

Decentralization in Postconflict Sierra Leone: The Genie Is Out of the Bottle

Vivek Srivastava and Marco Larizza

When Sierra Leone emerged from more than a decade of conflict in 2002, it was one of the poorest countries in the world. It faced huge development challenges, with much of its infrastructure having been destroyed during the war.

The areas outside Freetown had traditionally been excluded and marginalized. In fact, the overcentralized system of rule, which excluded the majority of the population, was one of the key causes of the conflict. There were internal and external pressures on the government to be more inclusive to establish its legitimacy and reverse the conditions that led the country to conflict (Truth and Reconciliation Commission 2004; Hanlon 2005; Kieh 2005).

The reestablishment of local governments, through the Local Government Act of 2004, was an important initiative in this direction undertaken by the Sierra Leone People's Party (SLPP) government of Abdul Tejan Kabbah. The legislative framework provided by the act and the associated regulations for political, fiscal, and administrative decentralization (with some exceptions) provided a robust foundation for the establishment of decentralization through devolution of key functions from the central government to local councils. They also provided a simple and easily understood system for intergovernmental transfers.

With financial support from donors and through the efforts of a set of donor-supported agencies established within government, a functioning system is now in place. Although the process has been somewhat slower than desired, there has been a steady devolution of functions and

finances, and local councils are now fully staffed. Each council has a core staff of development planners, internal auditors, monitoring and evaluation officers, and procurement officers with requisite capacity for managing their service delivery functions. Both the legislation and its implementation leave open the possibility, however, of the center dominating and manipulating the subnational governments by playing off the traditional authorities (chieftaincies) against the local authorities through a “divide and rule” strategy and by minimizing the autonomy of the local councils over the control of financial and human resources.

This chapter examines the devolution of power in Sierra Leone since the end of armed conflict. The first section briefly reviews the history of decentralization in Sierra Leone and discusses the incentives and motivations that may have influenced the government's decision to decentralize in 2004. The second section highlights the key features of fiscal, administrative, and political decentralization by comparing the legal (de jure) provisions of the Local Government Act with the actual (de facto) implementation experience during the period 2004–10. The third section summarizes the major achievements of decentralization to date, focusing on the impact on service delivery and local governance. Addressing the politics of decentralization, the fourth section identifies potential threats and emerging evidence that suggests that the national government may be trying to regain control and manipulate local politics in a way that would be optimal for the center. The last section summarizes the main arguments and suggests politically

feasible options available for development partners to move the decentralization agenda forward and prevent a reversal.

THE LEAD UP TO THE ESTABLISHMENT OF LOCAL GOVERNMENTS

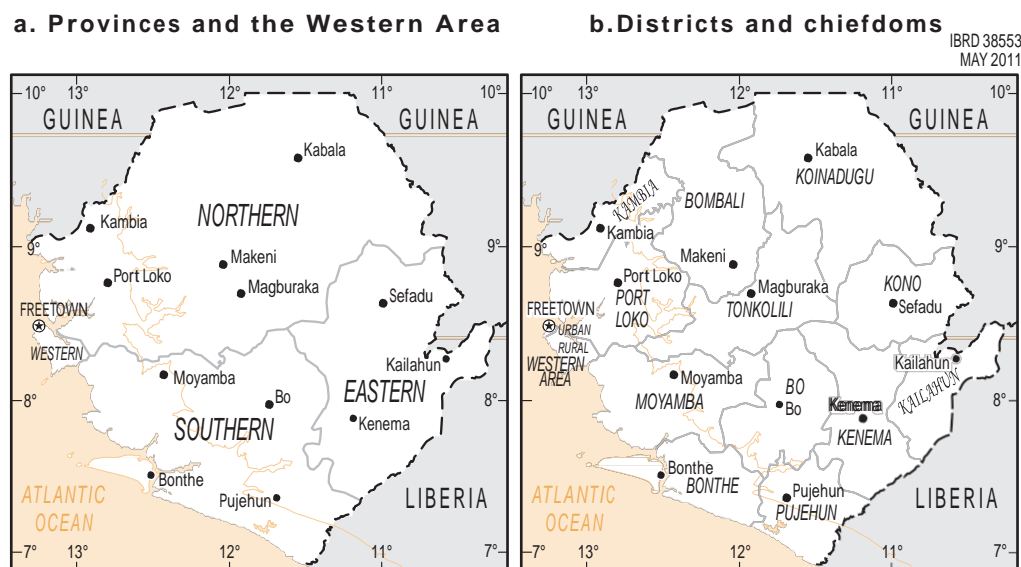
Under colonial rule, the British authorities established a strong political and administrative divide between the Colony (Freetown and the Western Areas) and the Protectorate (the rest of the country, which was divided into three provinces) (figure 8.1). The Colony was ruled by an elected local government and a British governor representing the monarch. The Protectorate was administered through a system of “indirect rule” in which traditional authorities (the chieftaincy) were appointed by the state for the collection of revenue, the maintenance of law and order, and the resolution of local disputes.

After independence, outside of Freetown the local administration retained many of the features of the British colonial indirect rule system, but elected local councils also functioned until 1972, when President Siaka Stevens abolished them, moving their responsibilities to the central government (Fanthorpe et al. 2006). Management committees superseded local town councils, but they focused largely on the collection of market dues. They became grossly over-

staffed, with employment provided as a reward for political support, and accountability for service delivery was undermined. This dramatic retraction of local government, which coincided with the period of the All People’s Congress (APC) single-party rule, meant that traditional authorities represented the only form of governance in the provinces. Although chiefs became increasingly active in the collection of revenues on behalf of the central state, they had no service delivery or development functions.

This reliance on chiefs, who were often repressive, and a lack of formal state structures in most of Sierra Leone led governments to start considering decentralization as a viable option to mitigate popular discontent. Following multiparty elections in 1996, the new government prepared a national document entitled the “Good Governance and Public Sector Reform Strategy.” The document focused on decentralization as a major instrument for reform, especially in deprived rural areas. It suggested that decentralization could help rebuild service delivery and improve quality; improve resource allocation, by moving resources to the service delivery level; ensure greater citizen engagement in the processes of government; and involve the community in its own development by enhancing citizens’ participation in the planning and implementation of development strategies and the setting of priorities.

Figure 8.1 Territorial Organization of Sierra Leone



Source: Zhou 2009.

Note: The Republic of Sierra Leone is composed of three provinces (the Northern, Southern, and Eastern Provinces) and a region known as the Western Area, which is governed by a rural council and a city council for Freetown, the nation’s capital. The provinces are divided into 14 districts, which are divided into chiefdoms.

