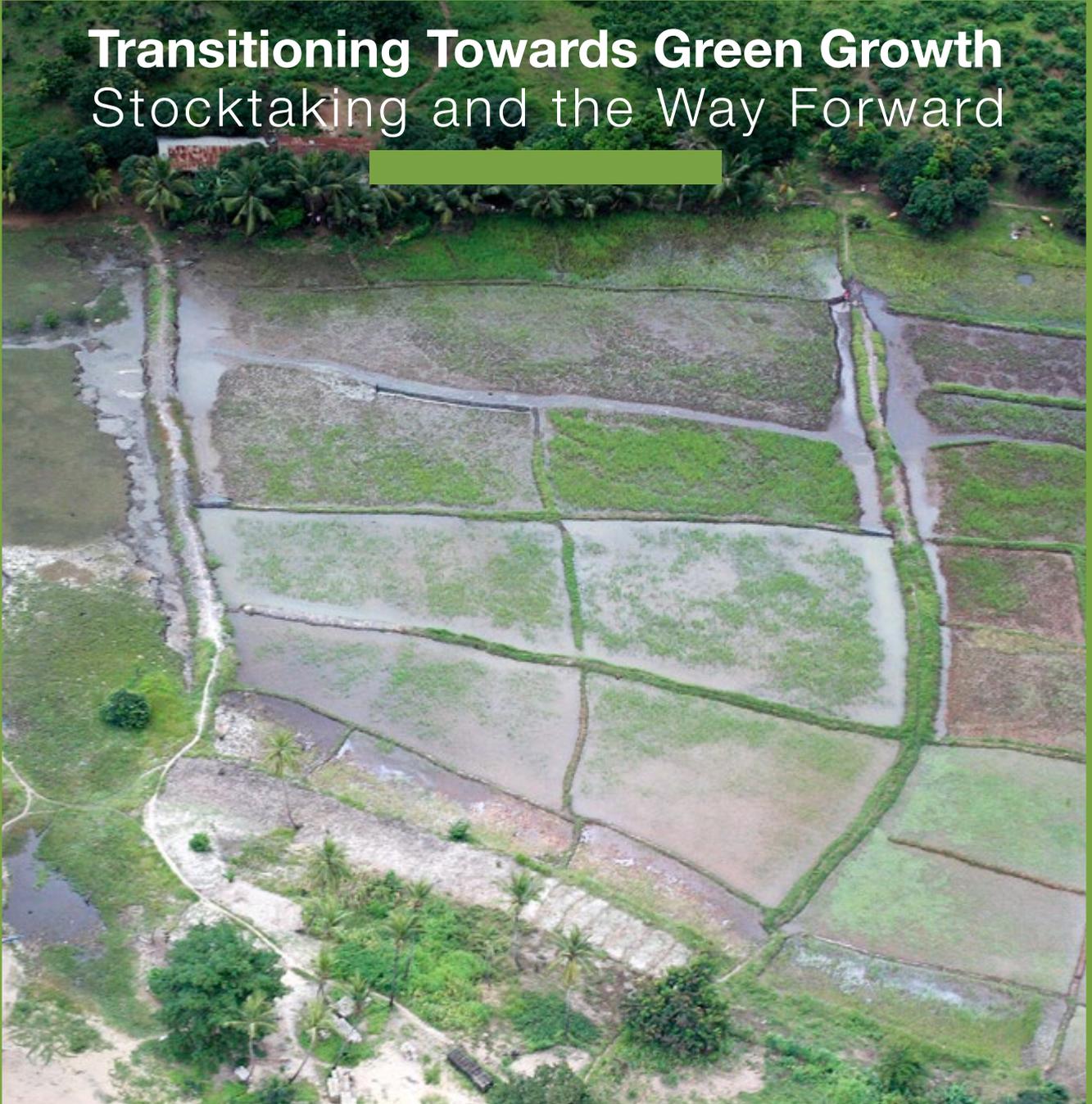


GREEN GROWTH SIERRA LEONE

Transitioning Towards Green Growth Stocktaking and the Way Forward



AFRICAN DEVELOPMENT BANK GROUP



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African Development Bank Group
Temporary Relocation Agency
Angle de l'avenue du Ghana et des rues Pierre de Coubertin
et Hedi Nouira
B.P. 323 - 1002 Tunis - Belvédère
www.afdb.org





