

# SECTOR MINISTERS' MEETING 2019

San José — Costa Rica — 4-5 April



## The Sierra Leone COUNTRY BRIEF

*The Country Briefs were prepared by governments ahead of the SWA 2019 Sector Ministers' Meeting. They are a snap-shot of the country's current state in terms of water, sanitation and hygiene, and future targets.*

### 1. Country Demographics

Sierra Leone is a small country with total land area of about 72,325 Km<sup>2</sup> situated along the Atlantic Ocean in West Africa and shares borders with the Republic of Guinea in the North and Liberia in the Southeast. Sierra Leone emerged from a decade long civil war in 2002. The war not only destroyed water supply and sanitation infrastructure and water resources monitoring equipment but also changed the economic and demographic profile of the country. Table 1 provides an overview of Sierra Leone's basic environmental and socioeconomic indicators. The 2015 Population and Housing Census put the population at slightly more than 7 million people.

**Table 1 - Sierra Leone statistics**

Country Area		72,325 km <sup>2</sup>
Neighbouring countries		Liberia, Guinea
Climate	Average rainfall	2500mm (north) 3000mm (south)
	Average temperature	25°C
	Description	Tropical. wet season April-Sept
Human Development Index (out of 185)		Rank 179 in 2016 and 177 in 2015
Life expectancy at birth		50.1 years 2017 data Rank 183
Deaths per year due to diarrhoea		Rank 9 <sup>th</sup> highest worldwide with 100 deaths per 100,000
Population	Total	7.1 million
	Urban	41%
	Rural	59%
Population growth rate	2004-2015 intra-census	3.1%
Population living below national poverty line		52.9%
Gross National Income	2017 per capita	\$510
Gross Domestic Product	2017	\$3.8 billion (4.2% annual growth)

\* Sources: Statistics Sierra Leone and [data.worldbank.org/indicator/SI](http://data.worldbank.org/indicator/SI)

Sierra Leone has been making steady progress since the end of the war in 2002. As illustrated on **Error! Reference source not found.**, Sierra Leone experienced positive economic growth measured as the Gross Domestic Product (GDP) growth over the last 15 years. The exception is 2014 and 2015 where the economy

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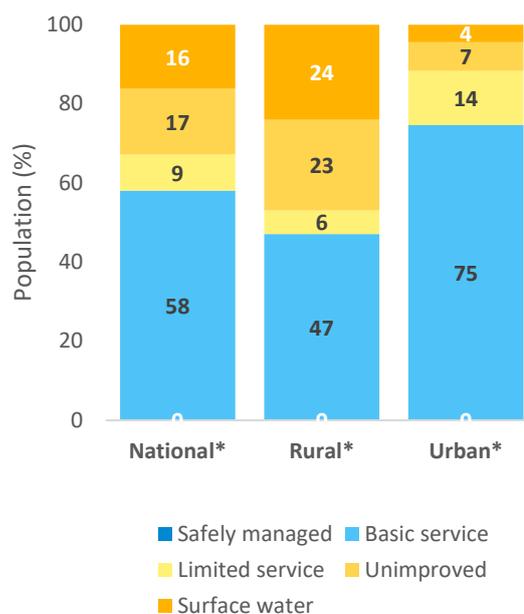
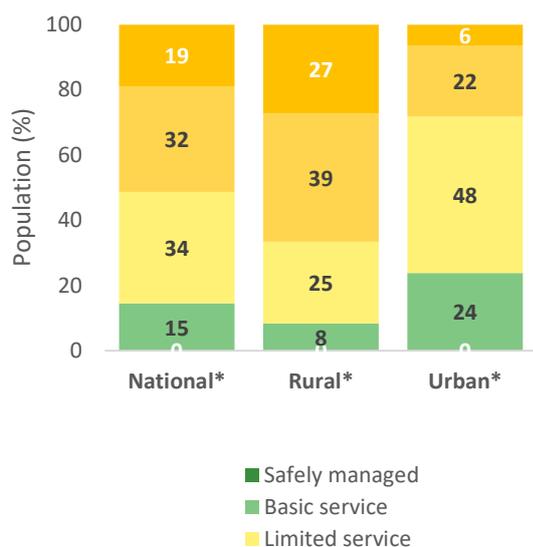
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was severely affected by two shocks: the Ebola epidemic and the sharp drop in the iron ore prices. The disruption to agricultural planting and harvesting, manufacturing, construction, tourism and transportation, the closure of markets and the disruption of regional and international flights, following the outbreak of the Ebola undermined the growth prospects of the economy. The combined effect of the Ebola and closure of iron ore mining companies resulted in a big recession as it recorded a real GDP declined of -20.6% in 2015.

