I. <u>Industry and manufacturing</u></b>	
*I-1 Rehabilitation and expansion of the National Workshop	5.45
*I-2 Central facility for palm oil mills	3.20
*I-3 Sugar factory and plantation	41.00
*I-4 Fish smoking and canning plant	4.00
*I-5 Cassava production and processing	<u>2.30</u>
Subtotal	<u>55.95</u>

<u>Project title</u>	<u>Cost</u>
	(Millions of US dollars)
<b>T. <u>Transportation</u></b>	
*T-1 Reconstruction of the Waterloo-Masiaka Highway	30.00
*T-2 Feasibility study of coastal and inland water transport	0.20
T-3 Road construction units, Ministry of Works	4.71
T-4 Construction of Segbwema-Sefadu road	15.00
T-5 Completion of Makeni-Kabala road	15.00
T-6 Construction of Songo-Moyamba road	15.00
T-7 Equipment and facilities at Lungi International Airport	1.00
T-8 Staff training for Civil Aviation	<u>1.30</u>
Subtotal	<u>82.21</u>
<b>H. <u>Health, water and sanitation</u></b>	
*H-1 Construction of Central Medical Store and three Provincial Medical Stores	1.45
*H-2 Support for extended programme of immunization	0.14
*H-3 Co-ordination and support services for potable water programmes	0.31
H-4 Emergency drug supplies	7.00
H-5 Insecticides for malaria control and other chemicals	1.00
H-6 Rehabilitation of Health Centres with Maternal and Child Health (MCH) clinics	0.24
H-7 Improvement of hospitals' obstetrics facilities	0.34
H-8 Establishment of School of Hygiene	0.57
H-9 Public health laboratory	0.30

<u>Project title</u>	<u>Cost</u> (Millions of US dollars)
H-10 Ground-water survey	0.79
H-11 Upgrading wells programmes in IADPs	1.72
H-12 Upland water drilling programme	4.88
H-13 Handpump installation and maintenance programme	<u>2.30</u>
Subtotal	<u>21.04</u>
S. <u>Housing</u>	
*S-1 Assistance to the Sierra Leone Housing Corporation in housing finance management	0.09
*S-2 Development of appropriate building technologies	0.26
*S-3 National plan for human settlements development	0.52
S-4 Urban development plan for Freetown	0.47
S-5 Urban development plans for Bo, Kenema and Makeni	0.66
S-6 Assistance in the preparation of building codes, standards and regulations	0.02
S-7 Urban housing programme	<u>8.91</u>
Subtotal	<u>10.93</u>
D. <u>Education and training</u>	
*D-1 Strengthening of technical and vocational training	0.90
D-2 Diversification of secondary schools' curriculum	1.38
D-3 Rehabilitation and expansion of primary school facilities	6.85
D-4 Literacy programme	1.25
D-5 Strengthening of technical and business studies, Milton Margai College	1.50
D-6 National manpower survey	<u>0.53</u>
Subtotal	<u>12.41</u>

<u>Project title</u>	<u>Cost</u> (Millions of US dollars)
W. <u>Social welfare</u>	
*W-1 Cottage industries for rural women	0.08
W-2 Rural functional literacy programme at Bo	0.05
W-3 Centre for the handicapped	0.05
W-4 Support for rural women's development	<u>0.04</u>
Subtotal	<u><u>0.22</u></u>
TOTAL	<u><u>\$275.37</u></u>

B. Project descriptions

1. Agriculture

\*A-1. Expanded food production in IADPs (\$5.33 million)

91. There are presently six Integrated Agricultural Development Projects (IADPs) and a seventh is due to begin this year.

92. The Government is seeking external support over a period of four years to strengthen food production in the six existing IADPs as follows:

<u>IADP</u>	<u>US dollars</u>
Eastern	1,200,000
Northern	2,400,000
Magbosi	63,000
Koinadugu	624,000
Moyamba	624,000
Kambia	<u>418,000</u>
Total	<u><u>5,329,000</u></u>

93. At present, only some 55,000 of the 180,000 families in IADPs are being reached by the IADPs' food production components, but with the support of this project it is hoped to raise the number to 80,000. This would double the farming area covered, to 150,000 acres of uplands and 43,000 acres of swamplands. The project will basically improve and strengthen the delivery of services to the farmer, promote the wider use of high yielding seed varieties for food and tree crops, and encourage the further development of swamp rice production. The incremental milled rice output is projected at up to 10,000 tons per year.

\*A-2. Essential inputs for farmers outside IADPs (\$2 million)

94. A little over one third of the country's 300,000 farm families live outside IADPs. The Government is elaborating a programme of support to these farmers so as to give them access to improved inputs, especially fertilizers.

95. Recent fertilizer imports have amounted to up to 10,000 tons per year, but none is being imported at present because of the shortage of foreign exchange. Assistance of some \$2 million would enable the importation of some 10,000 tons, which can be distributed to farmers through the existing fertilizer marketing system which has been established with FAO assistance. The application of fertilizer can double the yield of many crops, leading to higher farm incomes and foreign exchange earnings and savings, and thus to the re-establishment of commercial fertilizer imports and sales.

\*A-3. Onion production (\$1.85 million)

96. Onions are an important element in the national diet, but at present only one quarter of the demand is met from domestic production, leaving a shortfall of some 7,000 tons per year. These are two constraints to the expansion of onion production: a critical shortage of imported seed because of the shortage of foreign exchange, and the near-impossibility of producing onion seed in the onion-growing areas because of climatic conditions.

97. The shortfall could be met by increasing the growing area from 210 hectares to 800 hectares over a five-year period. Simultaneously, an onion seed multiplication unit (or units) would be developed at elevations above 650 metres, where climatic conditions are more suitable. The eventual seed output expected to reach 4.8 tons, the quantity required to plant 800 hectares. The project would benefit some 3,500 farmers.

98. The project costs include \$360,000 for onion seed imports, declining from 4.8 tons in the first year to zero after the seed multiplication unit comes into full production after the fifth year; \$400,000 to set up the multiplication unit; and \$1 million for the operations of the unit during the five-year start-up period. The multiplication unit would become self-financing at the end of the project period.