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ABBREVIATIONS

A4P:	Agenda for Prosperity
AfDB:	African Development Bank
CAADP:	Comprehensive Africa Agriculture Development Program
ECOWAS:	Economic Community of West African States
EIA	Environmental impact assessment
EITI	Extractive Industries Transparency Initiative
FCC	Freetown City Council
GG	Green growth
GAFSP	Global Agriculture and Food Security Program
GoSL	Government of Sierra Leone
IFAD	International Fund for Agricultural Development
IWRM	Integrated water resources management
MDGs	Millennium Development Goals
MMA	Mines and Minerals Act
NAPA	National Adaptation Program of Action
PEER	Public Environmental Expenditure Review
PES	Payment for environmental services
PRSP	Poverty Reduction Strategy Paper
RED	Renewable Energy Directive
SEA	Strategic environmental assessment
SEEA	System of Environmental and Economic Accounting
SPP	Sustainable public procurement
WDI	World Development Indicators
UNEP	United Nations Environment Program

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This knowledge product is part of the work undertaken by the African Development Bank in the context of its new Strategy 2013-2022, whose twin objectives are “inclusive and increasingly green growth”. The Bank provides technical assistance to its regional member countries for engaging on a green growth pathway. Sierra Leone is one of these pilot countries.

The team is grateful to the Government of Sierra Leone, the national counterparts, NGO and private-sector representatives who participated in preparation and review of this report. Without them, this work would not have been possible. This report is dedicated to them, and more specifically to the core team responsible who prepared the country’s latest development program, the PRSP 3 or “Agenda for Prosperity”. We acknowledge their efforts to mainstream green growth in the PRSP 3 and to build a more sustainable development model that benefits all Sierra Leoneans while preserving the country’s natural capital.

This document has been prepared by a team from the African Development Bank, co-chaired by Hela Cheikhrouhou, Director of the Energy, Environment and Climate Change Department, and Franck Perrault, Regional Director. The analytical and operational work was led by Florence Richard and Robert Peprah. The main author, Marjory-Anne Bromhead, worked in close collaboration with a multi-sectoral team whose members included Reynold Johnson, Christian Tucker, Joao Cunha, Yogesh Vyas, Jamal Zayid, Rogers Lubunga, Richard Malinga, Daniel Schroth, Patrick Agboma, Jean-Louis Kromer, Sandy Jambawai, Kalayu Gebre Selassie, Timothy Mkandawire, John Afele, Mbui Wagacha, Ibrahim Ansu Bangura and James Wahome. Yero Baldeh and Kurt Lonsway provided management oversight, and Frank Sperling strategic guidance.

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We hope that the information provided here will contribute to broader and more effective efforts to engage African countries on an inclusive green growth pathway.

FOREWORD

Sierra Leone has made an impressive recovery since the end of its civil conflict in 2002, with an average annual GDP growth rate of 5–6%. Poverty has dropped from 66.4 in 2003 to 52.9 in 2011. However, challenges remain, and social indicators, though improving, remain very low; for example, only 12% of the population has access to electricity and 35% of the rural population to clean drinking water.

Sierra Leone is endowed with abundant natural resources, including fertile land, fisheries, abundant water, forests, minerals, oil and gas, as well as beautiful landscapes and coastlines. All these do form the basis for a rich and diverse economy. Properly managed, these endowments will provide a lasting supply of food while contributing to export revenues and financing social and infrastructure development. They will also be the basis for a thriving tourism industry; efforts are already being made to develop this sector. The sustainable management of natural resources (both renewable and non-renewable) hence also forms a critical part of the sustainable economic agenda in Sierra Leone.

As the country endorses its new Agenda for Prosperity, which defines the development path for the period 2013–2018, it is critical to engage on a more sustainable pathway; this shall be done through strong economic growth that benefits all and ensures responsible management of the natural capital on which the economy is based. This is how Sierra Leone envisions achieving its middle-income status by 2035.

Sierra Leone is committed to mainstreaming inclusive green growth in the Agenda for Prosperity. The Government, in partnership with the African Development Bank, designed this document to identify key challenges and major opportunities for mainstreaming inclusive green growth into the Agenda for Prosperity.

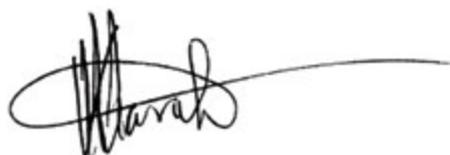
The technical assistance provided by the AfDB to Sierra Leone in 2012-2013 is part of a broader effort by the Bank to support Regional Member Countries in transitioning towards a greener economy. This is in line with the Bank's Strategy 2013-2022 which emphasizes inclusive growth and the transition to green growth as overarching objectives for the development of the African continent.

The Government of Sierra Leone and the African Development Bank share the belief that green growth can bring high-quality growth to all Sierra Leoneans, with more jobs, less pollution, greater resilience and better infrastructure. It can also play a role in improving Sierra Leone's image, as it completes its transition to a post-conflict country committed to transparent governance and high-quality, sustainable growth. Green growth will also bring in more financing – from the private sector and public sources – dedicated to “green investments” and will help better manage revenues from mineral resources.