In 2004 the government embarked on a nationwide decentralization reform program, with the official goal of addressing some of the root causes of civil war and improving the delivery of basic services. The decentralization program was officially launched in 2004, when the Parliament passed the Local Government Act and its related statutory instruments. The process of decentralization was designed around two major components: the re-creation of the local councils, which had been abolished in 1972; and an attempt to re-create and re-legitimize the institutions of the chieftaincy, which had suffered greatly during the period of one-party rule and the civil war. The government and its development partners viewed the revival of subnational political institutions—which had existed before the period of one-party rule—as a primary strategy with which to build popular legitimacy, sustain political stability, and reverse the massive urban/central bias that was a feature of Sierra Leone’s postcolonial politics and led the country into war.¹

Although the efficiency gains normally associated with decentralization may have played a role in determining the government’s decision to decentralize, their influence was probably of secondary importance.² The dominant factors in the choice of this strategy were the political and economic interests of national politicians in the SLPP government, who supported decentralization for two main reasons.³

First, the SLPP was the prime victim of prewar political economy: the dismantling of local councils went hand in hand with the concentration of power in Freetown and the consolidation of APC power in Sierra Leone (Reno 1995). The SLPP decision to decentralize in 2004 may have been part of a more general attempt to reconfigure political institutions in a way that reduced the urban/central bias and the potential for a return to the prewar political economy, which tended to benefit the APC more than the SLPP.

Second, the SLPP may have perceived decentralization as a good opportunity to meet popular expectations, enhance the government’s legitimacy, and increase political support for the ruling party—all likely outcomes given that a key source of popular discontent before the war was the “local despotism” (Richards 1996) of the paramount chiefs. The SLPP addressed that discontent by reestablishing the institution of local councils, which reduced the authority of the paramount chiefs. The SLPP president, Ahmad Tejan Kabbah, had been a district commissioner himself and often made public his view of local councils as cornerstones of democratic life and citizens’ participation in local politics.⁴

DECENTRALIZATION IN PRINCIPLE AND IN PRACTICE

The Local Government Act and its statutory instruments provided the legislative framework governing decentralization in Sierra Leone. With some exceptions, the act laid down a robust framework for political, fiscal, and administrative decentralization in Sierra Leone. The framers of the document took a pragmatic approach, putting in place a framework that included “transitional” provisions that were acceptable in the absence of a policy on decentralization. Policies on decentralization and chiefdom governance were to be prepared subsequently. The act recognized the need for change and identified the period up to 2008 as the first phase of the arrangements for fiscal decentralization.

An important area on which the act did not bring closure is the relationship between the local councils and the chieftaincy. Although by law the chiefdoms are subordinate to the local councils, chiefs have not accepted this hierarchy, and ambiguity on the part of the national government persists. In particular, the issue of the revenue domain was not satisfactorily resolved with respect to the local tax. Under existing law, the tax rate and the share of the local tax (“precept”) to be paid to the council are to be determined by the councils. The Chiefdom Councils are required to collect this tax, presumably on behalf of the local councils, and to hand over the precept to the local councils.⁵ Moreover, the identification of the chiefdoms as a lower unit of administration and of local councils as the highest political authority at the local level is not acceptable to the chiefs, creating continuing tensions between the two institutions. The various laws governing the chieftaincy have not been repealed. The delay in addressing this issue leaves open the possibility of manipulation by the national government to pursue a “divide and rule” strategy (Robinson 2010; Acemoglu, Robinson, and Verdier 2004), thereby keeping the local councils weaker than they could be.

Several other laws are inconsistent with the Local Government Act 2004 or duplicate its provisions. Four laws in particular place more control in the hands of the ministries of education, health, and energy and power than envisaged in the Local Government Act 2004.⁶

Political decentralization

The Local Government Act of 2004 identifies local councils as the highest political authority in their jurisdiction. The legislation sets out a detailed political framework covering the election and composition of councils; the qualifications of councilors; procedures for the election of mayors (urban)

and chairpersons (rural); powers to make and execute bylaws; the role and responsibilities of ward committees; and provision for citizen participation, transparency, and accountability. The act also recognizes the laws and regulations governing the chieftaincy and chiefdom administration, which were not repealed. Chiefdoms are identified as the lowest unit of administration. The Local Government Act provides paramount chiefs representation in councils and membership in the ward committees.

Local elections in 2004 and 2008 were successfully completed, and transitions were peaceful. Elections were fairly competitive. In 2004, 1,112 total candidates registered with the National Electoral Commission for the 394 constituencies. In 84 constituencies (21 percent), councilors were elected unopposed. Elections in urban areas were more competitive than in rural areas, and the elections were more competitive in 2008 than in 2004, with the number of uncontested wards dropping from 84 to 38 (less than 10 percent of all constituencies). There was a significant turnover of councilors between the two elections, creating a new class of local politicians, perceived by the population as “the young generation of leaders on the political scene” (Zhou 2009, 105). These trends suggest that channels of political accountability are taking root at the local level, with citizens willing to reward or punish politicians based on their performance.

Fiscal decentralization

The Local Government Act provides a framework for fiscal decentralization for a first phase (2004–08).⁷ With the exception of the point regarding local taxes noted earlier, it clearly lays down the revenue domain of the local councils. Three sources of financing exist for local governments in Sierra Leone: central government transfers for devolved functions and administrative expenses; local councils’ own revenues from taxes, fees, licenses royalties, mining revenues, and other sources; and loans and grants from other sources.⁸ The act recognizes that in the short term, own revenues are unlikely to finance the functions devolved to the subnational level. It therefore provides for a “first-generation” system of intergovernmental transfers to fill the gap.⁹

The act provides for tied grants to the local councils to carry out the functions devolved to them and to meet their administrative costs. The law separates the grant arrangements for a first phase (2004–08) from those for the period after 2008. The description of the goals and bases for grants is different for the two periods. For the period up to 2008,

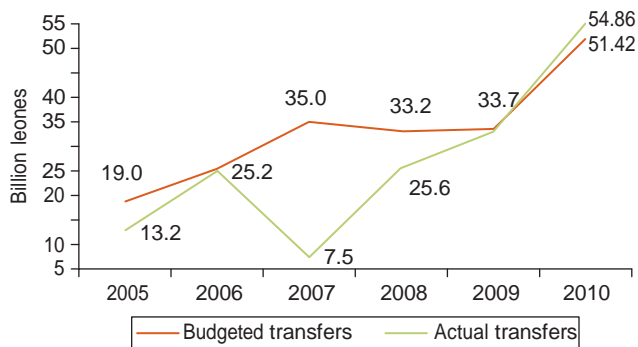
the grant for each devolved function was to be sufficient to provide the service at the standard at which it was provided before devolution. The act did not provide a rule or formula for determining the vertical pool of resources to be devolved; in practice, each sector allocation was determined through negotiations with the line ministry, intermediated by the Local Government Finance Department (LGFD).¹⁰ Allocation across councils was to be determined on the principal of “equity.” Equity was not defined in the law but, in practice, transparent formulas based on population and existing infrastructure were devised and are being used for the horizontal allocation of grants for devolved functions. Additional administrative grants were provided based on expenditure needs and fiscal capacity and indexed to inflation.¹¹

For the period after 2008, the law indicates that the volume of grants should allow councils to provide devolved services “at an appropriate standard” and that the annual changes must grow at least as fast as the total budgetary appropriation made to government ministries. For all grants for devolved functions, parliament retains the authority to specify the functions on which these tied grants must be spent. Horizontal distribution is expected to depend on the expenditure needs and revenue-raising capacity of local councils (the specific relationships are not articulated).

