

Unleashing the Talent of Our People

A Vision and a Promise

Private Sector Development Strategy for Sierra
Leone

Ministry of Trade and Industry

Foreword by His Excellency the President

I have an unshakeable belief that the future prosperity of our country and our people lies in the hands of the private sector: not just a few large businesses but the multitude of small entrepreneurs that risk their human and financial capital everyday in order to produce and trade in goods and services that we all need. They are the creators of wealth and it is to their enterprise and talent that we must look if Sierra Leone is to fulfil its economic potential.

However, I am only too aware of the constraints faced by our private sector at present. Several decades wherein the public sector commanded the economy, followed by the economic destruction caused by the civil war, have left the private sector weakened. But the underlying talent of our people remains strong as I can attest to personally from my own business career. We have to find ways to unleash that talent so that entrepreneurs can create the wealth and jobs that our country so badly needs.

This document presents a vision for developing a private sector that enables our people to participate in and benefit from economic growth. It summarises strategies that my government will pursue to develop the private sector and unlock the talent of our people. Private sector led inclusive and sustained economic growth is a cornerstone of the Government's poverty reduction strategy. I charge all Ministries, Departments and Agencies, the private sector and civil society, aided by our development partners, to collaborate effectively in bringing about the realization of our vision.

Ernest Bai Koroma
President of Sierra Leone

Foreword by the Honourable Minister of Trade & Industry

Our country is blessed with abundant natural and human resources and a favourable location to benefit from the growth of the global economy. We have the opportunity to become a prosperous nation whose people are able to live productive and fulfilling lives based on their talents. We can and must seize this opportunity.

A principal reason for our current low level of development lies in our reliance in the past on the exploitation of a few natural resources. Our economy remains dependent on agriculture and minerals. They alone cannot create the wealth and jobs that our people need. We need to develop an entrepreneurial, innovative and competitive private sector that delivers broad based, inclusive economic growth providing the opportunity for all our people to participate in and benefit from growth. We also need to add value to our natural resources.

At present, the private sector is underdeveloped. There are a few, large competitive businesses. But the thousands of our smaller enterprises are stuck in activities that provide poor returns to the investment of human and financial capital and do not generate many jobs. We need to unleash the talent of all our people.

For the past year, the Ministry of Trade and Industry- supported by our development partners - has been undertaking the analysis and consultation with stakeholders to develop a private sector development strategy for the country. This document sets out our vision for the private sector and summarises strategies that we, the public and private sectors together, intend to pursue to bring it about.

We hope this document inspires you to join with us in making this vision a reality.

David O. Carew
Minister of Trade & Industry

Our Vision

Our vision is to develop a *private sector that can unleash the talent of our people* as farmers, workers, and entrepreneurs. Such a private sector will be: entrepreneurial in increasing investment to sustain growth and create jobs; innovative in discovering new opportunities to create wealth and improve the incomes of our people; competitive so that Sierra Leone can take better advantage of the global economy; and inclusive of and fair to all our people.

“We envision a culture of investment and enterprise spread across the economy so that the private sector increases investment and maximises the wealth and jobs created by each Leone invested. Sierra Leone’s entrepreneurs develop the habit of continuously discovering new opportunities to create wealth and jobs. The country plays a bigger role in the global economy by attracting foreign investment and increasing its share of global trade. Sierra Leone’s private sector becomes more inclusive of people of all ethnic origins and success is determined by talent and hard work, not by who you know or by the power and wealth at your disposal. There is a level playing field for businesses to compete and consumer rights are protected.”

Our vision is therefore composed of three main themes: *Investment and Enterprise; Innovation and Competitiveness; and Inclusion and Fairness.*

1 Investment and Enterprise

Vision: *A culture of investment and enterprise spreads across the economy so that the private sector increases investment and maximises the wealth and jobs created by each Leone invested.*

To sustain rapid growth and create jobs, our economy needs higher levels of investment. The rate of investment has increased recently but much more needs to be done as we remain below the average for Sub-Saharan Africa and the levels needed to sustain rapid growth.