\*A-4. Rice storage and processing (\$3.36 million)

99. At present about 75 per cent of domestic rice production is thought to be consumed by the growers (most farmers grow some rice) with 25 per cent, or about 75,000 tons equivalent of milled rice, entering commercial channels. Thus, in recent years about half the rice on the market was domestically grown, and half imported. Post-harvest losses are estimated at 15 to 25 per cent of the harvested crop, and even a one-quarter reduction in these losses (and assuming no increase in on-farm consumption) might reduce imports by some 5,000 tons, or by about 20 per cent, resulting in foreign exchange savings of perhaps \$6 million per year. Post harvest losses are mostly due to poor on-farm storage by traditional methods and to hand-pounding. About 80 per cent of production is hand-pounded, which has a recovery rate of 50 to 70 per cent compared to 95 per cent or better in mechanized milling of parboiled paddy rice. There are only two rice mills in the country.

100. The five-year project has the following objectives: to design improved on-farm storage methods and to disseminate these to farmers (\$100,000); to provide credit for investors in storage facilities at the main town in the principal rice-growing areas (\$1.49 million); to develop appropriate milling technologies to handle a portion of the presently hand-pounded rice (\$280,000); milling technical service to support the private mills which it is hoped will be established (\$260,000); and bank credit for private investors in milling facilities (\$1.23 million).

101. An additional benefit of this project is a saving in female labour, now occupied with hand-pounding, which would be available for cultivation and harvesting.

\*A-5. Coastal artisanal fisheries development, Phase I (\$1.45 million)

102. There are an estimated 12,000 full-time and perhaps 8,000 part-time artisanal coastal fishermen who land some 45,000 tons of fish a year, or about 40 per cent of the marine catch (the remainder is landed by foreign vessels under arrangements with local companies). Another 12,000 families are involved in handling, processing and retailing the catch. In the late 1970s a pilot integrated artisanal fisheries project was started at Tombo, with external assistance, and it is now planned to establish similar projects at Konakridi (20 miles north of Freetown) and at Shenge at the tip of the Shenge peninsula (60 miles south of Freetown).

103. The projects will focus on improving fishing techniques and on more effective fish processing (i.e. drying and smoking), and will also deal with community development in the fishing villages, including the provision of potable water, social services and education. The development of horticulture in the villages will also be supported in order to promote better nutrition. Approximately two thirds of project resources would be directed at fishery activities per se. The projects are envisaged to be implemented in two phases: phase one, extending over two years, will lay the groundwork, and phase two, extending over five years, will involve full implementation of investments, extension services and community development. Estimated costs have been established only for Shenge (\$725,000 for phase one, and up to \$3.5 million for phase two), and the cost for Konakridi for phase one is tentatively estimated also at \$725,000.

\*A-6. Inland artisanal fisheries development (\$706,000)

104. Sierra Leone's lakes, rivers and swamps contain an abundance of edible fish species, but no attention has been given to stimulating output through improving fishing techniques while introducing management and conservation efforts to regulate the catch by season and fish size. There is evidence that wasteful and uncontrolled fishing is depleting inland fish stocks. It is estimated that there are about 5,000 inland fishermen who land some 11,000 tons of fish per year.

105. The project, lasting approximately one year, would involve a survey of the inland fisheries, followed by extension services and training, provision of suitable equipment, and assistance with processing and marketing over a period of four years. The costing provides for a revolving fund for fishermen (\$200,000), project equipment and facilities (\$226,000), and operational costs (\$280,000).

A-7. Rice production, Gbundapi (\$5.00 million)

106. This project will develop up to 30,000 acres of fertile alluvial lands south of Pujehun in the Southern Province east of the ongoing Tormabum rice project which operates under similar conditions. The area floods and receives deposits of silt each year. The annual yield is projected to reach some 11,200 tons of milled rice in the fourth year of operation.

107. During the 1960s farmers' co-operatives in the area organized mechanized ploughing and seeding of extensive tracts of land, with each farm family later harvesting its own holding within these tracts. Some 5,600 acres were cultivated under this method, involving over 1,000 families. For various reasons these co-operatives become dormant in the 1970s, but their stores, buildings and staff remain available and the farmers now wish to reactivate them. The Government proposes to support these co-operatives by making available mechanized inputs and by assisting in the organization of post-harvest services, such as storage milling and marketing. The co-operatives would need sufficient bank financing to pay cash for crop purchases and their stocks of farmers' requisite.

108. Capital costs, including an adequate stock of mechanical spare parts, are estimated at some \$3.5 million, and running costs (mostly fuel) at \$1.5 million for the four-year start-up period, after which the scheme would become self-financing.

A-8. Rhombe Swamp Rice Development, Phase 1 (\$11.97 million)

109. The project is the first phase of a scheme for the development of the Rhombe Swamp which lies on the left bank of the lower reach of the Little Scarcies River. The project area, with a population of 7,000 is riverine land of 1,600 hectares on which paddy rice production will be expanded from 850 hectares to 1,300 hectares and double cropping introduced. The yield on the present area is 1.9 tons per hectare per year but this is projected to rise to 7 tons per hectare per year by 1990. The project would lead to an increase in production of over 5,000 tons of rice per year.

110. The project includes the construction of polders and irrigation and drainage facilities, and it will serve as a model for future developments in the Rhombe Swamp area. The project's internal rate of return is estimated at 11.5 per cent.

A-9. Pilot catchment development project, Makeni (\$1.01 million)

111. With the present policy of concentrating rice cultivation in swamps and areas subject to flooding, upland agricultural areas under rice will increasingly become available for other crops. Furthermore, the shifting cultivation method commonly used by farmers in upland areas is leading to land degradation because the fallow cycle has fallen to some 8 to 10 years, compared to the 20 years or so required for adequate soil regeneration.

112. A catchment area at Makeni, typical of upland agro-ecological conditions in Sierra Leone, has been selected for a pilot project for rational land use designed to maximize agricultural production and income within the constraints of labour availability, farm inputs and soil fertility, and a detailed plan prepared. The area includes different land types making possible the growing of a variety of crops; this will lead to a better nutritional balance for the population as well as to a more even spread of labour requirements during the year. New crops will include sorghum, millet, coffee, and fruits and vegetables.

113. The capital costs are estimated at \$680,000, which includes land development, farm roads, a farm service centre, equipment and machinery, livestock, the establishment of a coffee plantation, and social infrastructure. Recurrent costs for three years are estimated at \$400,000, most of which is for technical assistance.

A-10. Rice marketing adviser  
(estimated cost: \$300,000)

114. The rice marketing adviser would assist the Sierra Leone Produce Marketing Board to monitor the price and marketing situations, and thus improve the Government's assessment of needs concerning the volume and scheduling of rice imports, and ensuring the availability of rice in the commercial channels. The adviser would also review how marketing arrangements for domestic rice could be strengthened (particularly important in view of the emphasis on increased production); the respective roles of the public and private sectors; pricing policies, and the establishment and operation of a national rice reserve.