Transfers are significantly tied not only to sectors but to specific activities and programs, making for a large number of separate grants. Although the formulas for the horizontal allocation of grants are transparent, there is scope for simplification and improvement. The design of a “second-generation” grant system has been delayed and is currently ongoing.

Budgeted transfers to local councils increased from Le 19 billion in 2005 to Le 34 billion in 2009, an increase of 44 percent (figure 8.2). With the exception of 2007 (a national election year), actual transfers increased during the same period by 150 percent, reflecting the fact that the ratio of actual to budgeted transfers rose from about 70 percent in 2005 to about 98 percent in 2009. The provisional figures for 2010 indicate that the budgeted amount for 2010 was more than 50 percent higher than for 2009 and that the actual transfers were higher than the budgeted amounts. This is a remarkable achievement for a country with a history of centralization. Transfers as a share of central government’s nonsalary, noninterest expenditures also increased, from 4.9 percent in 2005 to 11.9 percent in 2009. On average, however, actual transfers remain low, and local councils are still underfunded relative to the functions that

Figure 8.2 Budgeted and Actual Transfers to Local Councils, 2005–2010



Source: IRCBP 2010b.
Note: Figures for 2010 are provisional.

have been devolved to them. Given these circumstances, the move to a more rational “second generation” of grants is long overdue.

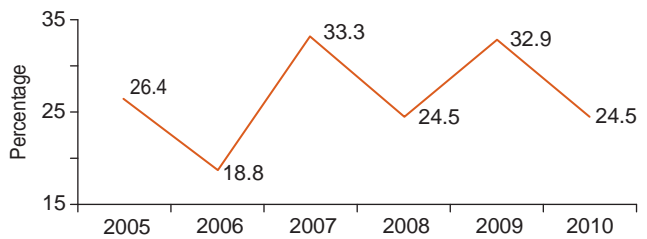
Not surprisingly, revenue generation by the local councils continues to be weak, with local councils on average able to finance only about 25–30 percent of their expenditures from their own revenues (Searle 2009). Local taxes and property taxes are the sources of revenues for the local councils. The main sources of nontax revenues are market dues, business registrations, license fees, and mining royalties (in selected councils).

Local council revenues as a percentage of total revenues indicate that limited and uneven improvements have taken place over time (figure 8.3). This trend is slightly more positive if one considers revenues in absolute terms: in 2008 the local councils collected Le 8.3 billion, a substantial increase over the Le 4.7 billion collected in 2005. Revenues in 2009 were Le 16.2 billion, an increase of 95 percent over 2008.¹² There was a further increase of about 10 percent between 2009 and 2010 although the share of own revenues in total revenues fell due to the significant increase in the total volume of transfers.

Administrative decentralization

The statutory instrument accompanying the Local Government Act 2004 provided a detailed framework and timetable for devolving functions housed in 17 ministries, departments, and agencies to the local councils. The functions that were to be devolved between 2005 and 2008 included primary and mid-secondary education, primary and secondary health facilities, feeder roads, agriculture, rural water, solid

Figure 8.3 Local Council Own Revenues as Share of Total Revenues, 2005–2010



Source: IRCBP 2010b.
Note: Figures for 2010 are provisional.

waste management, youth and sport activities, and some fire and social welfare functions. Central ministries and agencies retain responsibility for strategic planning, setting of standards, quality control, and monitoring, as well as procurement of certain priority commodities, such as textbooks and drugs. Central government also retains administrative control over staff responsible for performing devolved functions.

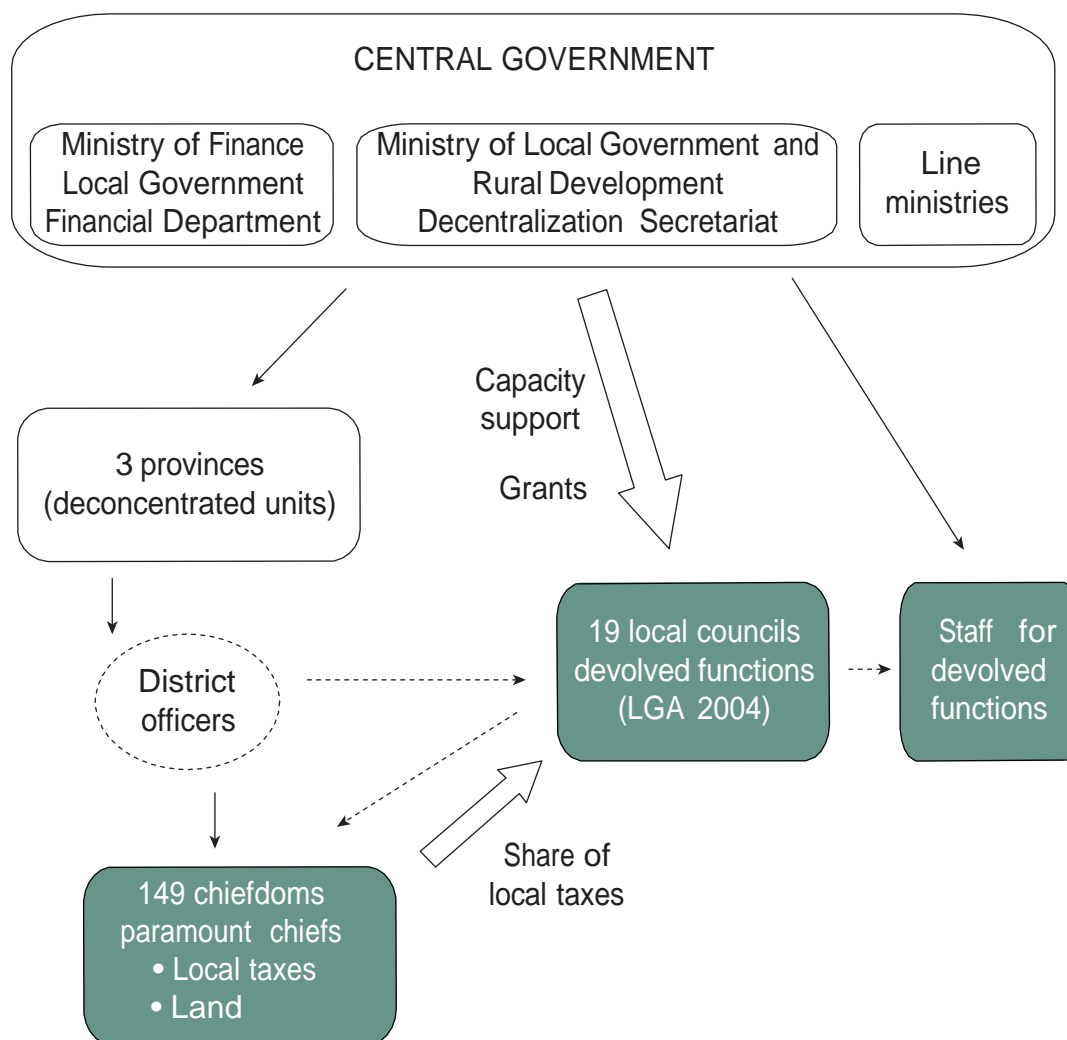
The devolution of functions has been slower than expected, with varying degrees of responsiveness. Although the act envisioned completion of the transfer of authority by 2008, by mid-2010 only 46 of 80 functions had been formally devolved to local councils (Decentralization Secretariat 2010). Important areas such as the devolution of feeder roads remain politically contentious.