In addition, we need to increase the growth and jobs created by each Leone invested. Currently, investment is directed only to a few industries and many of these require huge amounts of capital to produce wealth and jobs. We need to attract investment to a broader range of industries, especially those which provide high returns per Leone invested, for example, agribusiness, agri-processing, labour intensive manufacturing, and small and medium service providers.

Investment is the result of entrepreneurship: taking the risk of bringing together land, labour and capital to produce goods and services for the market in response to demand that generates a profitable return. Sierra Leone lacks a culture of entrepreneurship. Because of the past, entrepreneurs are viewed as exploiters of people rather than the creators of wealth and providers of jobs. And, there are hardly any services available to support inexperienced entrepreneurs. We need to establish a culture that encourages entrepreneurship.

2 Innovation and Competitiveness

Vision: *Sierra Leone's entrepreneurs develop the habit of continuously discovering new opportunities to create wealth and jobs. The country is able to play a bigger role in the global economy by attracting foreign investment and increasing its share of global trade.*

Our reliance on a few natural resources will only be broken if *all* our entrepreneurs develop a habit of discovering new opportunities to create wealth and jobs. We must recognise and reward the innovators because they are the path to future prosperity.

In global terms, we are a small economy. We need to increase the amount of foreign direct investment that we attract and ensure that such investment helps to transfer new technology and skills to our economy.

We need to improve our ability to trade with the rest of the world. This means making greater use of our underutilised natural and human resources and developing industries in which we have comparative advantages over the rest of the world. And, we need to reduce the competitive disadvantages that our businesses face because of the lack of access to affordable infrastructure and finance.

3 Inclusion and Fairness

Vision: *Sierra Leone's private sector becomes more inclusive of people of all ethnic origins and success is determined by talent and hard work, not who you know or the power and wealth at your disposal. There is a level playing field for businesses to compete and consumer rights are protected.*

Today, too narrow a base of people in Sierra Leone play the all-important role of wealth-creation as entrepreneurs. The concentration of economic power in the hands of a few is neither good for the efficient allocation of resources needed for economic growth nor the social cohesion that is essential for the private sector to be able to deliver rapid, sustained growth. We need to ensure that those with the aptitude are not excluded from business because they are not part of privileged social or ethnic networks.

We know that corruption thrives when business laws and regulations are framed and applied in non-transparent ways, resulting in key decisions being left to discretion. Under these conditions, success in business depends on who you know and the power and wealth that you command. What is less well understood is that when business success and market outcomes are determined by who you know or power and wealth, growth tends to be slower than if they are determined by talent and hard work.

We must make our business laws and regulations more transparent and ensure that they are applied without exception so that everyone knows and follows the rules. This is the way that private sector development can contribute to the change in attitude called for by the President to create a fairer society. We need our private sector to be led by the most talented and able.

When businesses become dominant in the market place, or they collude with each other, they may, and frequently do, abuse their market power. This reduces economic growth, makes business a less than even playing field and may lead to the exclusion of the less powerful and the exploitation of consumers. We intend to put into place an effective competition policy to ensure that abuses of market power are identified and punished and there is a level playing field for business.

All of us are consumers. Our economy depends upon us having the confidence to buy goods and services knowing that we will not be misled by false advertising, cheated into buying defective goods or less than the quantity that was promised and that our health and safety will not be endangered. We intend to establish an effective consumer protection regime that ensures that consumers are not exploited.

Our Goals

Rapid and sustained private sector led growth has been essential to reducing poverty and delivering prosperity the world over. No country has ever reduced poverty sustainably without economic growth. And no country has been able to sustain rapid economic growth without its private sector leading growth. This is why Vision 2025, our first Poverty Reduction Strategy and the Poverty Reduction Strategy that the Government has recently developed all place importance on private sector led growth.

This strategy aims to support private sector led growth in order to achieve three main goals:

1 Sustaining Rapid, Broad Based Growth

The Private Sector Development Strategy aims to deliver rapid and sustained private sector led growth that will diversify the economy and provide better opportunities for our people to participate in and benefit from growth.