A-11. Improved coffee and cocoa production  
(estimated cost: \$5.00 million)

115. It is estimated that there are some 71,000 hectares under coffee, and some 64,000 hectares under cocoa. Most production takes place in the Eastern Province, and some in the Southern Province. Even though smuggling is significant, especially of coffee, these crops earn Le 20 to 30 million each per year in foreign exchange. However, productivity is estimated to be 20 to 25 per cent below the African average, and this project is designed to raise the yields of these important crops.

116. There is widespread neglect by farmers of their coffee and cocoa plantings, which are often overgrown by bush, are unpruned and economically neglected. This rehabilitation and replanting programme, addressing one quarter of the existing area over a five-year period, could raise coffee yields by 30 to 35 per cent and cocoa yields by 35 to 100 per cent. The project would have the following elements: improvement grants to growers (\$3.51 million); credit for fertilizer, pesticides and fungicides from a revolving fund to be administered by the Sierra Leone Produce Marketing Board (\$731,000); and extension services (\$759,000). The projected incremental annual production at the end of the project is 1,200 tons of coffee and 850 tons of cocoa.

A-12. Plant protection service  
(estimated cost: \$658,000)

117. At present Sierra Leone is unprepared for, and is unable to take effective measures against, outbreaks of agricultural pests. This project aims to reorganize the Pest Control Branch of the Ministry of Agriculture and Forestry in order to create a service which can effectively address the problems of pre- and post-harvest crop protection. A laboratory for applied research in pest control is included in the project. Technical assistance and training is estimated to cost \$485,000, equipment \$147,000 and the remainder is for operational expenses.

A-13. Village and farm woodlots  
(estimated cost: \$738,000)

118. As in many African countries, the population's need for firewood has led to land degradation and soil erosion. There is an urgent need to address the problem of fuelwood availability and the requirements of the rural sector for building poles and other wood products. This project aims to provide farmers with tree seedlings and extension advice to set up woodlots on fallow lands. Tree species will be selected which will enhance soil fertility and be suitable for the needs of the rural population, and varieties providing human or animal foodstuffs will be included.

119. It is planned to start with pilot projects in selected locations, on the basis of self-help and community co-operation. The first will be in the Bombali Seborá Chiefdom in Northern Province where considerable interest has been expressed by the population. The cost of the project, covering 10 chiefdoms over a period of five years, is divided into capital costs for the nurseries (one-third) and operational costs (two-thirds).

A-14. Agricultural sector institution building, Phase I  
(estimated cost: \$16.61 million)

120. The aim of this programme, which has been prepared in collaboration with the World Bank, is to provide integrated assistance to the government services which support the productive rural sectors. It will cost a total of \$34.35 million over five years; \$16.61 million is needed for the first three years. The balance of \$17.74 million for the final two years is included in appendix I. The programme focuses on strengthening extension services, the development of rural banking facilities, the establishment of farmers' associations, and the development of agricultural data collection systems and the implementation of an agricultural census.

121. The World Bank has indicated its interest in financing a significant portion of the cost, and additional co-financing is therefore sought. The project is estimated to achieve an internal rate of return of 10.1 per cent at current prices. Implementation is due to begin in 1984.

122. The programme is expected to lead to an eventual saving of Le 12 million annually in the Government recurrent costs of providing services to agriculture, fisheries, livestock and forestry, as well as to increases in production, exports and farmers' incomes.

A-15. Sheep and goat production  
(estimated cost: \$918,000)

123. Sheep and goats are found in villages throughout the country, with higher concentrations in the north. The estimated populations are 280,000 sheep and 140,000 goats, with estimated annual offtakes of 25 per cent and 20 per cent respectively. The meat is popular and priced higher than beef. To date little attention has been given to the improvement of the stock or to the dissemination of better animal husbandry practices; however, it is considered that because of the animals' high reproductive rates and low maintenance costs valuable benefits could rapidly be obtained from even modest betterment programmes.

124. The aims of this project are to introduce to selected stock owners in the Port Loko, Tonkolili and Bombali districts elementary animal health and management techniques; to demonstrate and test these techniques in order to collect data as a basis for further improvements and dissemination of knowledge; to raise annual offtake; and to increase the selected breeding herds by 15 per cent. Over a period of five years it is hoped to cover 975 individual herds involving up to 30,000 breeding females. Meat production from these herds is projected to increase by up to 45 per cent and the net incomes of the stock owners by some 70 per cent.

A-16. Feasibility study for land development and water control, Port Loko  
(estimated cost: \$1 million)

125. A pre-feasibility study is underway for the development of about 136,000 hectares in the Port Loko district (the area between Port Loko and Makeni), for intensive mechanized rice production in the lowlands (double-cropped paddy rice on 50,000 hectares) and for other annual or biennial crops, other than tree crops, in the uplands. Preliminary figures indicate that the potential increase in rice production equals the total current rice crop in the country. Cassava and maize production can be greatly expanded, and the potential for cowpeas, ground-nuts and other pulses is excellent.

126. The development of the area would also require storage, processing and marketing components, and a time frame of up to 10 years must be envisaged. An eventual investment of up to \$100 million may be needed, or proportionally less if a smaller area were selected for intensive development. A full feasibility study is therefore of high priority.

## 2. Energy

### \*E-1. Rehabilitation of diesel generating stations in Freetown (estimated cost: \$5.70 million)

127. The two diesel generating stations in Freetown, at Kingtom and Falconbridge, urgently require rehabilitation in order to provide minimally adequate service. At present power interruptions, sometimes for extended periods, occur daily in the Freetown area. The Kingtom station rehabilitation will cost \$5.4 million, and at the smaller Falconbridge Station, where only minor work is required, the cost will be \$300,000. These stations will continue to be needed for standby and peak-load generation after Bumbuna becomes operational.

### E-2. Support for the National Power Authority (estimated cost: \$800,000)

128. The National Power Authority, an independent para-statal organization, was established in 1982 and absorbed the Sierra Leone Electricity Corporation. Notwithstanding four external support loans in the last five years, service reliability continues to decline and unaccounted power losses are rising to almost 30 per cent. Particularly in view of the major changes foreseen when the Bumbuna project comes on stream, an effective National Power Authority is of great importance. This project aims to strengthen the National Power Authority through training activities and the provision of office equipment and vehicles.