Each local council has a political head (mayor and deputy) and administrative head (chief administrator) (figure 8.4). The chief administrator is responsible for management and all administrative and technical matters. In addition, each of the local councils now has its complement of core technical staff under the supervision of the chief administrator. However, staff for devolved functions continue to remain under the administrative control of the central ministries, departments, and agencies. Under the new decentralization policy (Government of Sierra Leone 2010a), staff for devolved functions are to be fully devolved to the local councils by 2016. In the interim, it is proposed that administrative control of local councils over such staff will be enhanced through “letters of deployment.”

MAJOR ACHIEVEMENTS OF DECENTRALIZATION

Sierra Leone’s success in reestablishing local government in a fragile postconflict environment is notable. Despite some

Figure 8.4 Intergovernmental Relationships under Decentralization



Source: Authors.

Note: The shaded boxes identify central government institutions and deconcentrated units (provinces, district officers). The dashed box identifies the key actors of decentralized administration. The solid arrows indicate a clear relationship of authority across levels of government. The dotted arrows denote the lack of clarity in defining relationships between government institutions, including the recently re-introduced district officers and local councils; local councils and chiefdoms; and local councils and local staff, who are formally accountable to the local councils but appointed by the central administration. The hollow downward-slanting arrow indicates the flows of resources from the central government to local councils (resources come from capacity support from the Ministry of Local Governance and grants from the Ministry of Finance). The hollow upward-slanting arrow indicates the flows of resources (share of local taxes) from chiefdoms to local councils. Historically, there were 149 chiefdoms established under the Chiefdoms Councils Ordinance 1938 (and subsequent amendments). A local council thus has more than one chiefdom within its jurisdictions.

of the shortcomings outlined above, decentralization is now well established, arguably more strongly on the political dimension than on the others. Two council elections have been completed; all local councils have the core staff to carry out planning, budgeting, accounting, and procurement functions; a system of intergovernmental transfers is in place; and, although there is scope for improvement,

local governments are able to work with centrally managed frontline staff to manage service delivery in the areas devolved to them. The pace at which local councils assumed full identity as democratic, effective, and legitimate political actors and institutionally oriented themselves to discharging devolved functions has been a notable feature of the decentralization process.

Service delivery

With all councils decentralizing at the same time, it is difficult to rigorously establish the extent to which improvement in services is a result of decentralization.¹³ That said, on average the quality of services did not decline, and in some cases there have been significant improvements, according to data from a series of national public service and sector (health and education) surveys carried out by the evaluation unit of the Institutional Reform and Capacity Building Project Evaluation Unit (IRCBP) together with the Abdul Latif Jameel Poverty Action Lab (table 8.1).¹⁴

Communities far from Freetown but close to a district capital saw the biggest improvements in services, even holding constant the remoteness of these communities. A reduction in “distance from power”—a direct byproduct of decentralization—thus appears to have had a positive impact on service delivery.

These improvements are remarkable if one considers the short time since the launch of decentralization and the fact that local government performance continues to be constrained by several factors, including the incomplete devolution of functions and line staff, the relatively small size and tied nature of the transfers, and the unresolved tensions between local councils and the traditional authorities.

Health. Health is the sector that has progressed furthest on devolution, with about \$3 million, just less than one quarter of the national health budget, budgeted to grants to local councils as early as 2006. Access to and quality of health services have improved dramatically since 2005, with most of the gains taking place between 2005 and 2006. Clinic infrastructures, availability of drugs, and numbers of staff have all improved, with the result that public satisfaction with health services improved from 81.0 percent to

90.6 percent (see table 8.1). Between 2006 and 2008 the largest gains were in the number of staff, particularly senior staff. Although progress is being made in filling vacant positions, the percentage of clinics open fell between 2006 and 2008, from 88 percent in 2006 to 82 percent. Also, the percentage of clinics receiving supervision by Ministry of Health and local council members declined after 2005. Despite decentralization, local councilors in particular do not appear to be taking a strong supervisory role, with only one in four clinics receiving a visit from a councilor in the year preceding the survey. These trends suggest that more effective supervision by the local councils and ministry staff, rather than more hiring, should be the main focus moving forward.

Education. Education has seen less devolution than other sectors. Because only one detailed survey of school quality has been undertaken by the IRCBP, it is harder to assess gains in education. Household surveys show that more rural Sierra Leoneans are within reach of a primary school than they were in 2005. The percentage of households with access to a school within 30 minutes’ walking distance increased from 68.3 percent in 2005 to 74.3 percent in 2008 (see table 8.1). Overall public satisfaction with primary schools has improved. Informal school fees remain high, however, a key reason why children are not in school. Although only 3 percent of schools were reported to be closed, teacher absenteeism was estimated at 22 percent in 2005, highlighting the lack of adequate supervision.

Agriculture. Access to drying floor and storage space improved sharply between 2005 and 2007, although most households still lack access. Only 18 percent of households had contact with an extension worker in 2007, down from 23 percent in 2005. Nearly half of farmers sell their produce

Table 8.1 Quality of Service Delivery Reported in Household Surveys, Selected Years
(percent of respondents)

Service indicator	2005	2007	2008
Access to school within 30-minute walking distance	68.3	73.9	74.3
Satisfaction with primary schools	87.7	94.4	90.3
Satisfaction with health clinic	81.0	90.9	90.6
Spoke to an extension worker in past year	23.0	17.8	9.0
Access to sufficient storage space (farming households only)	8.4	11.8	14.3
Drivable road within 30-minute walking distance	67.1	73.2	77.5
Market area within 60 minutes	31.9	45.8	50.9
Water source within 15 minutes	61.0	73.4	80.9

Source: IRCBP 2010.

to traders who come to the village, a third sell at the market themselves, and the rest sell to a trader at market.

