Old habits die hard: Aid and accountability in Sierra Leone

Report by EURODAD with Campaign for Good Governance

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<td>AASL</td>
<td>Action Aid Sierra Leone</td>
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<td>APC</td>
<td>All People’s Congress</td>
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<td>ENCISS</td>
<td>Enhancing Interaction and Interface Between Civil Society and the State to Improve Poor People’s Lives</td>
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<td>Heavily Indebted Poor Countries</td>
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<td>Health Sector Support Project</td>
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<td>Public Finance Management</td>
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<td>Project Implementation Unit</td>
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<td>Poverty Reduction and Growth Facility</td>
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<td>Poverty Reduction Strategy Paper</td>
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<td>Sierra Leone People’s Party</td>
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<td>UNDP</td>
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Executive Summary

Sierra Leone is one of the poorest countries in the world and the country is heavily dependent on external aid to try and meet the most basic survival needs of the population. Much of this aid has been directed to rebuilding the country and government structures after a devastating civil war. Donors and the Sierra Leonean government have signed up to international commitments to make aid more effective for responding to the basic rights of poor people. Nonetheless, this research shows that progress has been piecemeal in bringing real change about in improving aid effectiveness.

Sierra Leone is very dependent on aid with nearly one half of the government budget being financed by international grants and loans. This fact, coupled with weak government structures are among the reasons why Sierra Leone has not moved forwards more quickly in implementing more efficient and effective aid modalities. These two factors put the government in a weak negotiating position vis-à-vis official donors.

Donors are funding approximately 265 different aid projects in Sierra Leone. Many of these projects are implemented unbeknownst to the government, which struggles to capture information about the diverse and competing initiatives in the country. Parallel governance structures are also regularly established – examples include the Decentralisation Secretariat, the HIV/AID secretariat, the Governance Reform Secretariat – as a way of donors pushing their priorities whilst bypassing government structures they do not trust.

Some donors however, – DFID, the European Commission, the World Bank and the African Development Bank – provide more than a quarter of their aid to Sierra Leone through budget support. Budget support by its nature avoids parallel systems by channelling aid directly into the national coffers. But budget support to Sierra Leone also comes laden with conditions, opening up the heart of the government to donor influence. Continued access to this kind of aid requires the government to implement detailed actions on complicated policy reforms (e.g. civil service reform, procurement, decentralisation) as well as to comply with the newer type of results based conditions (e.g. distribution of a certain number of bed nets to the population). Conditions are decided upon by donors who then present their proposal to the government, whose main room for negotiation lies with how ambitious the condition may be, not with whether the condition is an appropriate priority for the government that year.

Donors are struggling in Sierra Leone to respect the commitments they have made under the Paris Declaration on Aid Effectiveness, particularly around “ownership” and the need to relinquish control over allocation of aid resources and the policy agenda. A chicken and egg situation exists with the prevalent lack of trust between the government and the donors and donors' continued practice of heavily conditioning their aid, setting up parallel project units to control their aid and trying to mould policy-making.

Citizens and civil society organisations are largely sidelined from any discussions about aid investment in Sierra Leone. One of the constraints for their participation is the poor level of information available about aid to the country. Lack of transparency was one of the most often cited problems with regards to aid flows and the government budget. Donors fail to provide accessible and useful information to the public about their activities. The government has made some progress in improving aid coordination and information through the establishment of the Development Assistance Coordination Office but the budget process continues to be a mystery for most civil society organisations.

Representatives from civil society organisations also challenge the closed door donor- government negotiation process which is undermining democracy by excluding both the legislature and citizens from the decision-making process. Donors are not doing enough to facilitate a more enabling environment for citizens to participate in decisions that affect them. This is despite the fact that a more engaged citizenry
would mean a stronger demand from below for improved governance, an area in which several donors have invested heavily in recent years in trying to improve government institutions from above. Donors have done little thinking about how they themselves might be more accountable to the citizens they are aiming to support.