### E-3. Improvement to transmission and distribution systems (estimated cost: \$17.3 million)

129. Only 10 per cent of the population has access to electricity, and most of these live in the Freetown area. To begin to improve this situation \$4.5 million is needed to strengthen and expand the transmission and distribution systems in the provinces. In addition, considerable improvements are required in the Western area, including Freetown, at a cost of \$12.8 million over the next two years. An extended and rehabilitated transmission system is essential to the economic viability of the Bumbuna hydroelectric project when it comes on stream in the latter half of the decade.

## 3. Mining

### \*M-1. Airborne Geological Survey (estimated cost: \$3.15 million)

130. This project consists of the execution of an airborne geological survey. The survey would be an integrated magnetic, radiometric and electro-magnetic examination, which would permit the selection of attractive areas for more detailed investigation on the ground.

131. Detailed technical planning of the methodology of the survey would be undertaken first, to be followed by the execution of the survey, including interpretation and evaluation of the results and ground follow-up in certain areas. The task could be completed in about 18 months.

\*M-2. Assistance to small-scale diamond miners  
(estimated cost: \$1.80 million)

132. Small-scale alluvial diamond miners have, since 1960, been assisted with the purchase of basic equipment through a revolving fund. However, surface deposits are now becoming meager and it is increasingly necessary to work at greater depths, and this necessitates using earth-moving equipment to remove the over-burden. The Ministry of Mines therefore proposes to operate bulldozers and front-end loaders on a prepaid rental basis in the alluvial mining areas of Kono, Bo, Kenema, Baoma and Boajibu. The project also includes a provision for maintenance and supporting services.

\*M-3. Assistance to small-scale gold miners  
(estimated cost: \$500,000)

133. It is proposed to establish a revolving fund for the benefit of small-scale gold miners to enable them to improve their gold recovery rates through the use of portable gold recovery units. Technical assistance will also be provided.

M-4. Revaluation of diamond deposits  
(estimated cost: \$400,000)

134. The aim of this project is to determine the remaining potential of the areas already mined and the possibility of exploiting new areas of alluvial diamond deposits. It will focus on the small-scale operators, providing them with on-the-job training in prospecting. Mine wardens will also receive training so that they will be able to assist miners and thus maintain closer contacts with mining operations. Technical assistance and accommodation (including a laboratory assay analysis unit), and a vehicle, are included in the cost.

M-5. Strengthening of assay laboratory services  
(estimated cost: \$1.95 million)

135. The present practice of sending mineral samples abroad for assay analysis is costly and time-consuming. The Geological Survey Department could be strengthened to provide such services and also provide the much-needed local capabilities to serve both the public and private sectors.

136. The laboratory proposed under this project would be adequately equipped to undertake a variety of tasks, from geological investigations to mineral processing testing. The cost covers supplies and technical assistance.

M-6. Strengthening the Ministry of Mines  
(estimated cost: \$1.80 million)

137. The Ministry of Mines urgently needs to be strengthened in both the technical and economic areas of its responsibility.

138. In the technical field, this project will provide on-the-job and external training to personnel of the Mines Division and the Geological Survey, and essential technical equipment (\$1.15 million). It would then be possible to undertake appropriate geological, geophysical and geochemical mapping to aid in the search for new economically viable mineral deposits, which would permit the elaboration of a master plan for mineral development.

139. In the economic field, it is proposed to establish within the Ministry of Mines a planning and economic analysis unit. This unit would also be responsible for the preparation of the economic and technical analyses required for mineral negotiations with foreign partners, and analysis of marketing and pricing arrangements. The establishment of the unit would involve on-the-job and external training and technical assistance (\$650,000).

M-7. Review of mineral legislation and agreements  
(estimated cost: \$70,000)

140. The existing Mineral Act is outdated, and mineral agreements are being negotiated on an ad hoc basis. Technical assistance is needed to revise existing mineral legislation, to review the economic, legal and technical provisions of existing mineral and petroleum agreements, to advise on a national minerals policy, and to assist in negotiating new agreements.

M-8. Control of alluvial diamond mining  
(estimated cost: \$230,000)

141. The Mines Division is unable to inspect and control adequately small-scale diamond mining, and thus to suppress illicit production and smuggling. To a large extent this is due to lack of mobility because of the unavailability of suitable vehicles. This project would provide such vehicles.

M-9. Petroleum exploration studies  
(estimated cost: \$1 million)

142. The development of domestic oil production is extremely important in view of the heavy foreign exchange burden of oil imports, and there are indications of offshore petroleum deposits. An offshore well was drilled in 1982 to a depth of 8,000 metres but the operation was discontinued. The Government wishes to undertake additional offshore geophysical work, and also to conduct a reinterpretation of the data from the 1982 drill-hole. Funding is sought to engage foreign consultants for this work



#### 4. Industry and manufacturing

##### \*I-1. Rehabilitation and expansion of the National Workshop (estimated cost: \$5.45 million)

143. The National Workshop in Freetown, which is the former railway maintenance facility, is the largest engineering workshop in the country and employs 110 skilled and semi-skilled workers. At present, the workshop performs maintenance services and miscellaneous engineering work on an ad hoc basis. The facilities are greatly under-utilized.

144. It is proposed to rehabilitate and expand the National Workshop so that it can produce basic agricultural implements, spare parts of various kinds, and engineering products required by all sectors of the economy. It is also envisaged that local manufacturing enterprises would use the Workshop's machines for limited production runs which would be uneconomic if they had to acquire the machines individually. The Workshop would have the expertise to provide industrial extension services and training for artisans and engineers. It would also be able to manufacture prototypes of engineering products adapted to or developed for use under local conditions.

145. The United Nations Industrial Development Organization (UNIDO) is preparing a feasibility study for the Workshop to be developed to meet the above objectives. The study will be available later this year. It is foreseen that the existing Workshop when rehabilitated would constitute some four fifths of the total investment nominally required for a facility which would meet these objectives. This rehabilitation of the existing buildings and machinery would cost an estimated \$1.6 million. Additional investment totalling \$2.5 million is needed for a small foundry (1,500 tons/year of cast iron and non-ferrous alloys - ample supplies of scrap are available in the country), a forging shop and a pattern-making shop. Technical assistance is estimated to cost \$1.2 million, and some \$150,000 is needed for training and fellowships.