Other sectors. Although the Local Government Act was supposed to devolve responsibility for the rehabilitation and maintenance of roads to local councils, devolution has not yet taken place, and no money has been transferred from the central government to the local councils for this function. Resistance by the powerful Sierra Leone Roads Authority is the main reason for this delay.¹⁵

No central government agency is responsible for markets, another area in which local councils do not yet receive transfers. Local councils have, however, spent a significant share of their discretionary funding on roads and markets, which are perceived as key means to increasing the efficiency of the agriculture sector.

Access to markets in rural areas remains weak, with half of the rural population having to travel more than an hour to reach a market. As indicated in table 8.1, however, there have been significant and steady improvements: in 2005 only 32 percent of rural respondents had a market less than 60 minutes away. In 2008 this figure increased to 51 percent. Road access also improved, but the percentage of respondents having access to regular public transport declined between 2005 and 2008. Access to water and water sources saw significant improvements: in 2008 about 81 percent of respondents had access to a water source within 15 minutes, a sharp increase from the 2005 baseline (61 percent).

Local governance

A central argument in support of decentralization is that it brings government closer to the people. By expanding the political space, decentralization is expected to allow greater government accountability and citizen participation to public affairs, hence strengthening state legitimacy (Bardhan and Mookherjee 2006).

In Sierra Leone national elections tend to become “winner takes all” games focused on region-based ethnic identities. The role of ethnicity is likely to be less relevant at the local level, where voters are more likely to share a common ethnic background. Decentralization may provide citizens with greater opportunities to monitor the performance of local authorities on service delivery and hold them accountable through elections. The experience of Sierra Leone suggests that decentralization is indeed contributing to better local governance by providing greater scope for citizens’ participation and engagement with local authorities, especially

in rural communities and areas without transport or telecommunications (IRCBP 2010).

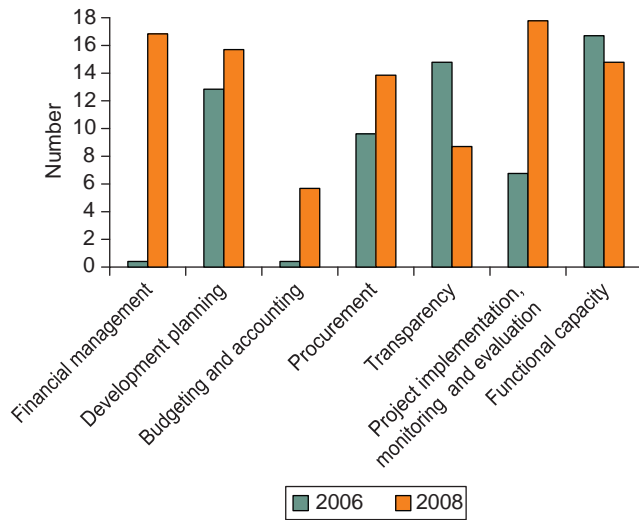
Accountability and participation. Provisions of the Local Government Act stipulate that councilors must declare their assets and councils must maintain an inventory of assets, print receipts, and maintain other accounting documents. Notice boards are also to be maintained in wards and at the council displaying financial information and strategic documents, such as development plans and procurement contracts, to enhance accountability and information sharing with the community. To ensure greater accountability and support a participatory approach to the decision-making process, ward committee members participate in council meetings and review the council’s development plan. It is the responsibility of the ward committee to prioritize the community’s development needs, which are then finalized and passed at the council meeting.

Evidence suggests that local communities are becoming increasingly active in demanding services and holding local authorities accountable, looking at local elections as a means to achieve the promise of development.¹⁶ Participation in local elections remains moderately high—albeit lower than in national elections—with civic activism tending to be higher in remote areas than in urban areas.¹⁷

Marginalized groups, such as women and ethnic minorities, have been the largest beneficiaries of the new space for political participation. In 2004 women occupied about 13 percent of council seats in council elections; in 2008 this share increased to 18 percent, more than three times the 5 percent share of seats that women have in the national Parliament (IRCBP 2010). In 2004 and 2008 representatives from minority ethnic groups such as the Kono, Loko, and Sherbro, were elected to local councils (Zhou 2009)—a remarkable achievement given Sierra Leone’s history. Decentralization has thus made significant contributions to promoting prospects of political stability by allowing greater participation and power-sharing dynamics.

Performance of local councils. In 2006 the Decentralization Secretariat, supported by the IRCBP, designed a Comprehensive Local Government Performance Assessment System (CLOGPAS) tool to serve as a sustainable local council management accountability mechanism for the local councils.¹⁸ The first assessment was carried out in June 2006. A follow-up assessment was conducted in early 2008. The results show that performance of local councils is improving in several development and management functions.

Figure 8.5 Number of Local Councils Meeting Minimum Conditions, 2006 and 2008



Source: Decentralization Secretariat 2007, 2009.

Figure 8.5 shows the number of councils that fully met the seven “minimum conditions” of the CLoGPAS.¹⁹ It indicates that the number of local councils that met the minimum conditions rose between 2006 and 2008 in all but two areas (transparency and, to a lesser extent, functional capacity). Local councils hold regular meetings and produce minutes, citizens participate in meetings, participatory development planning has taken root (although there is scope for improving its quality), accounts are completed on time, and regularly audited and financial information is disclosed. These promising trends have been confirmed by the latest (draft) report on public expenditure and financial accountability (Government of Sierra Leone 2010b), which assesses the performance of central and subnational government authorities across various dimensions of public financial management.²⁰ According to the report, in 2010 local councils received the highest scores on key dimensions of budget execution (namely, competition, value for money, and controls in procurement) and accounting practices (namely, timeliness and regularity of accounts reconciliation), scoring higher on these dimensions than the national government. This performance is remarkable in view of the fact that local councils were established as recently as 2004.

Citizens’ trust in public institutions. Results from National Public Services surveys indicate that public confidence in local councilors has increased over time, with local

councils making the largest gains among political institutions between 2007 and 2008 (table 8.2). Together with chieftaindom officials, local (political) authorities are more trusted by citizens than national government officials. These trends are encouraging, although some of the findings may partly reflect a temporary boost from the publicity surrounding the July 2008 local council elections. This line of argument seems to be (indirectly) confirmed by the findings of the 2008 National Public Services survey that trust in local councils is higher among citizens who are more actively engaged with local politics.

THREATS AND CHALLENGES

Six years after the decentralization initiative was launched, it has arguably taken firm root, leading several observers to suggest that it would be very hard to reverse the process and concentrate power in Freetown again. Thus, from a Freetown-centric perspective, decentralization is a “genie” that is out of the bottle. Recent developments, however, suggest that pressures might be building to weaken decentralization, casting some doubt on the central government’s intentions to unequivocally move the agenda forward. Ironically, this apparent weakening may well be a result of the successes of the initiative. Rather than empowering local councils further, national elites seem to be following a strategy of “divide and rule,” preventing local councils from becoming strong enough to seriously challenge the political hegemony of the center.