Through green growth for all, we want to build today a better Sierra Leone for tomorrow!

Minister of Finance and Economic
Development of Sierra Leone

DR KAIFELLA MARAH



Director of the Energy, Environment and
Climate Change (ONEC) Department of
the AfDB

MRS. HELA CHEIKHROUHO





EXECUTIVE SUMMARY

1. The Sierra Leonean authorities are committed to mainstreaming inclusive green growth into their new development strategy, currently nearing completion. Following a request from the Sierra Leonean authorities, this document was designed to assist government officials and national stakeholders to consider key challenges and identify major opportunities for mainstreaming inclusive green growth into the 2013–2017 Poverty Reduction Strategy Paper (PRSP 3), known as the Agenda for Prosperity (A4P). Though the A4P focuses on the next five years, it also seeks to lay the foundations for achieving Sierra Leone’s longer-term vision, its transformation into a middle-income, inclusive, green economy over the next 25 years.¹ Preparation of the A4P started in the summer of 2012, and over the last nine months, the authorities have done much to incorporate green growth principles into it.

¹ AfDB’s assistance package also included working “in real time” with members of the A4P Core Team as the various A4P pillars were developed, organizing workshops on green growth, and working with in-country communications professionals to design a communications and knowledge management strategy.

2. This document was produced through literature review, technical analysis and extensive consultations with the Government of Sierra Leone (GoSL), national authorities, development partners, private-sector representatives, and nongovernmental organisations. It also benefited from review and inputs from AfDB managers and experts from various sectors.

Principles of “Green Growth” and Definition

3. Wise management of physical, natural, social and human capital is at the core of green growth. While traditional growth theory saw use of natural capital as a means of financing increases in human and physical capital, green growth makes a clear distinction between non-renewable and renewable natural capital. While both are a source of long-term economic growth and welfare gains, green growth seeks to manage non-renewable natural capital (minerals, oil and gas) responsibly, and to manage renewable natural capital (land, water, forests, sun, and wind) sustainably: green growth aims to “use renewable natural resources without using them up”.

4. A consensus is emerging that such an approach to economic development is not only desirable, but essential for any long-term development strategy. A green approach emphasises the efficient use of resources, innovation and building resilience to shocks across the development policy spectrum. Green growth policy is also good growth policy, especially in Africa.

5. “Green growth”, as defined by the Sierra Leone authorities during A4P preparation, means “developing infrastructure, energy, and cities sustainably, managing renewable and non-renewable natural resources efficiently, and building resilience for the benefit of its citizens.”

Together with an emphasis on inclusiveness, green growth pursues a cross-sectoral approach to growth through policies, programs, and projects that are economically, environmentally, and socially sustainable. Green growth under the A4P focuses on the actions that are needed in the next five years to facilitate longer-term sustainable and inclusive growth. It values natural, human, social, and physical capital as sources of growth and seeks to manage natural resources for the benefits of future as well as present generations. It also focuses on innovation, efficiency, and resilience”.

“Mainstreaming”, in this context, refers to the inclusion of green growth specifics into all aspects of economic growth policies to be adopted over the five years of the A4P (2013–2017).

6. Sierra Leone wishes green growth to be part of its development strategy.

Sierra Leone

7. The country has made an impressive recovery since the end of its civil war in 2002, with an average annual GDP growth rate of 5–6% and greatly improved security.² It is rising rapidly in the Business Environment Rankings and in 2011 ranked 148th, above the average for African countries. Poverty rates are slowly decreasing.

8. Despite recent high levels of economic growth, Sierra Leone remains one of the world’s poorest countries (GNI per capita of USD 340 in 2010). Social indicators, though improving, are also very low, with infant and under-five child mortality rates of about 200 per 1,000 and very high youth unemployment rates. Only 12% of the population has access to electricity and 35% of the rural population to an improved water source. Human development and inclusive growth, therefore, remain the priorities for the A4P.

² GDP growth accelerated dramatically in 2012 to 20%, following the operationalization of large-scale iron ore mining.

Opportunities for Green Growth

9. The sustainable management of natural resources (both renewable and non-renewable) forms a critical part of the green growth agenda in Sierra Leone. Abundant natural resources, including fertile land, fisheries, abundant water, forests, minerals, and oil and gas, as well as beautiful landscapes and coastlines, could form the basis for a rich and diverse economy. Properly managed, these endowments can provide a lasting supply of food while contributing to export revenues and financing social and infrastructure development. They could also form the basis for a thriving tourism industry.