Donor accountability to governments is undermined by the fact that so much of their pledged resources simply do not turn up on time. Poor predictability of funding – particularly budget support aid which is tied to the IMF’s certificate of health – had serious consequences for poor people in Sierra Leone in 2007. The government received US$26 million less from donors than it had budgeted for 2007, much of which was destined for spending on poverty reduction. The fact that no sanction exists if donors do not deliver on what they said they would do makes the concept of “mutual accountability” that donors have signed up to, extremely weak.

The main donors in the country have had significant comparative experience in trying to improve the quality of their aid in neighbouring West African countries, and also elsewhere. However donors own progress in improving the way they operate in Sierra Leone has been piece-meal and ad-hoc. The argument that Sierra Leone is a difficult country for donors to work in has some merit, but should not be a reason for donor agencies not to get their own houses in order. On the contrary the challenges faced by Sierra Leone demand that donors take immediate steps to improve the areas of their interventions that they themselves have control over.

Recommendations:

**Donors**

- Donors need to radically reduce the number and scope of conditions they attach to budget support. In addition they should cease tying their budget support to IMF targets.
- Donors need to drastically improve their transparency. They should provide disaggregated information regarding all the projects and programmes they fund in the country to the government and to the general public.
- Donors must not undermine the development of nascent civil society in the country but find ways to facilitate their engagement in public policy discussions
- Donors need to audit and evaluate their technical assistance to Sierra Leone. Any new technical assistance should demonstrate its responsiveness to need, its sustainability and how it builds on existing capacities
- Donors need to improve the predictability of their funding by both disbursing more of their money towards the beginning of the year to ease pressures on domestic borrowing and making multi-annual commitments for their aid.

**Government of Sierra Leone**

- The Government should use the commitments made by donors under the Paris Declaration as a basis for improving their negotiating strategy with donors.
- Lack of trust by donor agencies reduces the likelihood of donors handing more power over to the government to chart its own development. The government of Sierra Leone needs to take concrete actions to address endemic corruption.
- The Ministry of Finance may need to make more realistic budgets based on their experience of unpredictable financing from aid donors. They should nonetheless continue to pressure the donors to improve the predictability of their aid.
• The Government of Sierra Leone should recognise the important role played by civil society organisations and their capacity to contribute to policy debates.

**Civil society organisations**

• Civil society organisations need to improve their networking, organisation levels and communication channels.

• Civil society organisations should find ways to build constructive relationships with different government Ministries, Departments and Agencies as well as with donors without becoming co-opted by them.

• Urban-based policy and advocacy organisations need on the one hand to develop their research and communications skills so as to have more influence in policy making processes and on the other develop stronger links with community and membership-based organisations.
1. Introduction: Aid to Sierra Leone

On 8th September 2007, Sierra Leone celebrated a successful and peaceful Presidential run-off election that saw the incumbent party voted out of office, and the main opposition party voted in. This is the first successful handover of power from one party to another in the country's history and unlike in the 2002 elections, it took place without the presence of the UN peacekeepers.

But Sierra Leone is far from graduating from needing foreign assistance. After a decade of war the country is extremely poor and there are enormous challenges. In 2006 Sierra Leone ranked 176th out of 177 in the UN Human Development Index and 70% of the population of about 5 million people live on less than US$1 a day. In addition to a GDP of only US$253 per capita, Sierra Leone has the highest child mortality and maternal mortality rates in the world.

The government of Sierra Leone today is highly dependent on foreign aid financing. Nearly one half of the Sierra Leonean budget is financed by grants and loans from the international community or by funds that have been freed up from debt relief. In addition to this, many more social and economic projects in the country are paid for by aid finance which is not reflected in these figures but which is channelled through private, non-governmental or even official donor agencies operating quite independently from the government.

Chart 1

What makes up the Sierra Leone government budget for 2007?

| Source: Government of Sierra Leone Budget 2007 |

Campaigns and criticisms from all sides of the international problems of official development aid led 139 donor governments, multilateral agencies and developing country governments to sign up to the Paris Declaration on Aid Effectiveness in April 2005. Under this agreement all parties committed to five principles that should frame their relationships in delivering more effective resources to address poverty reduction. These principles are:

- ownership (developing country governments would be in the driving seat of implementing development)
- harmonisation (donors would reduce and harmonise their cumbersome procedures),
- alignment (Donors would fund the priorities of the developing country government),
- mutual accountability (both parties would jointly assess progress)
- management for results (aid would be channelled towards concrete poverty reduction results).