We need to sustain rapid growth to reduce poverty and become a prosperous nation. The economy needs to grow at 7-8 percent per year. if we are to achieve the Millennium Development Goal of halving the proportion of people living on less than a dollar a day by 2015. It needs to grow at 15 percent per year if we are to become a middle-income country by that time.

With the world economy likely to slow down because of the recent turmoil in international markets, we need to increase our efforts to maintain rapid growth. After the initial recovery from the war, the rate of economic growth has slowed and in 2007 we achieved 6.5 percent growth. Though this was an impressive result, it is not enough to achieve our goals.

Our economy continues to rely on exploiting a few natural resources. Agriculture and the mining industry account for nearly 70 percent of the wealth we create (GDP). Over the past few years, economic growth has come mainly from agriculture and a few service industries (wholesale trade, banking, ICT), which has helped to diversify the economy. But these industries do not provide much opportunity for the poor to benefit from the growth process. The private sector can help to discover new sources of growth, thus making the economy broader based. This will make it more able to sustain rapid growth and provide more opportunities for people to earn better incomes.

Target: average annual growth between 7-8 percent between 2009 and 2013.

2 Providing Productive, Well Paid Jobs

This Strategy aims to provide secure, well-paid jobs for our people by increasing the number of jobs created in the formal sector each year.

To reduce poverty and lead fulfilling lives, our people need secure, well-paid jobs. Such jobs are to be found in formal employment in the public and private sectors. Currently, less than 10 percent of our work force is employed formally. The country needs to create over 200,000 jobs

each year if we are to find jobs for the young people who enter the work force each year and to rapidly reduce the number left insured, low paid occupations. Currently, the rate of job creation is a few thousand a year. Government's ability to create jobs is limited by lack of resources because the private sector is weak and does not generate sufficient profits or incomes for government to increase tax revenue and many people do not pay taxes. So, it is up to the private sector to increase the rate of job creation.

Target: create 200,000 new jobs (or job equivalents) annually, of which 20,000 are in the formal sector.

3 Increasing Incomes for the Self-Employed

This Strategy aims to provide more opportunities to escape poverty by improving the functioning of key markets in Sierra Leone.

At present, over 90 percent of the country's work force is informally employed, earning low incomes. This is the cause of widespread poverty. The private sector can play a major role in improving incomes. With Government providing an enabling environment, the private sector can provide new opportunities to escape poverty by:

- *Providing markets for agriculture:* Over 60 percent of the population is employed in agriculture. The small farms on which most toil provide little more than subsistence. The private sector can contribute alongside Government to the development of a more productive agriculture by: i) increasing the supply of seeds, fertilizers and other inputs; ii) helping to increase access to markets; iii) investing in efficient methods of processing agricultural produce to increase the value of agricultural production; iv) improving the efficiency of markets for agricultural produce so that producer incomes are increased.
- *Improving incomes in the informal economy:* After agriculture, the greatest source of incomes in Sierra Leone is informal trading which occupies over 20 percent of the work force. Whilst some are able to earn sufficient incomes to provide a decent living for their families, many petty traders live hand to mouth. They face high costs in purchasing the goods they sell; limited access to attractive markets in which to sell the goods and services they provide; almost no access to formal sources of finance to scale up their businesses; and poor access to business services that can help them develop their businesses. The private sector can help overcome the challenges faced by informal entrepreneurs.

Target: increase agricultural incomes by 30 percent and informal trading incomes by 50 percent.

The Private Sector Development Strategy 2009-2014

Making our vision a reality will not be easy and will take time. Over the next decade, we intend to implement two five-year strategies that will progressively help to deliver the vision by achieving the targets we set for each five-year period. We will monitor the progress of these strategies and, when necessary, update and amend them in the light of new developments.

As the country's resources are limited, it is essential that this first Private Sector Development Strategy (PSDS 1) focuses on removing the critical constraints that are preventing the emergence of an entrepreneurial, innovative, competitive, and inclusive private sector. This has been ensured by in-depth analysis and wide consultation undertaken over the past year to prepare this Strategy¹.