10. With these advantages in mind, policymakers are committed to developing infrastructure and improving energy access while minimizing environmental damage. Energy policy is based on developing a rational energy mix and minimizing transmission and distribution losses while making maximum use of renewables, especially hydroelectric power and biomass energy, where it makes economic sense. The transport agenda is linked to the economic diversification agenda, specifically agricultural commercialization, but also to regional trade and economic resilience. Improving access to water and sanitation is seen as part of the human development and MDG agenda. Work to create livable cities, however, while an objective of the government, is still at an early stage.

11. A strong social protection agenda is linked to social assistance for the vulnerable and creation of durable employment, as well as to increasing physical resilience and risk mitigation. It includes both short- and longer-term programs for food price risk mitigation and resilience to climate-related events. These include addressing floods and air- and water-borne disease through better drainage, sanitation and solid waste management. Vulnerability to extreme weather events can be reduced by improved weather forecasting and data collection services. Sierra Leone is better advanced in social assistance than in risk mitigation and physical resilience programs.

12. The GoSL has publicly resolved to strengthen governance and public-sector management. It supports a decentralized approach to public-service delivery and building strong, accountable institutions in a context of prudent procurement and financial management.

13. Recognizing the importance of information in sound decision-making, it seeks to build statistical capacity across sectors, building social, economic, and geographical information and monitoring systems to inform decision-making. Improving governance and data availability in the management of natural resources will be central to increasing growth and strengthening peace and security in the country.

14. The government has also committed itself to building a sound enabling environment for responsible private-sector investment. This includes improvements in the environment for doing business; transparent, simple regulatory frameworks; better transport infrastructure and reliable, affordable sustainable energy; and building human capacity. Clear, transparent environmental and social impact management frameworks also help attract responsible investment, and Sierra Leone is creating these also.

Green Growth: Value Added for Sierra Leone

15. There are three main advantages for Sierra Leone as it moves forward towards an inclusive green growth path.

16. First and most important, inclusive green growth is about ensuring high-quality growth that benefits Sierra Leoneans. It places emphasis on sustainable, efficient use of natural resources, minimizing waste and pollution and enhancing resilience, including for health and safety. Current and future citizens of Sierra Leone will benefit from its natural resource wealth, fertile soils, and productive agricultural landscapes; safe, well-designed roads and transport systems; mines that do not pollute; efficient and affordable clean energy; towns with functioning water, sanitation and solid waste systems and urban planning; and risk management systems that help increase resilience to energy and food price rises and to droughts, floods, storms and landslides.

17. Second, Sierra Leone's international reputation stands to benefit from its commitment to green growth. This plays a role in the improvement of its image as a country in transition from conflict to a country committed to transparent governance and high-quality, sustainable growth. In this, Sierra Leone can join Rwanda, Ethiopia, South Africa, Mozambique and other African countries as a leader on the continent and an international advocate for a more sustainable and inclusive development model.

18. Third, Sierra Leone's commitment to inclusive green growth will make its economy more efficient and competitive, creating jobs while also attracting additional development financing, including from the private sector. The international community is committed to high-quality growth paths, and has incorporated these principles in core development financing as well as into some dedicated climate and environment funds. Just as important, sound green growth policies and transparent governance are more likely to attract reputable private-sector financing that will bring jobs and growth to Sierra Leone. Efficiency gains and reduced losses will also free capital (financial, natural, physical and human) for additional investments and productive activities that will help to expand and diversify the country's economy.

Green Growth and the Agenda for Prosperity

19. There is considerable green growth content in the A4P. Moreover, the GoSL's decision to use the same coordination arrangements for the A4P and the green growth agenda has increased opportunities for mainstreaming green growth into government policy. The green growth approach under each of the A4P pillars is as follows.

Pillar 1: Economic Diversification

20. Sierra Leone will focus on improving the enabling environment for investment in the employment-intensive industries of agriculture, fishing, tourism and manufacturing. It seeks to increase productivity, move production up the value chain, and improve the macroeconomic and business environment, including access to finance. It also seeks to attract both small-scale and large-scale investment. An enabling environment for doing business (Pillar 4) and sound environmental and social management frameworks (Pillar 2) are important in this regard.

21. Underpinning these objectives, a green growth approach would focus on sustainable management of natural capital resources—land, water, watersheds, forests and fisheries—that underlie increasing productivity in these essential natural capital-dependent sectors (Pillar 2). Specific actions would include addressing agricultural soil fertility and soil/water conservation, sustainable fish stock management, and value chains for artisanal fisheries, water quality/solid waste management and maintaining natural beauty for tourism, including through ecotourism. Given the importance of informal and small-scale industry in agriculture, transport and manufacturing, support measures targeted at improving efficiency and innovation in these subsectors will be important. Sierra Leone is already supporting renewable energy technologies (see also Pillar 4), and there is also scope for development of new business opportunities based on sustainability principles.