1 World Economic Outlook, 2007
Development aid is still often imbued with concepts of charity and the idea that the rich north is “helping” the poor south. Aid resources that flow from north to south and that many countries in the south currently depend on, are but a fraction of the money that flows from south to north, through unfair trade agreements, abusive transfer pricing and capital flight. In addition, foreign banks have knowingly supported the transfer of politicians’ illegal gains. Nonetheless the commitments under the Paris Declaration – particularly those related to ownership and accountability – have the potential to start to shift the unequal power relations so that aid money becomes less driven by rich country interests.

Sierra Leone is an interesting case to see to what extent practices have changed since 2005. In a country such as India, which does not rely on aid, it is relatively easy for the government to take a strong stand on the kind of aid it will accept and indeed India has rejected offers of bilateral aid. But the fact that the government of Sierra Leone is so highly dependent on aid and carries limited weight in the international community clearly poses a challenge for real shifts in power relations to take place. If the government is not able to challenge the demands of donors, the much promoted concept of “partnership” between developing country governments and donors remains simply a nice theory but is rather meaningless in practice. Although the pressure on rich country governments to spend their aid money probably give the Government of Sierra Leone more negotiating power that it actually uses, the consequences of even one of Sierra Leone’s major donors pulling out of the country in the current circumstances would be catastrophic for the country’s finances.

1.1 Scope and objective of this report

Development aid to any country is an extremely complex business. This research does not try to analyse the entirety of the aid system in the country, but focuses on questions of accountability and ownership as laid out in the Analytical Framework. This report focuses on issues of accountability of both donor agencies and the government of Sierra Leone in their dealings with aid, and of who sets the policy and ultimately political agenda. It does not attempt to measure the actual impact of that aid, nor analyse the end destination of that aid money. It is primarily concerned with whether the commitments agreed to in the Paris Declaration and elsewhere, by donor agencies and developing country governments, have translated into a more accountable, democratic and country-driven aid system.

Much of the focus on the Paris Declaration to date has been on issues of donor harmonisation and coordination. There has been a tendency to view the problems of aid delivery as being overly technical whilst ignoring the power relations and political issues. In this report by concentrating on issues of accountability and ownership in a broader way than they are defined in the Paris Declaration, we try to bring the political discussion back in.

This report aims to contribute to making the debate about aid effectiveness more relevant for civil society organisations in Sierra Leone and ensure that some of their concerns about aid are heard not only by officials in Sierra Leone but also in the formal arenas of international political negotiations to which they are almost never invited.

This report is based on research that was carried out in Sierra Leone in September 2007. Twenty-seven people were interviewed during this period, with an even mix of donor, government and civil society

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2 See Erikson, F., (2005), Aid and development: will it work this time?, 9
3 See website (http://www.eurodad.org/whatsnew/reports.aspx?fid=2038)
4 Peace Dividend Trust has done an in-depth study in 2007 looking at exactly this question of tracking flows from source to destination in Sierra Leone, publication forthcoming
representatives (See Annex 2 for full list). In addition, an extensive number of secondary documents from these three groups, were also consulted (see references).

1.2 How much aid does Sierra Leone receive and from whom?

Aid to Sierra Leone has been rising gradually since 2004 following a substantial drop between 2003 and 2004. This drop was a result of many emergency or post-conflict related aid programmes coming to a close. USAID for example dramatically reduced its assistance to Sierra Leone during this period whilst increasing its investment in neighbouring Liberia.

**Chart 2**

![Total aid to Sierra Leone 2003 - 2006 (US$ million)](image)


As can be seen from the chart below, the four most significant individual donors to Sierra Leone are DFID, the European Commission, the World Bank and the African Development Bank. These are incidentally also the only four donors that channel some of their aid money directly through the government budget. The UN agencies collectively are also a significant player – these include UNDP, UNICEF, WFP, and UNHRC.