##### \*I-2. Central facility for palm oil mills (estimated cost: \$3.2 million)

146. The installed palm oil milling capacity is some 20,000 tons of red palm oil (from the meat of the palm fruit) and 10,000 tons of palm kernel oil. However, owing to lack of spare parts, maintenance, fuel and working capital, overall capacity utilization of the 12 red palm oil mills is below one third, with two having been abandoned altogether. Very little palm kernel oil is being produced. The mills usually burn the kernels for power generation (consequently palm kernel oil is being imported, and palm kernel is exported only from the traditional sector where it is a by-product). The existing mills have associated oil palm plantations of some 40,000 acres, which are degenerating because of the poor economics and organization of the industry.

147. It is proposed that an oil mill will become a central facility for a major rehabilitation of the palm oil industry by providing technical extension services to other mills and, as necessary, repairing other mills' equipment. A workshop (\$970,000) will be established, technical assistance provided for two years (\$430,000), spare parts and equipment brought in (\$1.5 million), and fertilizer provided for one growing season on the existing plantations (\$300,000).

\*I-3. Sugar factory and plantation  
(estimated cost: \$41 million)

148. A sugar factory and cane plantation have been operating since 1981 at Magbass. This successful project, which has clearly demonstrated the country's potential for sugar production, will reach its full capacity of 10,000 tons this year. With annual sugar consumption running at 30,000 tons, a large gap remains to be covered by imports.

149. Based on an existing feasibility study for a second sugar project, it is proposed to establish a plantation and factory to produce 10,000 tons of sugar per year. The plantation would cover 2,300 hectares yielding 120,000 tons of cane, and provide employment for 600 persons. The plantation would require an investment of \$6.5 million, the factory building and other structures \$3.5 million, and machinery and equipment for the factory \$31 million. Projected savings in sugar imports are Le 15 million per year.

\*I-4. Fish smoking and canning plant  
(estimated cost: \$4 million)

150. Fish being a highly perishable product, its availability would be greatly enhanced if a portion of the catch were canned or smoked. There is a continuing demand for processed fish, with imports amounting to about \$2 million per year. To reduce imports and also to bring the benefits of Sierra Leone's fishery to the whole population, it is proposed to establish a fish smoking and canning plant with a capacity of about 6,000 tons per year (\$2.6 million). In addition, two deep-sea trawlers (\$1 million), with the capacity to catch up to 50 tons per day, are needed to supply the plant. Technical assistance and training are expected to cost \$400,000.

\*I-5. Cassava production and processing  
(estimated cost: \$2.3 million)

151. It is proposed to establish an agro-based export industry based on a new cassava plantation with the necessary facilities for producing cassava chips or pellets. These products would be for export to the European Economic Community as an ingredient in animal feed.

152. A cassava production scheme, centred on a processing plant, is envisaged. The plant would have a capacity of 20,000 tons of cassava chips or pellets. Infrastructure and buildings would cost an estimated \$1 million, pelleting equipment \$1.8 million, and technical assistance and training amounting to \$500,000 is foreseen.

## 5. Transportation

\*T-1. Reconstruction of the Waterloo-Masiaka Highway  
(estimated cost: \$30 million)

153. This 27-mile stretch of road east of Freetown is the critical link between the inland road systems and the capital. Since the road foundations have failed, the highway is not eligible for funds for resealing under the World Bank project. In addition, the horizontal and vertical alignments of the road are poor. Complete redesign and reconstruction of the road is necessary, and international tender will be called for.

\*T-2. Feasibility study of coastal and inland water transport  
(estimated cost: \$200,000)

154. Many areas along Sierra Leone's coastline can be better served by boat than by road transport, both for passenger and freight traffic. In the past, coastal traffic, under private operators, was substantial. A preliminary study, limited to the southern coastline, has been undertaken on the possibility of reviving a coastal/river transportation network, but a more detailed national study is needed.

T-3. Road construction units, Ministry of Works  
(estimated cost: \$4.71 million)

155. The Ministry of Works has responsibility for maintenance and improvement of the 2,200 miles of unclassified gravel roads, and for the construction of new feeder roads (up to 1,200 miles, of which 400 miles have been completed) in IADPs.

156. The Ministry has a labour force of 10,000 but is seriously deficient in equipment and materials such as fuel, lubricants, bitumen, cement and spare parts to carry out its work programme. Funds are sought under this project to provide equipment (\$2.36 million) and materials (\$2.35 million) for two road construction units to enable them to work effectively while using labour-intensive methods to the greatest extent practicable.

T-4. Construction of Segbwema-Sefadu road  
(estimated cost: \$15 million)

157. This 58-mile road would connect the eastern ends of two major east-west arteries, and would provide an access road for feeder roads in the Eastern IADP.

T-5. Completion of Makeni-Kabala road  
(estimated cost: \$15 million)

158. There is a funding shortfall of \$15 million for a final stretch of 22 miles on the new 78-mile Makeni-Kabala road which will service the Koinadugu IADP. The road will serve the country's main meat-producing area, which also shows good prospects for the development of vegetable and citrus fruit production.

T-6. Construction of Songo-Moyamba road  
(estimated cost: \$15 million)

159. This road serves lowland and swampland agricultural areas to the south-east of Freetown, and follows the now-defunct railway line. A stretch of some 40 miles, including a bridge, needs to be reconstructed. A feasibility study has been undertaken, and funding is urgently needed for engineering and construction work.

T-7. Equipment and facilities at Lungi International Airport  
(estimated cost: \$1 million)

160. The International Civil Aviation Organization (ICAO) has recommended that upgrading and repair is required on many items of equipment at Lungi International Airport at Freetown, which is continually on the borderline of being classified as unsafe. The full list of requirements in respect of navigation equipment, communications equipment, electrical installations and fire-fighting equipment is available from the Government or from ICAO.

T-8. Staff training for Civil Aviation  
(estimated cost: \$1.3 million)

161. In order to ensure sufficient and competent staff at Lungi International Airport, training equipment, on-the-job training, and fellowships are needed.

6. Health, water and sanitation

\*H-1. Construction of a Central Medical Store and three Provincial Medical Stores (estimated cost: \$1.45 million)

162. The Central Medical Store in Freetown consists of several extremely dilapidated structures. They are unsuitable for rehabilitation and new stores need to be constructed urgently. It is essential that new record-keeping and security systems be adopted at the new store, and UNICEF is ready to assist in this respect.

163. The system of distribution of medical supplies to the rural areas - if and when supplies are available - is inefficient and time-consuming, with distribution being made to individual users who must travel to Freetown several times a year. It is therefore proposed to establish three Provincial Medical Stores.