The Strategy is organised to achieve five main outcomes that will deliver the targets for the next five years set by the Vision. The outcomes and how they will be achieved are summarised below.²

1 Promoting and Supporting Entrepreneurship

Achieving the desired outcomes will only be feasible if we change the attitude towards entrepreneurship so that the private sector attracts the most talented and able people in the country and if this attitudinal change translates into a more can-do, self-starting spirit among Sierra Leoneans. We will establish a culture of entrepreneurship by recognising and rewarding, nurturing and supporting entrepreneurs, especially new entrepreneurs and innovators. Over the next five years, we will:

- Publish success stories to provide role models that will help to attract new, more talented individuals to become entrepreneurs and to start to alter society's attitudes towards entrepreneurship.
- Hold a business plan competition to give recognition to and reward those with innovative ideas.
- Incorporate entrepreneurship skills in tertiary education and business organisations.
- Strengthen business and trade associations so that they are able to provide commercially useful information and advice to their members and promote their interests effectively in markets and in dialogue with policy makers.
- Increase the supply of affordable, business development services provided by the private and non-profit sectors.

¹ The MTI's Private Sector Development Strategy Programme which is supported by the UK's Department for International Development (DFID), has undertaken the analysis and facilitated discussion.

² Details are presented in Sierra Leone: Private Sector Development Strategy 2009-2014, MTI.

Indicators of success

- A favourable environment for investment established that can make the returns to investment attractive across more industries thereby broadening the economy and increasing the rate of formal job creation.
- A culture of enterprise established so that entrepreneurs are treated with the respect that the creators of national wealth and jobs deserve and the most talented people are attracted to the private rather than the public sector.
- New entrepreneurs and innovators nurtured by helping private sector organisations to provide the information and advice that they need.
- Programmes to recognise and reward the innovators and provide the information, advice and support services they need to succeed launched.
- The diversity of entrepreneurial talent increases to reflect Sierra Leone's ethnic mix to establish a more inclusive private sector.

2 Reducing the Cost and Risk of Doing Business

Businesses in Sierra Leone face major difficulties in complying with laws and regulations governing business. Laws are outdated and not transparent and the institutions responsible lack the capacity to implement them effectively.

These problems cause the cost and risk of investing to increase, reducing investment and lead to the majority of enterprises remaining informal. Discretionary decision-making allows wealth and power to determine market outcomes.

Progress has been made in recent years (especially in starting a business and protecting investors), but Sierra Leone still ranks 156 out of 181 countries in the World Bank's Ease of Doing Business Index. In Sub-Saharan Africa, our country ranks 26 out of 46. The major areas in which Sierra Leone trails are: getting permits and licenses; registering property; paying taxes; enforcing contracts; and closing a business. We can and will do better.

Over the next five years, helped by our development partners, we will:

1. Streamline and improve sector licensing, reduce the number of municipal licenses and make it easier to obtain permits.
2. The Ministry of Lands, Country Planning and the Environment has started to reduce the uncertainty and cost of registering property in the Western Area and a committee headed by the Administrator and Registrar General is examining how to improve secure land use in the provincial areas. These processes will be completed.
3. The National Revenue Authority's Modernisation Programme will make it easier to pay taxes.
4. The strengthening of the judiciary that is underway will include reducing the time and cost of enforcing commercial contracts and provide mechanisms for low-cost alternative dispute resolution.

5. We will enact new companies and bankruptcy laws that will make it easier to close a business.

In addition, we will continue the process of establishing an effective Sierra Leone Investment and Export Promotion Agency (SLIEPA) that can promote and facilitate investment from domestic and foreign investors. The agency will help to smooth the path of investors whilst we improve the business regulatory environment.

We will help to develop a more inclusive and fair private sector:

- The Anti-Corruption Commission will continue its work to reduce corruption.
- We will institute a process of reviewing all commercial laws and regulations to make them more transparent, predictable, and reduce discretion. The capacity of institutions responsible for implementing them will be strengthened.
- New laws will be passed and the MTI will develop the capacity to ensure businesses do not abuse market power and consumer rights are protected.