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5 Government of Sierra Leone, (2007) based on actual aid inflows to Sierra Leone. This source provides more relevant figures than the Official Development Assistance (ODA) figures that are reported by the OECD/DAC. The OECD reported US$360 million ODA in 2004 and US$350 million in 2005. This is US$120 million and US$ 65 million more than Sierra Leone reported receiving. These large differences are partly made up of debt relief, spending on refugees and spending on foreign students in OECD countries, although it seems unlikely that these account for the total difference.
Sierra Leone does relatively well in comparison with its neighbours in terms of how much aid it receives per capita. It can be clearly illustrated that “need” is not the main criterion for receiving aid, by a simple comparison of aid per capita across a few countries. According to UN statistics, Sierra Leone received approximately US$67 in aid per person. This is only slightly more than nearby Ghana (US$62), a country that is much less poor, but 65% more than what Niger receives (US$40 per person) which in fact is the only country to rank below Sierra Leone in the HDI. Within the international aid system, allocation of aid tends to be extremely arbitrary, as much affected by need, or how “well governed” the country is as by donor political interests or colonial ties.

In December 2006 Sierra Leone also reached HIPC completion point. This means that Sierra Leone qualified for full debt relief as had been agreed under the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. Eligible debts by the IMF, the WB, African Development Bank were cancelled as were debts by Paris Club Creditors to the sum of US$1.6 billion. At the end of June 2007, the remaining debt stock on which Sierra Leone is paying interest was $530 million.

The IMF disbursed US$173 million into a special account which is not being utilised because of the IMF’s requirements for the country to hold substantial financial reserves. However some of this amount may be partially included in the 2008 budget. Following the 2006 completion point, several donors announced that the debt cancellation of the US$1.6 billion in nominal terms would free up US$90 million per year for the Sierra Leonean budget. This however was only a theoretical amount, because Sierra Leone had not been paying back the Paris Club or other bilateral creditors. It is instead expected that the debt relief will free up US$40 million in 2007 and US$47 million in 2008.

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7 These creditors were: Austria, Belgium, Denmark, France, Germany, Italy, Japan, Netherlands, Norway, Switzerland, UK, USA.
8 Interview with Dr. Sahr Jusu, Head of Public Debt Department, Government of Sierra Leone.
2. Aid relationships in Sierra Leone

2.1 Aid and the political context

In some ways Sierra Leone has made significant progress since the war officially ended in January 2002. The economy has grown an impressive 7% per year in the last two years and violent crime has been reduced. Over 150 schools and more than 75 health centres have been rebuilt or refurbished, revenue generation and collection have improved and there are more children enrolled in schools than before the war. Yet at the same time there is widespread frustration on the part of citizens and by donor agencies that progress has not been quicker. Perceptions are that the 2002 – 2007 SLPP (Sierra Leone People's Party) government which was voted out in September 2007 had got increasingly corrupt and indeed the new All People's Congress (APC)-led administration won the election in September, partly as a result of people's frustration with the levels of state corruption together with continued high levels of unemployment, particularly amongst young people. The system of patronage politics, however – which almost certainly will not change much with the new administration – is firmly entrenched and presents a huge obstacle to reducing corruption.

Sierra Leone is an interesting case to analyse in terms of aid. The amounts of aid given to Sierra Leone and the fact that a relatively significant amount is channelled directly through the government budget (18% of all ODA) would suggest that the international community and donor agencies are betting on Sierra Leone's success. At the same time the levels of corruption, the continued patronage politics and weak government institutions made many donors extremely wary and distrustful of the last government. Many donors have consequently kept control of and directly manage a large number of projects themselves, with limited interaction with government institutions.

Many donor-driven initiatives in Sierra Leone have been criticised however for not taking local political realities into account. As they bypass the national government – several interviewees cited lack of trust – they have too often implemented programmes that have not taken into account power structures on the ground. The setting up of local structures such as project implementation units to serve as the interface between “the community” and the Western donors is a common practice in many donor projects. According to one critic however, in Sierra Leone these have been too often set up “in utter negligence of the actual power structures on the ground (and) the community was imagined a power-free, harmonious universe”. The huge investment in government decentralisation – a project that is managed by the World Bank somehow independently of the Ministry of Local Government – was also designed and implemented without taking into consideration and dealing with, in a transparent way, the existing local power structures of local, district and paramount chiefs.