Stance of the national government

Tensions between the local councils and the chieftaincy result largely from a lack of clarity about their respective domains (Fanthorpe 2005; Sawyer 2008). It is difficult to judge whether this situation is intentional or reflects simple

Table 8.2 Citizens’ Trust in Public Institutions, 2007 and 2008 (percent of respondents)

Type of official	2007	2008
<i>Justice sector</i>		
Police	36	38
Local court	41	45
Magistrate court	34	37
<i>Political authorities</i>		
Central government	42	44
Chieftaindom	47	51
Local council	33	49

Source: IRCBP 2010.

delays in decision making, although some evidence suggests that it is intentional. A national decentralization policy has recently been drafted, but a critical companion piece—the policy on chieftain governance—has not been prepared. The Chieftaincy Act of 2009 codifies and adds to customary law on the election and removal of chiefs. With the enactment of this law, any reforms aimed at the democratization of the chieftaincy are unlikely, at least in the medium term. Under the law, the central executive has effective leverage over the chieftaincy, because it plays an important role in the election and removal of paramount chiefs. The ministry responsible for local government has traditionally dealt with the chiefs and even today is much more comfortable with this function than with its new role with respect to the local councils.²¹ These links are important for the national elections because, by some estimates, the chiefs are able to influence 10–20 percent of voters in their jurisdictions.

In 2009, contrary to the provisions of the Local Government Act 2004, the minister for local government advised the chiefs not to share local tax revenues with the local councils. Since then, also contrary to the provisions of the law, the ministry has played a role in determining the amount of the local tax precept, establishing a range of 0–20 percent for different classes of chiefdoms. Until 2008 most chiefs were paying a precept of 60 percent. This ministry action will undermine the fiscal autonomy of the local councils.

The National Decentralization Policy approved by the cabinet in September 2010 provides strong support to the hypothesis of a containment strategy by the center to limit political power of local governments. According to the policy, “Local councils shall continue to exist as the highest development and service delivery authority” (Government of Sierra Leone 2010a). This policy is inconsistent with the Local Government Act (2004), which defines local councils as the highest political authority at the local level. The policy also reintroduces the position of district officers.

In June 2010 the APC government decided to reintroduce the post of district officers, who traditionally represented the national government in the districts and provided the links with the chieftaincy. The official explanation is that there is a need to establish a stronger channel of communication between the national government and the chiefs. Representatives from the SLPP opposition and civil society groups, however, have articulated the concern that the district officers—acting as representatives of the central government at the local level—will try to influence decision making by the local councils, which may further reduce the councils’ financial autonomy and increase the control of the ruling party as the 2012 elections draw closer. Several

senior government functionaries have remarked that the local councils—whose key function is development—were becoming political. Although these actions by the central government may be a response to real political change engendered by decentralization, they represent a potential threat to the autonomy of the local councils and, more generally, to prospects for further strengthening decentralization in Sierra Leone. The incentives of members of parliament (MPs) are aligned with those of the central executive. The national election of 2002 was based on proportional representation and the MPs did not have geographical constituencies. With the change in 2007, MPs represent single-member constituencies and now see the local councils as competitors.

Champions of change

The Decentralization Secretariat (Dec Sec) and the Local Government Finance Department (LGFD) have played critical roles in implementation and have been strong advocates for decentralization. Both are extragovernmental agencies created under the Institutional Reform and Capacity Building Project financed by the International Development Association (IDA) and a multidonor trust fund financed by the European Commission and the U.K. Department for International Development. Although, in principle the Dec Sec is an arm of the Ministry of Local Government and Rural Development and the LGFD is a unit in the Ministry of Finance and the secretariat to the Local Government Finance Committee (LGFC), all of the staff and expenses associated with these agencies are currently financed by the IRCBP.²² With the project due to close soon, it is not entirely clear how and how well their functions will be integrated into government. Without the mainstreaming of these functions, the future of decentralization in Sierra Leone will be in jeopardy. If progress on this issue of mainstreaming continues to be slow, donors will need to make a judgment fairly soon about whether the government is genuinely handicapped by financial and capacity constraints or whether this lack of progress reflects apathy toward the decentralization agenda.

Dependence on national government

The local councils are highly dependent on grants from the national government. Although the volume of these grants has increased over time and a larger proportion of budgeted amounts are now being transferred, the lack of financial autonomy leaves the local councils very vulnerable to the whims of the national government. The lack of control over

frontline staff weakens the ability of the local councils to influence the quality of services. Both of these risks are exacerbated by the fact that the national government appears to want to keep the local councils weak.

LESSONS LEARNED AND CONCLUDING REMARKS

Decentralization has had a significant positive impact on the political landscape in Sierra Leone. The sharing of political power beyond Freetown is unprecedented; on this dimension alone, the initiative can be viewed as a major success.

There is scope for improving the capability of local councils to deliver on development outcomes. The volume of resources available to the local councils remains small, and the relatively low level of own revenues and dependence on central grants undermines accountability, limits autonomy, and makes the local councils vulnerable to manipulation by the center.

Functioning and effective local governments provide a viable and promising alternative to the persistent patrimonial nature of Sierra Leone's national politics for a shift toward public goods and better service delivery to the poor.²³ In particular, the local councils are in a position to contribute to the improvement of services and the provision of public goods in the social sectors and in those aspects of infrastructure (water and sanitation, feeder roads, off-grid power) that can efficiently be provided at the subnational level.

Although it is unlikely that any government will openly seek to recentralize power in Freetown, as the APC led by Siaka Stevens did in 1972, there are risks that the center will try to undermine the emerging political power at the subnational level. The reintroduction of the district officers and the downgrading of the political status of the local councils provide some evidence of a new containment strategy designed to protect the interests of the national elites. These efforts by the national government to undermine the autonomy and strength of local councils may be the ultimate outcome of an effective decentralization process—the “paradox of success”—implicitly suggesting that local governments are indeed emerging as important players in the political and development landscape of Sierra Leone. The risks associated with the containment strategy of the center suggests that donors and civil society groups will need to play an important role, however, if decentralization is to succeed and central government efforts to undermine it are to be neutralized. Continuing engagement by donors and key national stakeholders is crucial to support decentralization

and help local authorities in their ongoing efforts to meet citizens' demands and perform the functions devolved to them. Donors have played an important role so far. The main instrument has been the IRCBP, which, through the Dec Sec and LGFD, has supported the establishment of a simple but robust intergovernmental grant system; made resources available for small capital works; and, probably most important, supported the development of capacity in the local councils to enable them to perform their core functions and become established as credible governments. On some dimensions, such as procurement, capacity is rated to be better at the subnational level than at the national level. Continuing support for strengthening service provision at the local level and enhancing the resources and autonomy of the local councils is being provided through the \$20 million IDA-financed Decentralized Services Delivery Project (DSDP). This second-generation project—which tilts the balance toward significantly augmenting the grants provided by the central government while providing support for a “maintenance” level of capacity development—is expected to attract additional donor contributions. An increasing allocation of donor resources to the subnational level through well-designed projects will strengthen both the autonomy and the capacity of local councils and help mitigate countervailing pressures from the national government. In the authors' view, there is a continuing need for building technical capacity beyond what was originally envisaged in the DSDP and, more important, for dialogue and advocacy.