## 2. SDG'S and the Water, Sanitation and Hygiene Sector

Data from JMP 2017 updated report, indicates that the national access to water is 58% whilst the national access to sanitation stands at 15% see below:



\*Source: analysis of MICS2017 and JMP data published July 2017

## 3. Collaborative Behaviours, Building Blocks and Guiding Principles

Sierra Leone to a large extent has been building on and implementing the use of country systems, this is manifested through the constant engagement between Government and its Development partners, in order to ensure alignment of donor programs with not only the overall Government development Agenda but also with the strategic plans of the Ministries. Disbursement of funds for projects, and the procurement of goods and services are strictly aligned to the provisions of the Public Financial Management and Procurement Act. The Local Government Act 2004 puts Local Councils at the forefront of rural and small-town WASH implementation. Generally, the building blocks have been put in place and will

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need to be adapted to the SDG's. currently the Ministries (Water and Health) are in the process of reviewing the National Water and Sanitation Policy and one of the key considerations, would be the alignment of key policy statements and strategies to the Sustainable Development Goals.

## 4. Eliminating inequalities

The World Bank Cooperate goals of ending poverty and the Sustainable Development Goals, advocates for specific attention to be paid to the vulnerable and the poor. Therefore, against this backdrop there is a responsibility on every Government to eliminate all forms of inequality as it pertains to access to WASH Services. In Sierra Leone although there does not exist a comprehensive data on inequalities. However, the National Water and Sanitation Policy of 2010 makes provision in one for the 'Provision of Water services to Low income and community groups' which can be achieved through the following strategies:

- Low-income groups will be identified by water supply entities in collaboration with Local Councils and plans and programmes to provide water supply and sewerage disposal services to peri-urban areas shall be drawn up by water supply entities.
- Pro poor service obligations will become part of the water supply entities' performance contracts.
- Tariffs will be designed to provide for a life line tariff and cross-customer group subsidies to ensure that low income groups get the services at an affordable tariff.

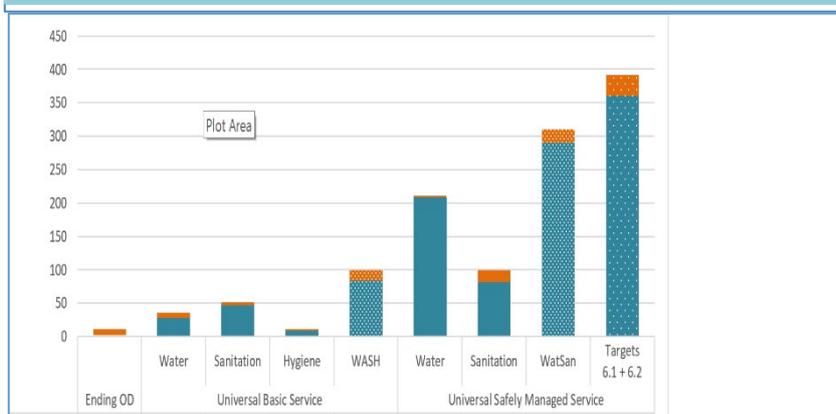
## 5. Water Sanitation and Hygiene Financing

### Magnitude of funding deficit for SDG's 6

Although the Government of Sierra Leone has not done an independent assessment of the funding deficit that is required to close the gap to achieve the SDG's 6, however in a study that was supported by UNICEF, the World Bank costing tool was used, to obtain an indication of the total costs of meeting Sierra Leone's SDG targets for both "basic services" and "safely managed service". Figures 3-3, Figure 3-4 and Figure 3-5 provide annual requirement of capital costs to reach the unserved in rural and urban areas, based on the costing tool.

Based on the assumptions it is estimated that USD99 million will be required each year to build and maintain universal "basic

Figure 3-3: Annual capital costs of reaching entire population with WASH services by 2030 in USD million



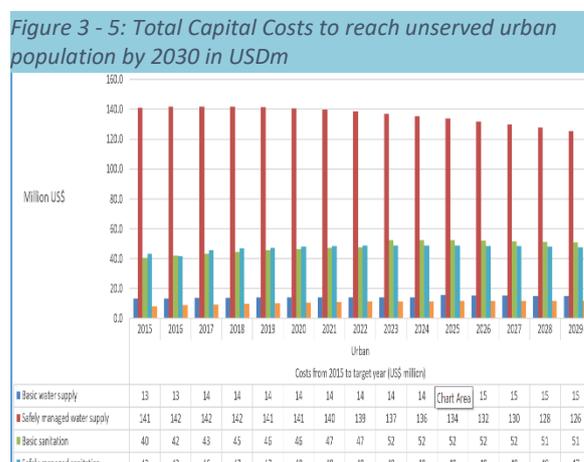
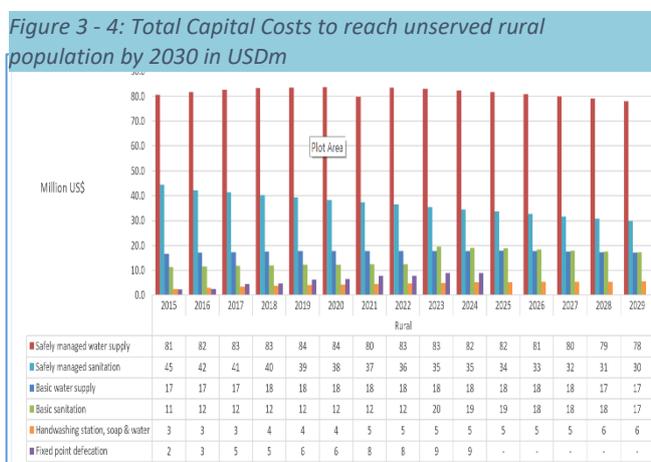
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WASH services” and USD310 million for “safely managed WASH services”<sup>1</sup>. Of the amount USD84 million will be required in capital expenditures for basic services and USD290 million for safely managed services, whilst an additional USD15 million and USD31 million will be required to sustain services to the already served populations.