The level of aid dependency in the country together with donor concerns about the corruption and/or weak government institutions means that the international donor community tends to either spend its aid money independently of the government by creating parallel structures or so-called project implementation units (PIUs) or by keeping as much control as it can over money it channels through the government system. The level of aid dependency also means that the government has very little power or space to negotiate with donors – no interviewee could think of a case where the government had refused aid because it did not like the terms on offer. The result is a messy, complicated and cumbersome aid financing system and slow, patchy progress in terms of implementing the commitments that both the donors and the government have signed up to under the Paris Declaration.

9 International Crisis Group, 2007
10 International Crisis Group, 2007
A significant amount of money (US$63 million or one fifth of all official aid) that came into Sierra Leone in 2006 was channelled through the non-governmental sector. International NGOs spent about half this amount again of their own resources. Official donors tend to channel most of their civil society funding through international NGOs who in turn either directly implement projects or fund Sierra Leonean CSOs. Sierra Leonean civil society is seen as having played a strong and influential role in bringing democratic change into the country. Nonetheless civil society is quite fragmented particularly between urban based professional civic associations and community-based forms of civil society organisations. Umbrella groups and communication networks between organisations are also quite weak. This fragmentation is compounded by considerable competition for resources between organisations and a general low level of trust. The relationship between CSOs and the state has been “relatively poor” and also characterised by a lack of trust.

2.2 Places and processes for aid negotiations

Sierra Leone developed its first Poverty Reduction Strategy Paper in 2004 in order to qualify for HIPC debt-relief. A number of processes have been set up surrounding the monitoring and implementation of the PRSP and the coordination of information and negotiations around aid to the country. These processes are primarily coordinated by DACO, the Development Aid Coordination Office. DACO is responsible for coordinating and analysing information about aid to Sierra Leone, facilitating donor-government relations and monitoring the implementation of programmes under the PRSP. This government agency is currently located under the Vice-President’s office although this is only meant to be a temporary solution. Although originally situated in the Ministry for Development and Planning (MODEP) – a seemingly more logical arrangement – it was temporarily moved to the Vice-President’s office allegedly because of perceived problems within MODEP regarding the development of the PRSP.

There are a number of spaces for decision-making and negotiation around aid. At the highest political level exists the “Consultative Group”. This forum has taken place annually since 2005 and is effectively a place where donors review the progress made by the government during the previous year and make aid pledges for the coming year. Although meant to be a forum for both parties to negotiate as “development partners”, according to one government representative it is not such a frank forum. In fact the government “goes there to listen to what they (the donors) have to say. We give an update on the PRSP and then we receive comments. It is a question of ‘this is what we have done, what do you think’? The 2006 Consultative Group was held in Sierra Leone for the first time, having previously been held in London. Donors were allegedly very frank in expressing their concerns about government corruption at this meeting. The government of Sierra Leone in turn “urged donors to make more efforts to be more transparent by supplying on a regular basis the required data on their activities, commitments and disbursements to facilitate effective planning, execution and monitoring of government programmes”.

The Inter-Ministerial committee is a government-only body comprising the heads of the different Ministries. It has the mandate to oversee the implementation and monitoring of the PRSP. In practice it has not been meeting much independently of the Development Partnership Committee.

The Development Partnership Committee (DEPAC) is a forum for ongoing dialogue between the Government of Sierra Leone and its development partners. It started meeting every two months in 2003.

11 Campaign for Good Governance, Civicus Civil society index – Country report for Sierra Leone
12 Idem
13 Interview with Kawusu Kebbay, Director of DACO, September 2007
14 Consultative Group meeting for Sierra Leone, November 29-30, 2006, Communique
to ensure the national recovery strategy was on track and then met monthly following the completion of the first PRSP.