Pillar 2: Natural Resource Management

22. The pillar includes many green growth elements. Specifically, it distinguishes between renewable and non-renewable resources and seeks to ensure, through transparent governance and adequate environmental management, sustainable development of infrastructure, minerals and industry. It also argues for a strong environmental impact assessment, monitoring and management system, which is key to sustainable development of the infrastructure and mining sectors. It calls for the establishment of a natural resources geographical information system encompassing mineral, land, forests, and land use data. Such a database could usefully also include water resource and meteorological data, and would be linked with the economic and social databases mentioned in Pillar 7.

23. Pillar 2 emphasizes the importance of managing renewable natural resources sustainably to allow for regeneration of natural capital. The pillar includes proposals for development of a comprehensive land policy, including strengthening land tenure, land markets, and land use planning. Linking with Pillar 1 would also usefully emphasize the importance both of sustainable land and water management and of clear land rights for agriculture. Given the importance of coastal areas to urban and ports development, protection of fisheries' spawning grounds, and fostering of the growing tourism industry, as well as considering coastal storm and flooding issues, development of a comprehensive coastal zone management policy would form a useful part of an economic growth and diversification strategy.

24. The section on forests could also usefully emphasize the importance of forests and woodlands, including those that are community-managed, for sustainable fuelwood and timber production and employment, a key goal of A4P. The section currently focuses on the 10% of wooded area that is state owned, and includes proposals for strengthened ecosystem protection. More than 90% of timber harvested is used for fuel wood and charcoal, which accounts for 85% of household energy and is a major source of cash income and jobs; there is great potential for increasing productivity, sustainability, and efficiency in production, processing, and marketing, as well as for greater use of fuel-efficient cookstoves. Forests also have an important role in watershed protection, and there are opportunities for ecotourism in some areas.

25. The section on water resources could usefully emphasize the socioeconomic development potential of sustainable water management. It currently addresses the importance of IWRM (integrated water resource management) and watershed management, and proposes development of a comprehensive water law. Sierra Leone is “water-abundant” and has resources that can be used for energy, agriculture, and mining as well for drinking water and fish cultivation. There are strong links with the human development and the competitiveness/infrastructure development pillars. There is good experience to draw on from other countries regarding water quality management, an issue especially in the mining sector. A section on fisheries has been developed, which focuses on sustainable management of both marine and inland fisheries, and protection of spawning grounds; it will be linked with Pillar 1.

26. In the mining and minerals sector, “green growth–friendly” legislation is well advanced, and A4P includes proposals for establishment of a Development Transformation Fund. The challenges will be capacity for implementation and understanding by decentralized agencies and artisanal miners of the new approaches. Though the country has failed to reach the expected standards so far, Sierra Leone is committed to the Extractive Industries Transparency Initiative (EITI ++), which seeks to improve transparent contract negotiation, revenue management, and sustainability in the non-renewable resources sector. The mining and minerals legislation includes specific requirements for each level of the extractive industries (large, small, and artisanal) and makes strategic environmental assessments (SEAs) mandatory. The Development Transformation Fund would manage revenues from the extractive industries for both short- and long-term economic and social development.

27. Green growth approaches to consider in addition would include linking allocation of land for mining concessions to broader sustainable land use planning in the country. There would be a strong focus on implementing new approaches to artisanal mining management, while recognizing its importance in job creation, to improve safety, reduce environmental impacts, and encourage employment alternatives.

28. Development of improved hydro meteorological information system and services to end users could also be included under Pillar 2. This cross-cutting issue at present “falls through the cracks”; physical resilience, including flood, drought, climate resilience, and improved weather and climate, could be addressed either under Pillar 2 or under the social protection pillar (Pillar 6).

Pillar 3: Accelerating the MDGs for Human Development

29. The section addresses population, education, health, and water supply and includes substantial analysis on progress to date. Much effort has gone into developing databases, and the section reinforces the value of strong, sustained information systems as a key decision-making tool. The section on population includes a strategy for slowing urban population growth through encouraging agriculture and mining employment in rural areas and includes rural and local government land use planning; it would be helpful to coordinate these with proposals in Pillars 1 and 2.

30. A green growth approach to human development would take into consideration better management of physical capital as a basis for improving social interventions and outcomes. It would underpin social development policies—improve basic education, provide better health services, increase access to water and support gender equality—with initiatives to improve waste management, flood drains, and land-use planning to reduce the impact of air- and water-borne disease. The quality of human capital and people’s wellbeing are intrinsically linked to resistance to disease and protection from environmental damage.