Indicators of success

- Main business laws and regulations revised and institutions responsible for them strengthened so that the room for arbitrary decision-making and corrupt practices is reduced.
- An effective competition policy devised and implemented and institutions to enforce it strengthened/established thereby preventing and rectifying abuses of market power and establishing a level playing field for all businesses irrespective of market power.
- An effective consumer protection regime established to enhance consumer confidence.

3 Increasing Access to Affordable Finance

In Sierra Leone, investment and enterprise are critically constrained by lack of access to finance at an affordable cost. The private sector's access to credit is amongst the lowest in the world, which prevents investment from increasing rapidly. In 2004, the ratio of private credit to GDP was only 4 percent, less than half the level of Rwanda, a country with the same GDP per head as Sierra Leone and which is also recovering from civil war. Increasing access to credit will enable the private sector to increase investment, sustain growth and create more jobs as it has done throughout the world.

In addition, the rate of interest that businesses have to pay to borrow from the commercial banks is too high to enable them to invest in all but a few industries. Many opportunities to increase investment go begging because their returns are insufficient to cover the high cost of finance, which limits growth and job creation. Inflation and public borrowing cause high interest rates. In addition, the commercial banks charge high interest rates because: i) they have high operating costs; ii) some businesses do not repay loans (12-20 percent) and quality of the loan applications they receive is poor which makes them charge more to cover the risk of not being repaid; iii) information on who does and does not pay is limited; iv) banks find it difficult to exercise their rights over property pledged to secure loans through the courts.

To increase access to affordable finance, we will undertake three main activities:

- 1) The Ministry of Finance and BoSL, working with the commercial banks and the insurance and pensions industry will launch a Financial Sector Strategy in 2009 that will:
 - *Develop an efficient, competitive and sound banking system.*
 - *Develop financial markets that support efficient capital accumulation and allocation of financial resources.*
 - *Design a regulatory sector for the development of MFIs.*
- 2) Support the commercial banks to innovate new products that will increase access by undertaking a programme that will:
 - *Provide technical assistance to the banks to make profitable loans of smaller size available to smaller enterprises at affordable cost.*
 - *Encourage the banks to offer new products and services to the private sector such as leasing which could provide an alternative to loans and help to meet the private sector's need for long-term finance.*
 - *Establish the market for commercial micro finance to bridge the gap between small loans provided by NGO micro finance providers and the large loans offered by the commercial banks.*
 - *Use mobile telephone technology to improve access to credit in rural areas.*
- 3) Reduce the cost of finance for investment
 - *Establish a facility to partially guarantee suitable loans to the private sector so that the banks get over their perception that lending to smaller businesses is always high risk.*

Indicators of success

- The level of credit that the private sector receives more than doubles in five years.
- The number of businesses with access to formal sources of finance more than doubles in the five years.
- The percentage of business that cite cost of finance as a major constraint to business developed halves.

4 Making Markets Work Better

Taken together, improving access to affordable finance and infrastructure and reducing the cost and risk of doing business will improve the climate for investment. This will help to increase investment and entrepreneurship and ensure that it is no longer limited to a few sectors of the economy. But that may not be sufficient to achieve our goals of sustaining rapid growth, creating secure and well-paid jobs and improving the incomes of our people.

We need also to support the development of industries in which we have comparative advantage such as the agricultural commodities of rice, oil palm and cocoa; horticulture;

fisheries and tourism and markets from which large numbers of those stuck in the informal economy earn low incomes such as petty trading. The markets for these industries are marked by many failures of policies and institutions, information and coordination between those involved. These failures reduce the returns to investment, limit access to markets, especially for the poor, and limit job creation and the possibility to earn sufficient incomes to escape poverty.

Over the next five years, we will address all these priority markets by adopting the framework known as Making Markets Work Better for the Poor which consists of:

1. Bringing together legitimate and credible stakeholders from the private and public sectors to form an effective partnership.
2. Helping them to articulate a vision and a plan of action for improving the functioning of the market.
3. Helping to facilitate the implementation of the action plan by providing finance and technical expertise to both the public and private sectors.
4. Monitoring and evaluation so that stakeholders can take corrective actions where needed and GoSL and donors can be sure that their funds are achieving the intended results.