These donor initiatives will need to be complemented with additional reform efforts to improve the prospects of decentralization and create the conditions for a greater impact on service delivery:

- A second-generation system of grants needs to be designed and implemented as soon as possible to enhance predictability and autonomy and provide incentives for efficiency. The divisible grant pool needs to be determined based on a set of well-understood forward-looking criteria, the allocation across councils should be based on an agreed philosophy for equalization, and grants need to be gradually untied to provide greater discretion to the local councils.
- Local councils need to be gradually provided with greater administrative control over frontline staff associated with service delivery. As noted, the provisions of the new national decentralization policy identify a vision for 2016, when comprehensive devolution of staff to the local councils should have taken place and interim

arrangements made during which authority is gradually handed over to the local councils. While this is, in principle, a sensible approach the transfer of responsibility to local councils will have to be carefully balanced with local council capacity to undertake this responsibility.

- Issues concerning the functions and jurisdictions of subnational institutions need to be resolved to ensure that local councils and paramount chiefs work better together.²⁴ This strategy would enable subnational political actors to present a more united front, which would be effective in strengthening the decentralization process while mitigating the risk of manipulation from the center. The national government needs to take the lead in clarifying functions and jurisdictions.
- Across all devolved functions, improved supervision and monitoring of service delivery by local councils and central ministries is needed to ensure that implementation meets required standards.
- As more resources become available at the subnational level, the risk of rent-seeking behavior and corruption will increase. Close watch will need to be kept to contain opportunities for corruption and elite capture; additional resources and autonomy will have to be complemented with robust accountability arrangements involving the ward committees and citizens' participation.

Key country stakeholders and donors took advantage of the window of opportunity that became available after 2002 by supporting the enactment and implementation of the Local Government Act. They did so knowing that it was not a perfect document and that several loose ends needed to be resolved. Their actions helped to establish a system that is reasonably robust and to create a new class of subnational actors that is gaining central prominence in shaping new political and economic dynamics. The genie is now out of the bottle. The question is whether it will be able to work its magic or whether it will be “contained” by the center. Donors, together with civil society and other stakeholders, will have to play a critical role in maintaining momentum along the trajectory that has been established, including advocacy initiatives and continuous policy dialogue with the government. Any letup in effort at this stage could jeopardize the initiative and compromise the remarkable progress achieved since 2004.

NOTES

1. This massive bias not only created large socially undesirable biases in resource allocation, it also led to political

instability, by raising the stakes of politics, making the center attractive to capture in a zero-sum game.

2. The standard arguments about the benefits of decentralization focus on the efficiency of service delivery. The basic idea is that by bringing representatives closer to the people, decentralization leads to socially more desirable service provision, because local politicians are more accountable and because they have better information about people's preferences and what needs to be done. Arguments that link decentralization to better service delivery may be particularly compelling in situations in which there are important ethnoregional divisions in a society, making it difficult to reach agreement about which policies to adopt or public goods to supply (Robinson 2010; see also Bardhan 2002 and Eaton, Kaiser, and Smoke 2010 for a review of this argument).

3. An additional factor that may have driven the SLPP to decentralize can be found in the use of decentralization as an electoral strategy to ensure political survival at the local level in the event of a loss of power at the national elections. Although theoretically plausible and historically relevant in other contexts (O'Neill 2003), this kind of electoral incentive was hardly a dominant factor in Sierra Leone. Historical evidence suggests that at the time decentralization was launched (2004), the SLPP was confident of remaining in power and that it remained confident of doing so until early 2007, when the sudden realization of possible electoral loss prompted uncoordinated and ineffective actions (see Kandeh 2008 for an excellent analysis of the 2007 elections).

4. At the launch of the Local Government Reform and Decentralization Programme, on February 20, 2004, President Kabbah remarked, “People have the right to elect the leaders, men or women, who are supposed to serve them at the national level, in Parliament. They also have the right to choose those who should serve them at the district and other local levels. This, in my view, is what the principle of democratic decentralization is all about. It should and must remain a cornerstone of the process of nation-building in the country.”

5. The Local Taxes Act of 1975 identified the “local” tax as a tax to be collected by the “local authority” and paid into the Consolidate Revenue Fund/Accountant General. Under this act the rate of the tax was to be determined by the minister for internal affairs. Under this formulation, the local tax is collected by the “local authority” on behalf of the national government. Section 45 (4) of the Local Government Act 2004 made the “precept” payable to the local councils but did not make any reference to the Local Taxes Act 1975, which is still on the statute books.