31. The section on water and sanitation refers to analysis that indicates the economic cost of inadequate water and sanitation at 2% of GDP. Analysis of the economic costs of environmental degradation is often useful for decision-making. The section could also usefully address improved drainage, flood management, and solid waste management; these are important if the full health benefits of better water and sanitation are to be achieved.

Pillar 4: International Competitiveness

32. The A4P includes six focal areas of investment to increase international competitiveness: institutional reform, infrastructure, access to finance, skills development, improving the business environment, and regional integration. All these are highly relevant to green growth because of their contribution to efficiency gains. Infrastructure, however, is of major importance.

33. Regarding the business environment, a sound regulatory framework for environmental and social management and commitment to a green economy can attract reputable private sector investment. Sustainable management of natural resources and competitiveness are linked agendas: Efficiency gains and reduced losses will release capital for investment. The SME (small and medium enterprise) support program will need to take into account the specific needs of targeted sectors under Pillar 1, including agribusiness and fisheries value chain development, tourism, and manufacturing. It will also need to support targeted training and education programs relevant to emerging employment opportunities, linking with Pillars 3 and 5.

34. Regarding transport, improved systems at the local, national, and regional levels are important. A green growth approach would include a strong emphasis on road maintenance and safety, as well as sound environmental and social management plans. Maintenance and road safety bring efficiency gains by ensuring that investments are sustained, and welfare gains by minimizing injury and loss of life. Urban transport policy (not at present addressed in the A4P) should prioritize traffic management, public transport management, and ensuring of provision for pedestrian traffic. Adequate environmental management of road construction (eg, with regard to sand and gravel extraction), and design (building roads to avoid erosion and be climate-resilient) are important to a green growth agenda. Social management programs will help bring real benefits to local populations. Efficiency improvements at the port and for trans-border traffic are also needed.

35. Increasing affordable, sustainable, reliable energy access is key to competitiveness, growth, and wellbeing in a green growth strategy, and also helps attract private sector investment. Sierra Leone needs to develop a range of energy sources; hydropower and biomass energy (including wood energy and biofuels) have the greatest potential among renewables, though there is also some potential for solar. Sierra Leone has useful experience to share in biofuel development from the Addax sugarcane ethanol project. There is much potential for efficiency and productivity gains in the fuel wood and charcoal sectors, which accounts for 90% of household energy in Sierra Leone. Increasing transmission capacity efficiency and loss reduction are also priorities. Sierra Leone will need some additional thermal capacity and is exploring liquefied natural gas as an alternative to fuel oil.

36. In telecommunications, there is scope to make greater use of mobile phones for accessing information and for a range of financial transactions. There is experience to draw on, particularly from Kenya; the opportunities for efficiency and innovation gains are important elements of a green growth approach.

37. Regional integration can improve efficiency and access across a range of sectors, including in delivery of energy through greater integration in the West Africa Power Pool, in mining governance through the Manu River Union, in transport, and through cooperation on improved governance of regional fisheries. These contribute both to international competitiveness and to green growth through improved resource governance.

Pillar 5: Employment and Labor Strategy

38. A4P focuses on employment promotion, industrial harmony, occupational health and safety, and adherence to international labor standards. A green growth approach would, further, link Pillar 5 with Pillar 1 economic diversification and employment creation in agriculture/agri-business, fisheries/fish processing, tourism and manufacturing because these industries, together with artisanal mining and trade, are where most current and potential employment remains.

39. There is a specific need to recognize the nature and needs of the informal sector and to acknowledge the role of family labor. Many Sierra Leoneans will work in industries processing and transporting agricultural and fisheries production and in construction, creating value chain and jobs. It is important from a green growth perspective to develop skills in these sectors and to contribute to youth employment.

Pillar 6: Social Protection

40. A4P includes a vision of a social protection system that distinguishes among: (i) welfare instruments that provide relief and sometimes recovery from deprivation; (ii) risk-insurance instruments that seek to avert deprivation by establishing robust and accessible recovery mechanisms; and (iii) resilience-building instruments that aim to enhance real incomes and capabilities, build assets, and promote resistance. The focus of the draft A4P program is currently on social assistance for the vulnerable and social action programs.

41. It would be helpful to better link social protection and physical resilience. Social protection programs help people cope with risks and shocks, including those related to food and energy prices, climate, the economy, and health, through risk mitigation instruments. For instance, it would be interesting to consider response programs for food price increases (school feeding programs, conditional cash transfer schemes, and food-for work programs), together with sustained investments that enhance agricultural productivity, resilience, and incomes (see Pillar 1). Agriculture continues to be the mainstay of employment and economic growth, and even though there will be some increase in irrigation, rainfed agriculture will continue to be the predominant system. Urban populations will continue to be exposed to food price shocks, at least over the next few years. Linking short term social protection, physical resilience and longer term social development will bring efficiency as well as welfare gains.