The current agreement is that DEPAC should meet quarterly, although there were some problems in 2006 which meant that it only met twice before the Consultative Group in November 2006. There were over 200 participants at the Consultative Group with representation from a handful of representatives from Sierra Leonean and international NGOs. In 2007 the DEPAC only met once (in March) before the August presidential elections and it was planned that they would meet again following the elections. This forum has been co-chaired by the Vice-President and the World Bank and UNDP. According to the director of DACO, DEPAC is a “forum for frank dialogue” between the different parties.

Pillar working groups have been set up around each of the three pillars of the PRSP – Promoting: 1) good governance, peace and security, 2) pro-poor sustainable economic growth for food security and job creation and 3) human development. There is participation in these working groups from donor and government representatives with space for civil society participation although CSOs have not been present to date. Most CSOs interviewed were unaware of the existence or functioning of these groups. The primary aim of these groups is to review the progress against the PRSP indicators for the particular sector as laid out in the PRSP results framework and report to the DEPAC. As in most areas of the country, these pillar working groups were not very active in 2007 because it was an election year, but also because relevant people were also very involved in the “Peace Building Fund”, a new UN managed 12-month fund. This fund is meant to be a flexible mechanism for injecting money into the country as a means of filling gaps and promoting peace. During and after the election was identified as a particularly sensitive period. This fund has its own steering committee but it uses the PRSP sub-working groups to make the initial selection of project proposals. This arrangement was preferred over the original plan of setting up a Technical Committee to avoid too much duplication.

A National Technical Committee (NTC) comprises the technical heads of selected Ministries, Departments and Agencies as well as representatives of civil society. Its primary purpose is to approve the reports that are produced by the pillar working groups.

Information from the district level regarding implementation of the PRSP is meant to flow to the centre through District Monitoring and Evaluation Committees. Each district now has a DACO M & E focal person who is meant to coordinate the committee. In addition to the DACO or PRS focal person, the committee is meant to comprise at least one local council representative, one representative from the decentralisation secretariat, one person from Statistics Sierra Leone, representatives from the different sectors (health, education, agriculture) and one civil society representative. These committees do not seem to be functioning very well at present. Some of them have only just been constituted and some were meeting prior to the build up to the elections but then ceased their activities. In addition to disruptions caused by the elections, reported problems include shortcomings in a number of areas including capacity, resources, independence, incentives and technical know-how.

16 Minutes from all pillar working groups with lists of participants can be found on the DACO website: www.daco-sl.org subsequent sections.
There are three donor-only coordination spaces in Sierra Leone. One is between the group of donors that provide multi-donor budget support. At present this group consists of the European Commission, the World Bank, DFID and the ADB. They meet to negotiate conditions for budget support before entering into dialogue with the government. The second is the regular coordination meetings between UN agencies that are operating in Sierra Leone. Finally the European Commission holds regular coordination meetings with all European donors with the aim of enhancing information exchange and coordination.

As can be seen there are several formal spaces where at least the technical aspects of the implementation and monitoring of the PRSP take place. The effectiveness of these different processes in terms of ownership and accountability will be examined in subsequent sections.
“there are so many policies in Sierra Leone, that are not envisioned locally, that are externally driven by donors and development partners”

3. Whose ownership?

It is widely recognised that in order for aid to deliver the intended results we would like to see, the country that needs the finance has to be in the driving seat of how the money should be invested. “Ownership” is thus one of the five key principles of the Paris Declaration framing the debate for how aid should be made more effective in contributing to development. Northern donors now recognise that they do not have all the answers as to how Sierra Leone or any other developing country can and should best develop. In order to improve ownership, the Government of Sierra Leone in turn has committed to “exercise leadership in developing and implementing their national development strategies through broad consultative processes (and) translate these national development strategies into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets”. 17 It has also said that it will “take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector.” Donor governments and agencies in turn have committed to “respect partner country leadership and help strengthen their capacity to exercise it”.18 This principle of ownership should in practice give the government more power to decide how to best invest its resources.