Indicators of success

- Strategies and programmes developed to increase production and improve competitiveness in industries in which Sierra Leone has proven comparative advantage such as the growing and processing of agricultural commodities (rice, cocoa, oil palm etc.), horticulture, tourism, and fisheries.
- Foreign investors encouraged and supported to develop profitable linkages with domestic businesses and train their work force for a modern economy.

5 Providing Adequate Infrastructure

The lack of access to affordable infrastructure reduces both investment and competitiveness. It ensures that investment is limited to those few sectors that can afford to build their own infrastructure and compete despite high costs of operating it.

The country has a huge gap to make up against West African countries let alone the rest of the world. The target is to halve the gap in access to roads and electric power with West African countries and bring down the cost of transport and power to the West African average. Achieving even these targets means that we will need to prioritise.

Helped by donor programmes, we are already investing considerable sums of money in roads, energy and power. Progress needs to be faster. The Sierra Leone Roads Authority and the Ministry of Energy & Power will be assisted to make progress faster.

To support private sector development, the MTI will:

- Help the private sector assess priorities for where and when infrastructure is developed.

- Influence the SLRA and Ministry of Energy & Power to ensure that the priority needs of the private sector are met and that the cost of transport and power fall to the West African average.

Indicators of success

- Access to markets increased and cost of transport reduced making Sierra Leone's economy more competitive.
- Public investment in the road network and the proportion of paved roads increased to halve the disadvantage Sierra Leone currently faces against the average West African country.
- Private and public investment in the supply of electric power mobilised to halve the gap between Sierra Leone and West African neighbours in terms of electricity consumed per head and cost of power.

How will the PSD Strategy be Implemented?

Principles of implementation

The institutional architecture designed to implement the PSD Strategy recognises the complexity of coordinating the large number of actors and sectors required to ensure that the PSD Strategy is effectively and efficiently implemented. It is based on the principles of:

- *Public Private Partnership*: PSD requires a social contract to be forged between the public and private (including those segments of civil society engaged in livelihoods work that support PSD) sectors that holds each other accountable. The public sector needs to deliver an environment that enables the private sector to invest profitably resulting in rapid growth and job creation. In turn, the private sector has to be willing to take the risk involved in investing, ensure that it operates in an inclusive and fair way and pays a proportion of the wealth it creates in taxes.
- *Inter-sectoral coordination*: PSD is inherently inter-sectoral and crosses the boundaries of individual ministries and development agencies (MDAs) and therefore requires a higher degree of intense collaboration and cooperation across traditional institutional boundaries than other areas of public-private activity.
- *Responsibility & accountability for implementation*: Because the PSD Strategy addresses many MDAs and parts of the private sector, it has been designed to allocate clear responsibility for delivery to specific organisations in the public and private sectors.
- *Donor coordination*: The development partners are an integral part of the PSD Strategy. The donor community has recognised the risks and waste inherent in the duplication of work, overlapping of actions and poor coordination that sometimes arises. In the Paris Declaration donors commit to work together in a more coordinated way. The PSD Strategy aims to help towards the achievement of this goal by presenting a coordinated framework to maximise the impact of the efforts of the donor community.
- *Monitoring & evaluation*: It is essential that the right mechanisms are in place to evaluate progress in order to be able to adapt the PSD Strategy to new circumstances and needs. Also, lessons are to be learned from successes and failures and should be turned into decisive action to ensure the PSD Strategy delivers its targets.

Structure for implementation

The Ministry of Trade & Industry (MTI) will be responsible for the implementation of the PSD Strategy, with facilitation and support from the President's Advisor on the Private Sector (PAPS). The MTI shall oversee the realisation of the goals set out in the PSD Strategy, mainly focusing on monitoring and evaluating progress and making recommendations on course corrections.