164. The project cost includes eight warehouses (four with cold rooms), offices, vehicles for drug distribution, and technical assistance, including training of storekeepers.

\*H-2. Support for extended programme of immunization  
(estimated cost: \$140,000)

165. The expanded programme of immunization was launched in 1977 and is supported by UNICEF and WHO. To date, only about half the population is covered by the programme. Within the target populations (all children for measles, BCG, DPT and polio; expectant mothers for tetanus) the immunization rates range from a low of 12 per cent for polio to 40 per cent for BCG.

166. The expanded programme of immunization lacks roadworthy vehicles and fuel and is now operating only from stationary units. To improve the coverage and penetration of the programme both vaccines (\$80,000) and fuel and spare parts for vehicles (\$60,000) are needed urgently. The vaccine requirement is additional to that for hospitals which is included in the emergency drug supplies project (H-4). Details are available from the Government.

\*H-3. Co-ordination and support services for potable water programmes  
(estimated cost: \$310,000)

167. This project is designed as a five-year national support programme under the auspices of the Council for Health Education and Nutrition. The aims are to develop and disseminate improved educational materials for various well improvement and drilling programmes (which all contain health and sanitation components), conduct in-service training of personnel in water development programmes, and provide overall co-ordination for such programmes.

H-4. Emergency drug supplies  
(estimated cost: \$7 million)

168. There is a critical shortage of medicines for the Government health services in the country. Even the main hospital in Freetown is unable to provide for the needs of in-patients. International assistance is therefore needed to supply hospitals in the country with essential medicines, vaccines, reagents, dressings and x-ray materials. A detailed list of requirements has been prepared by the Government and has been transmitted to WHO and UNICEF. Anti-malarial drugs (\$314,000), which will also be distributed through health centres, dispensaries, and treatment centres, are included.

169. This project is especially urgent, but it is not listed with an asterisk because the establishment of an adequately-functioning Central Medical Store (project H-1) is a pre-condition for the proper handling of external assistance.

H-5. Insecticides for malaria control and other chemicals  
(estimated cost: \$1 million).

170. Malaria control measures are very weak outside the Freetown area, and larva-suppressing insecticides are urgently needed (\$838,000). Rodenticides (\$96,000) and other disinfectant chemicals (\$66,000) are also in critically short supply. Details are available from the Government, and also from WHO and UNICEF.

H-6. Rehabilitation of Health Centres with Maternal and Child Health (MCH) clinics (estimated cost: \$240,000)

171. The present services available from Health Centres/MCH clinics do not meet the health needs of the communities they serve. It is particularly important to strengthen nutrition and family planning activities, make basic prophylactic (e.g. anti-malarial) and other drugs available, ensure that basic equipment and furniture is in place, and provide additional training to staff.

172. It is proposed to make these services available at 30 locations in the provinces. It will be necessary to rehabilitate buildings (\$120,000), provide equipment and furniture (\$60,000), provide an initial stock of basic drugs (\$20,000), and provide training (\$40,000).

H-7. Improvement in hospitals' obstetrics facilities  
(estimated cost: \$340,000)

173. Obstetrics facilities at hospitals, including the maternity referral hospital in Freetown, are seriously deficient, which endangers the lives of mothers and infants. Assistance is required to strengthen the facilities at the 12 District Hospitals and in Freetown. The requirements are for blood bank units (\$120,000), and improvements in the labour rooms (\$40,000), operating theatres (\$120,000) and laboratories (\$60,000). The operating theatres and labour rooms mainly need equipment and instruments.

H-8. Establishment of School of Hygiene  
(estimated cost: \$570,000)

174. It is proposed that the existing paramedical school at Bo be expanded to include a School of Hygiene at which training would be provided in preventive medicine and environmental health to appropriate staff of the Ministry of Health and other Government departments. An increased emphasis on preventive medicine and environmental health is cost-effective, would reduce demands on the deficient curative health care system, and would more rapidly bring benefits to the rural population. The proposed school would make it possible to expand the training of traditional birth attendants who deliver the vast majority of infants and only a small proportion of whom have received any kind of medical training.

175. The project cost covers the extension of the present building at Bo paramedical school (\$428,000), and furniture and laboratory equipment (\$142,000).

H-9. Public health laboratory  
(estimated cost: \$300,000)

176. There is a need to establish an adequate public health laboratory to support the development of preventive medicine and environmental health programmes. The present laboratory building in Freetown has been condemned; the paramedical school at Bo would provide a suitable site for a new structure. Construction costs are estimated at \$200,000 and equipment and an initial stock of materials will cost \$100,000.

H-10. Ground-water survey  
(estimated cost: \$792,000)

177. A rural water supply unit has recently been established in the Ministry of Energy and Power with the support of UNDP. However, no systematic national ground-water survey has yet been conducted. It is proposed to conduct a detailed hydrogeological investigation (\$120,000) and then to sink 110 test boreholes (\$484,000), of which 100 are expected to be positive, and equip these with handpumps (\$60,000). Supervision, pumping tests and analysis, and training is expected to cost \$128,000.

178. The hydrogeological investigations proposed in this project will cover some 70 villages throughout the country. All water supply units that are constructed will have support activities relating to environmental health education, rural sanitation, water quality control, and provisions for maintenance. Villagers will be instructed in the operation and maintenance of the pumps. UNICEF and WHO are providing ongoing support for water quality control and rural sanitation programmes.

H-11. Upgrading wells programmes in IADPs  
(estimated cost: \$1.72 million)

179. The wells programmes in all six IADPs are insufficiently funded. The programmes in three of the six have received supplemental financing from UNDP, CARE and EEC. The remaining needs are for the Northern IADP (\$640,000), the Eastern IADP (\$540,000), and the Magbosi IADP (\$540,000). This funding will prevent the abandonment of neglected wells, enable the current well construction targets to be met, and enable the environmental health education, rural sanitation, and water quality control components to be implemented.

H-12. Upland water drilling programme  
(estimated cost: \$4.88 million)

180. This project is similar to project H-11, but more intensive and concentrated in two selected districts, probably Kambia and Bo, with the aim of drilling and installing hand pumps in 350 wells.

181. Kambia district has a population of 185,000. It is a lowland area in the north of the country, bordered by two rivers which dry up each year, thus periodically leaving the rural population without adequate water. Bo district, an upland area in the central South of the country, has a population of 260,000, also with seriously deficient water supplies in the rural areas which often dry up outside the rainy season.