However, according to many interviewees this concept of “government ownership” needs to be expanded. Civil society organisations in Sierra Leone repeatedly said the concept of ownership had to include the views of the country as a whole. As one civil society representative said: “For me ownership would stem from the very stage of envisioning local development. Is it our own vision or is it the vision of someone else? We have to see as a country, as a community, as a society – this is what we need for our education system, for our water sector, for gender participation”. Yet he argues that despite the commitments from donors, “there are so many policies in Sierra Leone, that are not envisioned locally, that are externally driven by donors and development partners”.19 Donors may often try and somehow engender ownership by carrying out consultations on their proposals, but as another civil society representative argued “you cannot say, ‘we are doing these consultations in order for it to be owned”’.20 But the definition and measurement of ownership in the Paris Declaration is very narrowly defined. Progress on ownership is measured by how “operationable” a country’s poverty reduction strategy is. And rather paradoxically, this judgement of the quality of a country’s PRSP is made by the World Bank.21 The major limitation of Paris Declaration definition of ownership is the lack of explicit recognition of the importance of citizen-state engagement or in effect – the politics of democracy.

18 Idem
19 Interview with Morlai Kamara, Programme Manager, Network Movement for Justice and Development
20 Interview with Thomas Johnny, Policy Research Manager, ActionAid Sierra Leone
21 See OECD Monitoring of Paris Declaration, http://www.oecd.org/document/20/0,3343,en_2649_3236398_38521876_1_1_1_1,00.html
Ownership is rather something, according to non-government interviewees, that must be “demanded” by citizens and if Sierra Leoneans were to “own the process then the aid would go where we want it to go”.

This demand and control over the process beyond a particular Ministry requires more democratic processes and procedures. Citizens need to have both the information and the space to be able to participate in relevant debates about how aid to Sierra Leone is channelled and spent. This view of ownership by citizens in Sierra Leone is echoed in the concept of “democratic ownership” that CSOs internationally have been advocating for, whereby “democratic ownership” means involving citizens, including women’s organisations, in the formulation and delivery of policy and programmes. It also means establishing legitimate governance mechanisms for decision making and accountability, including parliaments and elected representatives.

This section will look at both what progress has been made against the commitments in the Paris Declaration on ownership and accountability as well as to what extent donors and the Government of Sierra Leone are enabling a more democratic ownership to grow in terms of enabling and encouraging civil society involvement.

3.1 Limited following of government strategies by donors

One of the means by which donor agencies measure progress in “handing over the stick” or giving more power to developing countries to decide their own future is by measuring the extent to which donors are aligning their aid to the country’s national development strategy or PRSP. This approach has its clear limitations given that the development of PRSPs was one of the many donor conditions for countries to receive debt-relief under the HIPC initiative in the first place. This process has had a circular donor-driven logic.

That said the elaboration of Sierra Leone’s PRSP in 2004 was accompanied by an extensive and relatively in-depth process of consultation. CSO participation in the PRSP process started in early 2004 and was coordinated by an international NGO, ActionAid Sierra Leone (AASL), with financial support from the UK Department for International Development (DFID). There tends to be a more positive view of the PRSP in Sierra Leone than in other African countries, or at least recognition of progress in terms of the consultation process. One CSO representative said that, “It was a very inclusive consultation process.”

22 Interview with Dr. Samuel Braima, Lecturer Department of Economics, Fourah Bay University
People’s views are reflected in the PRSP document”. Others gave slightly more tempered support for the process and resulting development strategy, particularly related to the privatisation of State owned enterprises, laid out in the PRSP, about which there was no discussion with CSOs. As one person said “we need to be careful that consultation isn’t taken as an endorsement”. A government representative was even more critical. He said that “it is theoretical that the PRSP/ budget/ PRGF is country driven – most of the indicators and processes, you just have to follow”. There has also been extremely little parliamentary oversight or engagement in the PRSP.

The 106 benchmarks in the PRSP, around which donors are meant to be aligning their aid money, were not all proposed by donors, but many of them had their origins in separate donor country strategies. For example, “The World Bank had targets in their country strategy, and we incorporated these into the PRSP strategy. At that time there was no MDBS (Multi-donor budget support), but the European Commission had a number of targets, and we incorporated those too”.27

**Lack of government prioritisation provides donors with freer rein on what to fund**

The PRSP is extremely broad and not clearly prioritised. This means that donors can still select and fund their own priorities from the PRSP as they narrow down what they will focus their spending on. There is no procedure to improve the alignment of priorities; donor priorities may or may not therefore match the government’s priorities. Given the conclusions of the Sierra Leone Truth and Reconciliation Commission that poor governance had been one of the main root causes of the conflict it is not surprising that donors have invested large amounts in improving governance structures. This has ranged from investing in the police/military and justice systems to supporting the decentralisation of central government.