The following structures shall ensure that the PSDS is effectively implemented:

- *PSD Strategy Secretariat*: Regular M&E shall take place via a strengthened M&E unit within MTI. This unit shall concentrate mainly on aggregating outcomes and impacts achieved by the various PSD initiatives rather than the outputs produced by each individual project.
- *MTI-PSD Development Partner coordination meetings*: The MTI has already begun to convene and chair such meetings and they shall form an integral element of efforts to keep

stakeholders informed, ensure progress is achieved, setbacks are overcome, and the whole venture provides opportunities for joint learning involving all parties.

- *Strategy and Policy Unit weekly meetings with the President:* the PAPS will ensure that the President is permanently updated on the progress achieved by the PSDS. Whenever obstacles and challenges are encountered, the PAPS will ensure that the President is adequately appraised and that he will use his “good offices” to iron out difficulties and chart a way forward.
- *Inter-Ministerial Committee on PSD:* this Committee will meet quarterly and will be chaired by the President. The MTI, with the support of the President, will call upon all MDAs that are part of the PSD Strategy to incorporate PSD priorities into their work programmes and report back periodically on the progress made.
- *Public-private dialogue:* business membership associations shall engage in dialogue between the public and private sectors and ensure that there is mutual accountability and recognition of achievements of the PSD Strategy. With the GoSL, they shall organise bi-annual review meetings, chaired by the President, to review progress and map ways forward on the PSD Strategy that ensure public and private partnership. To ensure that the development partners are also able to coordinate their actions on PSD with the PSD Strategy, they will be invited to participate in the PSD-related sessions of the SLBF.

Functions of PSD Strategy Secretariat

The Secretariat shall fulfil operational oversight functions to support the above mechanisms and ensure that deliberations and decisions are informed by timely, accurate, and relevant data and analysis. The Secretariat will be responsible for the following tasks:

- Take prime responsibility for agenda setting and ensuring that the necessary people attend the meetings of the Inter-Ministerial Committee on PSD and the public-private dialogue process.
- Prepare progress reports generated through monitoring and evaluation data to distribute in the quarterly meetings of the Inter-Ministerial Committee and the bi-annual meetings of the public and private sectors.
- Enable the holding of office-holders with implementation/delivery responsibilities in relation to the PSDS to account for progress and make constructive suggestions as to how obstacles can be overcome.
- Make recommendations for discussion/decision at Cabinet level or in other organs of Government.
- Acknowledge and celebrate success as and when appropriate.
- Generate and communicate regular progress reports for consumption by PSDS stakeholders and the general public.

Monitoring and Evaluation

The Monitoring and Evaluation system has been designed to measure the development objectives achieved by the PSD Strategy and monitor progress towards their achievement.

The M&E system will provide three basic services:

- a) Monitor the implementation of the PSDS;
- b) Plan and monitor processes of the activities in the Strategy;
- c) Provide lessons that will feed into the Strategy.

The implementation of the Monitoring & Evaluation system is responsibility of the MTI. As such, Ministry officials will be required to perform a strong monitoring and management information function in order to assist in effective coordination and implementation of the PSDS.

They will use the objectively verifiable indicators detailed in the PSD Strategy Logframe to ensure that the desired outputs in each of the pillars are achieved. They will also develop their own intermediate indicators to be able to monitor progress and change as needed to ensure that the desired results of the Strategy are achieved. They will also prepare bi-annual reports, a mid-term Strategy report and a final report at the end of the implementation period of the PSD Strategy.

Given the number of MDAs involved in the implementation of the Strategy, each MDA will monitor against agreed upon results and outcome indicators as noted in the PSD Strategy Logframe and the intermediate indicators defined by the MTI and the PAPS. These performance indicators will be reported quarterly to coincide in time with the meetings of the Inter-Ministerial Committee, where they will be discussed.

A baseline study is expected to be updated before implementation of the PSD Strategy. The results will provide information for the baseline, together with other secondary sources of data, and will feed the M&E system. Furthermore, household surveys will be carried out pre-project, around the project mid term review, and at completion and will be used to inform impact assessments.