182. The project includes a large maintenance programme (\$496,000) and a training component (\$60,000).

H-13. Handpump installation and maintenance programme  
(estimated cost: \$2.3 million)

183. Water is lifted from most traditional wells by the rope and bucket technique, which easily contaminates the well water and reduces its quality because of constant turbidity. This project aims gradually to develop government support services to install and maintain handpumps, up to a rate of 300 pumps per year at the end of the fifth year. The project would be supported by local production of spare parts at the National Workshop (project I-1).

## 7. Housing

### \*S-1. Assistance to the Sierra Leone Housing Corporation in housing finance management (estimated cost: \$90,000)

184. The Sierra Leone Housing Corporation was established in 1982 to assist in housing development. It is empowered to build houses and improve existing housing, and also to provide housing loans.

185. An expert is urgently needed for a period of one year to advise the Corporation on housing finance management in order that this important aspect of its operations is established on a proper basis. The expert would also advise on general management and operations. Fellowships are also needed (\$6,000).

### \*S-2. Development of appropriate building technologies (estimated cost: \$257,000)

186. There would be considerable benefit in the development of new building technologies for the urban areas, using greater amounts of local materials, both for the occupants in terms of safer structures and also in terms of foreign exchange savings.

187. It is proposed that the Housing Corporation undertake studies on the use of local building materials, since this organization will embark on a building programme in which the new technologies could be utilized. Technical assistance (\$189,000), fellowships (\$18,000) and equipment (\$50,000) would be needed, over a two-year period, in order to conduct the necessary investigations.

### \*S-3. National plan for human settlements development (estimated cost: \$521,000)

188. Migration from rural to urban areas in Sierra Leone is heavy and the urban population appears to be increasing at a rate of 5 per cent per annum. Towns are growing in a spontaneous and uncontrolled manner. Throughout the country, housing conditions are poor and basic services inadequate.

189. This project would support the development of a comprehensive plan for urban and rural settlements, including a national housing policy. Assistance would be rendered to the Ministry of Lands, Housing and Country Planning over a period of two years, involving technical assistance (\$462,000), fellowships (\$9,000) and equipment (\$50,000).

### S-4. Urban development plan for Freetown (estimated cost: \$471,000)

190. In view of the rapid growth of the capital city, the population of which is expected to increase from 355,000 to 522,000 during the current decade, it is essential to establish an urban development plan to define a strategy for expansion, including selecting expansion areas and determining how provision may be made for the essential service infrastructure. This project would provide technical assistance (\$462,000) and fellowships (\$9,000) over a period of two years.



S-5. Urban development plans for Bo, Kenema and Makeni  
(estimated cost: \$657,000)

191. Bo (population 40,000 in 1974) is the capital of the Southern Province, Kenema (population 32,000 in 1974) is the capital of Eastern Province, and Makeni (population 27,000 in 1974) is the capital of Northern Province. Each of these major towns require urban development plans as described in project S-4.

192. This project provides for technical assistance (\$630,000) and fellowships (\$27,000) over a period of one year.

S-6. Assistance in the preparation of building codes, standards and regulations (estimated cost: \$20,000)

193. There is no unified building code in Sierra Leone; building standards depend on the judgement and training of the individuals involved. In order to ensure proper standards of accommodation it is important to establish codes, standards and building regulations. It is proposed to attach an expert to the Housing Corporation for a period of three months for this purpose.

S-7. Urban housing programme  
(estimated cost: \$8.91 million)

194. The Housing Corporation expects to begin its operations by undertaking, over the next three years, the following programmes:

(a) Construction of 500 low-income houses in Freetown (beginning with 10 on a pilot basis) (\$4 million);

(b) Construction of 200 low-income houses in Bo, 150 in Kenema, and 150 in Makeni (\$4 million);

(c) Improvement of 1,000 plots in the squatter areas of Freetown by delineating plots and providing legal tenure, improvement or completion of access roads, and providing water supplies, sanitation, and minimal communal facilities (\$900,000).

These sub-projects would be supported by fellowships in urban design for Housing Corporation officials (\$6,000).

8. Education and training

\*D-1. Strengthening of technical and vocational training  
(estimated cost: \$900,000)

195. The output of engineers from the University has been reasonably satisfactory, but there is a serious shortage of qualified technicians. The only educational facility for technicians is the Freetown Technical Institute, which focuses on two main areas: electrical/mechanical engineering and civil/building engineering. However, laboratories and workshops are highly inadequate for the necessary practical work. Equipment and materials are urgently needed.

196. Since 90 per cent of the personnel servicing electronic equipment (principally radios) have no training whatsoever, it is proposed to add an electronics training course at the Freetown Technical Institute.

197. The quality of graduates of the various vocational training centres is often low, even after three years of study, and this is in part due to the fact that only about one third of the national cadre of some 50 instructors have themselves received pedagogical training. It is therefore proposed to reactivate a recently completed ILO project in vocational training as an Instructor Training Unit.

198. There is only one vocational training centre in the Northern Province, at Magburaka, but it does not at present offer training in electrical installation and it is therefore proposed to start such a course there.

199. The total costs of the above sub-projects are \$500,000 for equipment and materials, \$200,000 for staff training and fellowships and \$200,000 for technical assistance. Details are available from the Ministry of Education.

\*D-2. Diversification of the secondary schools' curriculum  
(estimated cost: \$1.38 million)

200. In the last decade efforts have been made to introduce into the secondary schools curriculum subjects such as agriculture, woodwork and metalwork, building construction methods, technical drawing, home economics and commerce. However, progress in implementing the teaching of these subjects has been slower than expected owing to a lack of equipment and pedagogical materials and of adequately trained teachers.

201. To further support the implementation of the secondary school curriculum diversification programme it is proposed to strengthen the Institute of Education, which is responsible for pedagogical development, increase the supply of teaching materials and equipment at secondary schools, and undertake the construction of certain essential facilities.

\*D-3. Rehabilitation and expansion of primary school facilities  
(estimated cost: \$6.85 million)

202. Most of the present primary school facilities were built 10 to 25 years ago. They rarely correspond to pedagogical norms and are often dilapidated and overcrowded. Moreover it is essential to expand primary school facilities to achieve greater impact on the literacy rate in the longer term. IDA, an affiliate of the World Bank, is funding the construction of 500 classrooms.

203. Funding is sought for the construction of an additional 700 classrooms (\$3.64 million), rehabilitation of existing classrooms (\$1 million), the construction of 150 teachers' houses in order to attract qualified teachers to the rural areas (\$1.2 million), and the supply of equipment and furniture (\$1 million). Assistance is also needed for a school mapping survey (\$140,000) in order to determine more precisely the extent of the presently available educational resources so that educational planning may be undertaken on a sound basis.