6. The laws are the Education Act, the Hospitals Board Act, the SALWACO Act, and the Local Tax Act.

7. See Fox 2009 and Searle 2009 for detailed discussions of fiscal decentralization in theory and practice.
8. Under section 65 of the Local Government Act 2004 and section 17 of the Public Debt Management Bill 2010 (gazetted but not enacted at the time of writing), local governments can borrow domestically up to limits agreed with the Minister of Finance. This borrowing need not be guaranteed by the central government. So far, local governments have not used this option as a source of financing and local government debt is not currently a problem.
9. We refer to the grant arrangements envisaged under the Local Government Act 2004 for the period 2004–2008 as the “first generation” system of intergovernmental transfers. The design of a “second generation” system is ongoing and has not been completed.
10. The LGFD is a unit in the Ministry of Finance that performs the secretariat functions for the Local Government Finance Committee (LGFC), the entity that determines the volume and distribution of grants under the law.
11. In practice the administrative grants are in two parts. The first part covers the sitting fee and transport allowances of councilors and is based on the number of councilors. The second part finances their general administrative expenses; it is positively related to expenditure needs for undertaking revenue collection and administering devolved functions and negatively related to fiscal capacity.
12. Several factors (beyond decentralization) may have driven the positive results in 2009; considered alone, this sharp improvement is not sufficient to establish a trend.
13. For example, the fact that satisfaction with health improved more sharply than satisfaction with education does not necessarily reflect the fact that health decentralized earlier than education. It may be that health decentralized more rapidly than education because there was greater capacity in the Ministry of Health and that satisfaction with health improved more because of that capacity.
14. The National Public Services survey was administered three times between 2005 and 2008. The quality of services at health clinics was surveyed three times, and a baseline for education quality was created in 2005. The surveys include large, nationally representative samples of households, clinics, and primary schools; the data collected can be compared over time.
15. The Sierra Leone Roads Authority is a powerful independent statutory body established in 1993 responsible for policy formulation and implementation in the roads sector.
16. A household survey by GoBifo (Sierra Leone’s community-driven development project) and the IRCBP in 2009 in the Bonthe and Bombali districts asked respondents their main reasons for voting. It found that in national elections, voters ranked political party as the most important and development second; for local elections the promise of development was the priority (Zhou 2009).
17. According to the latest National Public Services survey data, respondents were significantly more likely to report voting in national (87 percent) than local council (77 percent) elections. Official electoral data show substantially lower participation rates in local elections, indicating a decrease from 55 percent in 2004 to 39 percent in 2008.
18. The design and implementation of CLoGPAS involves the setting up of a multidisciplinary task team comprising technical staff of IRCBP and the Ministry of Internal Affairs, Local Government and Rural Development.
19. The minimum conditions deal with aspects of local council management accountability and examine functional capacities of the local councils in terms of their preparedness to take over devolved functions and deliver services at acceptable standards. They also assess/review the compliance of local councils with existing laws and regulations that guide the decentralization process.
20. More precisely, the public expenditure and financial accountability report “first examines the credibility of the Budget as a tool for implementing government policy, and then looks at two key crosscutting issues relating to Public Financial Management (PFM), the comprehensiveness and transparency of PFM systems. It then rates performance through the four key stages in the budget cycle: budget formulation, budget execution, accounting and reporting and finally external scrutiny and audit. Under each dimension, a set of performance indicators is identified, and scoring criteria is set out” (Government of Sierra Leone 2010b).
21. In 2004 the ministry was known as the Ministry of Local Government and Community Development. In 2007 it became the Ministry of Internal Affairs, Local Government and Rural Development. In November 2010, Internal Affairs was hived off, so the ministry is now the Ministry of Local Government and Rural Development.
22. The IRCB Project was launched in mid-2004, with a World Bank credit of \$25.1 million. Financing was extended in 2006 with an additional \$25 million provided by the Department for International Development and the European Union through a multidonor trust fund.
23. See Robinson (2008) for a compelling analysis of the sources of patrimonialism in Sierra Leone. Robinson (2010) further elaborates on the political economy of decentralization, analyzing the reasons why local governments are expected to be less subject to the capture of patrimonial politics.
24. Fanthorpe and Sesay (2009) make a number of well-informed and constructive recommendations for how to reform the chieftaincy and make it work better with local councils.

REFERENCES

- Acemoglu, Daron, James A. Robinson, and Thierry Verdier. 2004. "Kleptocracy and Divide-and-Rule: A Model of Personal Rule." *Journal of the European Economic Association* 2 (2–3): 162–92.
- Bardhan, Pranab K. 2002. "Decentralization of Governance and Development." *Journal of Economic Perspectives* 16 (4): 185–205.
- Bardhan, Pranab, and Dilip Mookherjee, eds. 2006. *Decentralization and Local Governance in Developing Countries: A Comparative Perspective*. Cambridge, MA: MIT Press.
- Decentralization Secretariat. 2007. *Comprehensive Local Government Performance Assessment System (CLOGPAS): 2006 Summary Report*. Freetown.
- . 2009. *Comprehensive Local Government Performance Assessment System (CLOGPAS): 2008 Summary Report*. Freetown.
- . 2010. *Status Report on the Devolution of Functions to the Inter-Ministerial Committee*. Freetown.
- Eaton, Kent, Kai Kaiser, and Paul Smoke. 2010. *The Political Economy of Decentralization Reforms in Developing Countries: A Development Partner Perspective*. World Bank, PRMPS, Washington, DC.
- Fanthorpe, Richard. 2005. "On the Limits of the Liberal Peace: Chiefs and Democratic Decentralization in Post-War Sierra Leone." *African Affairs* 105 (418): 27–49.
- Fanthorpe, Richard, and Mohamed Gibril Sesay. 2009. *Reform Is Not against Tradition: Making Chieftaincy Revelation in 21st Century Sierra Leone*. Campaign for Good Governance, Freetown.
- Fanthorpe, Richard, Taylor Brown, Janet Gardener, Lansana Gberie, and M. Gibril Sesay. 2006. *Sierra Leone: Drivers of Change*. IDLgroup, London.
- Fox, William F. 2009. "Devolution and Grant Structures for Local Councils in Sierra Leone." World Bank, AFTPR, Washington, DC.
- Government of Sierra Leone. 2010a. *National Decentralization Policy*. September. Freetown.
- . 2010b. *Public Expenditure and Financial Accountability (PEFA) Sub-National Government Summary Report*. Freetown.
- Hanlon, Joseph. 2005. "Is the International Community Helping to Recreate the Preconditions for War in Sierra Leone?" *The Round Table: The Commonwealth Journal of International Affairs* 94 (381): 459–72.
- IRCBP (Institutional Reform and Capacity Building Project Evaluation Unit). 2010. *Report on the IRCBP 2008 National Public Services Survey: Public Services, Governance, and Social Dynamics*. Freetown.
- IRCBP (Institutional Reform and Capacity Building Project Evaluation Unit), and J-PAL (Abdul Latif Jameel Poverty Action Lab). 2009. *Basic Services and Decentralization in Sierra Leone: Trends and Lessons*. Abdul Latif Jameel Poverty Action Lab, Massachusetts Institute of Technology, Cambridge, MA.
- Kandeh, Jimmy. 2008. "Rogue Incumbents, Donor Assistance and Sierra Leone's Second Post-Conflict Elections of 2007." *Journal of Modern African Studies* 46: 603–35.
- Kieh, George. 2005. "State-Building in Post-Civil War Sierra Leone." *African and Asian Studies* 4 (1–2): 1.
- O'Neill, Kathleen. 2003. "Decentralization as an Electoral Strategy." *Comparative Political Studies* 36 (9): 1068–91.
- Reno, William. 1995. *Corruption and State Politics in Sierra Leone*. New York: Cambridge University Press.
- Richards, Paul. 1996. *Fighting for the Rainforest: War, Youth and Resources in Sierra Leone*. Oxford: James Currey.
- Robinson, James. 2008. *Governance and Political Economy Constraints to World Bank CAS Priorities in Sierra Leone*. World Bank, AFTPR, Washington DC.
- . 2010. *The Political Economy of Decentralization in Sierra Leone*. World Bank, AFTPR, Washington, DC.
- Sawyer, Edward. 2008. "Remove or Reform? A Case for Restructuring. Chieftain Governance in Post-Conflict." *African Affairs* 107: 387–403.
- Searle, Bob. 2009. *Sierra Leone: Issues in Fiscal Decentralization*. World Bank, AFTPR, Washington, DC.
- Truth and Reconciliation Commission. 2004. *Final Report of the Truth and Reconciliation Commission of Sierra Leone*. Freetown.
- Zhou, Yongmei, ed. 2009. *Decentralization, Democracy and Development: Recent Experiences from Sierra Leone*. World Bank, AFTPR, Washington, DC.