42. Improving weather and climate services is also key to physical resilience, together with better urban land use planning to prevent building on fragile slopes, as well as adequate attention to drainage and solid waste management.

Pillar 7: Governance and Public-Sector Reform

43. This pillar emphasizes strengthening decentralized public service delivery by reinforcing the planning, budget management, procurement, and results-monitoring capacity of decentralized agencies. It has a continued insistence on strengthening budgeting, financial management, and procurement capacity at the central government level, as well as the timely production of core economic and social data.

44. It would also be helpful to address improving governance and decision-making in key economic sectors. For example, improved environmental and social impact assessments are key elements of the governance agenda and key also to sustainable development of the minerals, infrastructure, and agricultural sectors. Other important elements of sector governance include EITI (the Extractive Industries Transparency Initiative), the proposed Transformation Development Fund, and the work on development of transparent land use/land tenure systems.

45. The pillar mentions the need to strengthen statistical information. Development of an integrated information base on natural resources, including water, soils, minerals, forests, and land use, is an important governance tool because it informs decision-making across sectors and can be integrated with economic and social databases (see also Pillar 2).

Pillar 8: Gender

46. A4P focuses on five areas: raising capacities in the Ministry of Social Welfare, Gender and Children; continuous policy review and adjustment; compliance with international responsibilities; gender-responsive budgeting and accountability; and the promotion of gender equality in public life. It would be helpful also to refer to gender aspects of some key sectoral programs (eg, renewable energy, water and sanitation, employment).



Toward Implementation: Principles for Prioritization

47. While implementing the A4P, there are two priority categories against which the Sierra Leonean authorities might wish to measure their green growth policies and programs: a) activities with immediate local benefits; and b) activities with higher upfront costs, but lasting negative consequences if action is not taken soon (ie, with a high risk of being “locked in” to non-sustainable growth paths). In addition, key factors are activities that are likely to have public support, given the importance of mobilizing social capital, and simplicity in implementation.

Conditions for Implementation

Political Leadership

48. Winning active support from policymakers from the highest level to the lowest is crucial to the implementation of green growth. The existence of a “network of champions”, technically competent and prepared to defend the strategy with sound arguments, will contribute to the maintenance of executive support. It is important to have commitment from the politically relevant entities that have a clear mandate for implementation. At the grassroots level, civil society buy-in ensures local and activist commitment.

Adequate Policies and Incentives

49. Policy measures can be categorized into economic incentives, regulations, and social marketing instruments to promote behavioral change. Normally, a combination of measures is needed. Economic instruments include public investment or expenditure support, taxes, and subsidies; regulations include laws with penalties for non-enforcement; social marketing instruments include communications campaigns. In a country with limited institutional capacity such as Sierra Leone, too much reliance on regulatory instruments is unlikely to be effective; in any case, regulatory measures should have both “citizen ownership” and institutional capacity to “monitor and enforce”.

50. Policy instruments should be designed not to have indirect negative impacts on human and natural capital. For instance, subsidies should be provided if they are considered as “smart subsidies”, i.e. when they support activities that have short-term costs but longer-term benefits; when they favor future investments and avoid distorting the markets; etc. It is acknowledged that these policy instruments require resources and political will to redirect expenditure.

51. A sound macroeconomic framework and a clear regulatory environment that create enabling conditions for private-sector investment contribute to the potential for success of green growth strategies. Sierra Leone is moving in this direction; for example, it is moving rapidly up in the World Bank’s Doing Business rankings.

Governance and Capacity

52. Clarity and transparency in government policies and their implementation are essential for the success of green growth policies. These include: accountability in the justice system, decentralization, clarity in land rights, clear regulations for land use, integration in water-resource use, clear rules for the assessment of environmental and social impacts, and openness in public procurement. Sierra Leone has committed to all these requirements.

53. Strengthened institutional, technical and human capacity for implementation is also necessary, together with continued stakeholder consultation and involvement; Sierra Leone, with its commitment to decentralization and democratically accountable institutions, has the right systems in place, though capacity building is a long-term process. Enhanced workforce training and university education programs on sustainable resource management and other green growth topics could be developed.

National Budget

54. Public finances need to be clear, properly budgeted, and defined in developmental objectives. Support for green growth mainstreaming needs to be reflected in budget allocations at central and local level. In the A4P, Sierra Leone has demonstrated its intention to adhere to these principles.