D-4. Literacy programme  
(estimated cost: \$1.25 million)

204. With an estimated national illiteracy rate of 80 per cent, the Government attaches great importance to functional literacy programmes for the population outside the formal education system. Functional literacy programmes for the rural population are of high priority in order to enhance its ability to absorb and utilize economic and social development information, particularly in the agriculture and health/sanitation fields. Particular attention will be paid to women since it is apparent that social factors may inhibit their participation in literacy programmes.

205. This project has five components: a survey of the educational facilities and programmes existing outside the formal school system; pilot literacy programmes for mixed male/female groups; pilot literacy programmes for female-only groups; the establishment of a unit to produce materials for the literacy programmes in the three main vernacular languages (Temne, Mende and Limba) and in English; and the initiation of radio and correspondence courses focused on adult study circles in the rural areas. Five areas have been selected for the pilot programmes for mixed groups and three areas have been selected for the female-only groups. It is intended to in part draw on the existing cadre of primary school teachers in the selected areas in the implementation of the programmes.

D-5. Strengthening of technical and business studies, Milton Margai College  
(estimated cost: \$1.5 million)

206. During the last decade, the Government has promoted the diversification of the secondary school curriculum to place greater emphasis on technical and commercial subjects, and this effort has been supported by a number of donors, including an education sector loan from IDA. In support of this objective, a Technical and Business Studies Department was established, also with IDA and other donors' support, at Milton Margai Teacher's College. In the last academic year 90 student teachers were enrolled in the Department.

207. The initial donor support projects for the Department are now coming to an end, and the Government's budgetary constraints make it difficult to phase in Government funds to maintain the programme. Materials and equipment (\$500,000), technical assistance (\$250,000) and some further construction work (\$750,000) are needed.

D-6. National manpower survey  
(estimated cost: \$525,000)

208. The Government has decided to establish a National Manpower Board to determine manpower requirements by economic sector and by occupation and to project future requirements. As a basis for the Board to begin effective operations a national manpower survey needs to be carried out to identify the characteristics of the present labour force and areas of labour shortage, examine the composition of the unemployed labour force, assess the output of educational and training institutions and identify the potential for bringing back skilled Sierra Leoneans who are currently working abroad.

209. A project has been elaborated for such a survey to be carried out, which requires (over a period of two years) technical assistance and support for national personnel (\$396,000), training (\$22,000), equipment (\$64,000) and materials (\$43,000).

#### 9. Social welfare

\*W-1. Cottage industries for rural women  
(estimated cost: \$80,000)

210. Most rural women have traditional skills in such crafts as dyeing, basketweaving, soap making, embroidery, but practise these skills on a purely family basis. It is proposed to provide technical and financial assistance so that rural women can use these skills more intensively and sell their products. The establishment of income-generating women's cottage industries will strengthen the structures of rural family and also reduce the population drift to the urban areas.

W-2. Rural functional literacy programme at Bo  
(estimated cost: \$50,000)

211. It has been observed that women have a low participation rate in literacy classes, and the Ministry of Social Welfare and Rural Development therefore proposes to strengthen its National Training Centre at Bo to give special emphasis to women's training in literacy, family and environmental health, and in income-generating activities.

W-3. Centre for the handicapped  
(estimated cost: \$50,000)

212. Various voluntary organizations have for some years been serving the special needs of persons with various physical and mental handicaps, but their programmes have largely focused on the education of handicapped children. It is proposed to establish a Rehabilitation and Orientation Centre for handicapped youth and adults where training can be given, as appropriate to the individual, to enable the handicapped to live productive lives. The Centre would be located at Makeni in Northern Province.

W-4. Support for rural women's development  
(estimated cost: \$40,000)

213. There are many areas where rural women could participate more effectively in rural development efforts and in overcoming the constraints which affect their daily lives, for example, in such matters as well digging, feeder road construction, building improved cooking stoves, and making small hand grinders to prepare condiments. It is proposed to initiate a series of small-scale projects in these types of activities, to be planned and managed by village women's groups.

Notes

a/ The unit of national currency is the leone. Since December 1982 there has been a dual exchange rate system: the official rate is Le 1 = 0.7316 special drawing rights (SDR) and in December 1982, 1 leone equalled \$0.80. The commercial rate of exchange, introduced in December 1982, has fluctuated in the region of 1 leone = \$0.40. The financial year in Sierra Leone begins on 1 July.

b/ This represents total project costs. Since the Government has great difficulty in meeting local cost components, donors are urged to consider full project financing. An exchange rate of Le 1 = \$0.40 has been used for costs expressed in Leones. Certain projects, such as sugar production, are also suitable for foreign private investors.

APPENDIX I

List of additional projects

<u>Project title</u>	<u>Cost</u> (million US dollars)
<b>A.</b>	<b><u>Agriculture</u></b>
A-18	Fish harbour development 5.70
A-19	Multiplication and improvement of Ndama cattle 0.90
A-20	Development of use of draught animals 0.66
A-21	Cotton production feasibility study and trials 0.25
A-22	Consultancy on surveillance of the exclusive economic zones 0.10
A-23	Development of cashew-nut production 1.90
A-24	Forestry development 12.50
A-25	Agricultural sector institution building, Phase II <u>17.74</u>
	Subtotal <u>39.75</u>
<b>E.</b>	<b><u>Energy</u></b>
E-4	New 20 MW steam generating station at Blackhall Road, Freetown 22.00
E-5	New provincial diesel generating installations 22.10
E-6	Micro-hydro schemes in isolated provincial centres (25 MW total) 50.00
E-7	Additional improvements to transmission and distribution systems in Western area <u>9.10</u>
	Subtotal <u>103.20</u>
<b>I.</b>	<b><u>Industry and manufacturing</u></b>
I-6	Revolving fund for industrial funding 5.00
I-7	Pulp and paper mill from agricultural by-products 12.00
I-8	Pilot rural industries estate, Makeni <u>1.80</u>
	Subtotal <u>18.80</u>
<b>T.</b>	<b><u>Transportation</u></b>
T-9	Kenema-Koindu road 30.00
T-10	Feasibility studies for major road projects 3.00
T-11	Renovation of runway and buildings at Lungi International Airport <u>1.00</u>
	Subtotal <u>34.00</u>
	Total <u>195.75</u>

APPENDIX II