Disaggregated further the total capital costs of reaching the unserved population in rural areas each year with basic WASH services is around USD41 million. That for urban WASH services is USD58 million each



year. These numbers work out to represent 1.18% and 5.1% of GDP respectively for basic and safely managed WASH services respectively.

The annualised costs represent what is required to meet the targets. Depending on the mix of public finance and user (consumer) contributions a substantial burden could be taken off public finance and shouldered by consumers in the form of tariffs for water consumption, and household expenditures on sanitation. This means that as the sector moves more and more towards full cost recovery, public financing requirements will considerably reduce, it being appreciated though that for many years to come public finance will continue to meet capital expenditures in rural and small towns’ water supply particularly.

## 6. Approaches to Closing the financing gap

In order to bridge the deficit to achieve the SDG’s, there is a need for a shift from the traditional methods of financing, which has mostly been through the Government and its Development Partners. However, it is becoming abundantly clear that in order to meet the SDG’s and close the financial gap, there is a need to move away from the traditional methods of financing. In a scoping study that was supported by UNICEF, on WASH financing, several non- traditional sources for WASH Financing were identified, which are as follows:

<sup>1</sup> Most of the analysis here are based on the more achievable target of “basic services” rather than the more aspirational “safely managed” services.

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## Private Sector

The private sector's current role in the WASH sector is essentially in the supply of goods and services, consulting services. Private sector activity that assumes commercial risks in the provision of water supply is virtually non-existent, save informal situations where water is sold by individuals owning boreholes and hand-dug wells. In the area of sanitation, activities are limited to cesspit emptying and a small cadre of artisans in latrine construction.

## Water Resources Management fund

Sierra Leone has recently passed the National Water Resources Management Act for the sustainable management of the country's water resources. Included in its provisions is a Water Resources Management Fund which shall be applied mainly for the sustainable and efficient management of water resources. The introduction of a fee for 'raw water' introduces the concept that 'raw water' has an economic value, like any other natural resource. Funds accruing to the Fund will ease the financial burden of government which is currently required to fund the management of water resources.

### 1. Capital markets for raising finance for WASH

There is no developed capital market in Sierra Leone save government auctions of bonds and treasury Bills to primary dealers. As part of the reform of the financial sector, the Bank of Sierra Leone is now putting in place a regulatory framework with a view to strengthening and re-orienting the sector to have a wider focus, in line with international best practices. This is another avenue that can be explored for WASH Financing.

### 2. Existence of local financial institutions (pension funds, banks) with desire for local currency domestic infrastructure investments

There is no vibrant activity in commercial funding of WASH infrastructure nor indeed in infrastructure generally. Whilst there is a paucity of local funding, there is a need for more engagement between the WASH Sector and local financing Institutions.

## 7. Country Priorities and Commitments

- Increase government budgetary allocation for WASH services from 3% of the GDP to 10% by 2023 and scale up domestic resource mobilization for WASH services
- Review SDG action Plan for WASH with realistic timelines
- Reducing open defecation from 17 % to 11% by 2023 and implementing sanitation at scale to ensure no one is left behind

## Mechanisms for review and follow-up on the priorities and commitments:

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The Annual Sector Review Conference provides a platform for discussing the progress and challenges in the WASH sector. It is an important part of the overall sector coordination platform within the WASH Sector in Sierra Leone. This event is usually preceded by the Sector Performance Report that highlights the contribution both in terms of funding that has been extended to the sector during the period under review.

## 8. Processes and material used in the preparation of the brief:

In the preparation of this brief, there were consultation with the relevant stakeholders which includes the Ministry of Health, Water Resources, UNICEF and civil society Organisations. Reference was made to several documents which includes the following:

- Agenda for Prosperity (2013) Sierra Leone's Third Generation Poverty Reduction Strategy Paper (2013-2018).
- The National WASH Policy 2010,
- Mobilising financing to achieve the Water, Sanitation and Hygiene SDG's 2017
- Multiple Indicator Cluster Survey: 2017

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