Information and Analytical Tools

55. Competent decision-making and the implementation of a green growth strategy depends upon reliable and regular information through access to trustworthy sources and data. Policymakers need to assess the environmental and social impact of economic activities; evaluate environmental costs and benefits assess the economic costs of environmental degradation; review environmental expenditures in pursuit of policy objectives; and relate environmental, economic and social data to each other. They must include hydro-meteorological data in their services to the population, and accurately assess the impact on the labor market of different green (and other) policies.

The Private Sector

56. The private sector must be prepared to invest in activities that support the general policy goal of green growth. Sierra Leone is rated as one of the 10 top business environment reformers in the world, and foreign private-sector investment has tripled over the last five years to more than USD 1 billion annually. There are further opportunities in agriculture, fishing, mining, processing, and value-chain enhancement, but also in infrastructure and renewable energy development. Opportunities are identified under Pillars 1 and 4. Equally important however, is human capital development, including vocational training adapted to industry needs. The informal sector predominates in agriculture, fisheries, small-scale industry, and transport, and can also be “brought in” to green growth approaches.

Development Partner Support

57. A4P provides an opportunity for development partners to integrate inclusive green growth into their development support strategies, and to align priorities in this respect with those of the government. The 2005 Paris Declaration and Accra Agenda commit donors to align aid programs with country strategies, as well as to simplify and rationalize aid procedures. The results of the November 2012 elections confirm the widespread support of Sierra Leonean citizens for the growth agenda of the government. Yet while Sierra Leone is increasing the capacity to raise revenues locally and the enabling environment for private-sector investment is rapidly improving, development support still provides 40% of the budget. Development partner support will, therefore, be very important in moving towards the inclusive green growth path outlined under A4P.

Communications

58. Green growth is not an easy concept to grasp; hence, the GoSL is planning to undertake dedicated communication activities to ensure that there is a clear and common understanding of what the concept covers, and how it translates concretely in Sierra Leone. A Green Growth Communication Strategy was prepared (Annex 2) that suggests the following activities: (i) a series of workshops to raise awareness at all levels of government; (ii) a series of three training seminars on green growth for local journalists; (iii) dedicated meetings with private-sector representatives given that their role will be crucial for successful implementation; (iv) building a network of “champions” who will be able to transmit green growth messages and lend support from an indigenous, nonpartisan point of view; (v) using artistic approaches to reach the general public—a local musician and/or songwriter could be approached to produce a song on the theme of green growth to be recorded and broadcast on one or several of the local radio stations, or a play could be commissioned on the green growth theme; and (vi) building the communication capacity of the AfDB field office with a full, comprehensive course of communication training. The objective of such activities will be to make national stakeholders understand the value added of green growth for Sierra Leone’s development, and to support efficient implementation of the proposed green growth interventions.

Concluding Remarks

59. Sierra Leone has the immense advantage of enjoying support for green growth at every level of government and administration. The A4P includes a development strategy consistent with many of the elements of a green growth approach for the five years to 2017.

60. This document has made a number of suggestions for additions to the elements of that approach in order to strengthen its green growth aspects. Many of these are being incorporated into the final version of the A4P. Sound economic growth policies are the prerequisite for inclusive green growth policies, and the focus on improving decentralized services, transparent governance, accountability, procurement, and financial management all fall into this category.

61. An additional focus on linking economic diversification and infrastructure development with an integrated approach to managing natural resources, including minerals, oil, and gas, land, water, fisheries, forests, and coastlines, would ensure that Sierra Leone's natural capital is sustained and managed responsibly as it embarks on an inclusive green growth path. Building a sound geographical and natural resources knowledge base and linking it with strengthened economic and social databases will help decision-making. Focusing on resilience, land use planning and infrastructure development decisions, building of sound hydro-meteorological services, and environmental health will help citizens in urban and rural areas defend themselves against floods and droughts and reduce the burden of disease. There are opportunities now for Sierra Leone to plan its urban areas for a sustainable and prosperous future.

62. Mainstreaming inclusive green growth into the A4P was a first step as Sierra Leone embarks on achieving its vision of being a middle-income, green, inclusive economy by 2035. The next stages, as government and other national stakeholders develop a detailed action plan with monitorable results, will be to incorporate green growth elements into the detailed policies, programs, and indicators, as well as to implement a communications strategy that can provide wide support for the efficient implementation of the inclusive green growth agenda.

63. Sierra Leone has the opportunity, the political will, and the capacity to embark on an inclusive green growth path which harnesses the assets of the country in a sustainable and efficient manner to provide a prosperous future for its citizens and their children and grandchildren.

GREEN GROWTH SIERRA LEONE

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African Development Bank Group
Temporary Relocation Agency
Angle de l'avenue du Ghana et des rues
Pierre de Coubertin et Hedi Noura
B.P. 323 - 1002
Tunis - Belvédère
www.afdb.org



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