However there are still huge infrastructure challenges. Five years after the end of the conflict, there is no mains electricity for most of the time in Freetown and the road and river communications are still extremely poor. The recent Millennium Development Goals needs assessment report classifies nearly half of Sierra Leone’s roads as “poor” and describes the electricity sector as being in a “state of crisis”. The visibility of these problems means they are likely to be in people’s minds, contributing to the general sense that there has been too much focus on formal governance structures at the expense of infrastructure and peoples’ direct well-being. One interviewee said that the support to decentralisation by donors for example, was a good thing, “because as long as people believe they all have a stake in governance, they are likely to seek proper means for redress”. But he also said there had been an over-concentration on this issue: “There is no point in having the democratic institutions in place if the well-being of the population is not being properly addressed”.

According to UN estimates, unemployment in Sierra Leone stands at approximately 65% and high unemployment, particularly amongst young people, was a contributing factor to the civil war. One donor interviewee argued that there had not been enough focus since the end of the war on investing in the private sector, particularly on job creation. She argued that a large amount of the resources that are spent under the PRSP’s pillar 2 (pro-poor sustainable economic growth for food security and job creation) are in fact about increasing the investment climate for big business and foreign direct investment rather

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24 Interview with Christian Lawrence, Campaign for Good Governance
25 Interview with Tennyson Williams, Actionaid Sierra Leone
26 Dr. Sahr Jusu, in workshop organised by CGG/ Eurodad
27 Interview with Kawusu Kebbay, Director of DACO
29 Interview with Dr. Samuel Braima, Fourah Bay University, Freetown
than about promoting small and medium enterprises and job creation. The largest single project supported by DFID spent this pillar in 2006 was technical assistance to the government to reduce administrative barriers for foreign investment (US$1.2 million), followed by technical assistance for the Ministry of Trade and Industry’s private sector development strategy (US$700,000). In this case it could be that donors’ priorities converge with the governments’ priorities for promoting growth; however the question remains as to whether job creation per se is sufficiently prioritised.

Although people perceive that there has been insufficient investment in transport and communications, when it comes to the health and education sectors, many donors still do have a preference for investing in buildings over people. This is despite the shifts in development thinking in recent years, making development agencies today much more likely to ask questions about the sustainability of projects. Large numbers of schools and health centres have been rebuilt in Sierra Leone following the war but in many cases there are not the qualified people to staff them. One interviewee highlighted the extent of donor dependency of the PRSP and the problems associated with donors’ preference for investment in concrete over people. He characterised it as “very short term gains and long-term losses. For example in the health and the education sectors, buildings are more important than personnel”. This problem is also linked to the macroeconomic conditions set by the IMF which puts a cap on spending on civil service salaries, as explained below.

**Two-thirds of donor aid not on budget**

DACO’s Development Assistance Report for 2006 matches all donor aid to one or more of the pillars of the PRSP. Given the lack of prioritisation in the PRSP, it is presumably possible to argue that any aid money is “aligned” to it, as indeed appears to be the case. It seems to be enough to label a project as falling within one of the categories of the different pillars for it to be reported as supporting one of those pillars.

In order for official donor aid that is meant to be supporting the government sector to be aligned to national priorities, a basic first step should be its inclusion in the national budget. This would go a considerable way to improving planning processes and allocation of scarce resources. However less than one-third of donor aid which is supposedly supporting the three pillars of the country’s national development strategy is actually reflected in the budget. The Director of Planning for the Ministry of Health clearly illustrated the problem. He said that he had seen a report on donor support to the health sector but that he “didn’t even know about all those millions of dollars that were supposed to have been invested in health. There is a lot of information lost to us that would have been very useful for us for our planning.” And another government interviewee said, “We want to know what comes into the country. If we have that information, we would be able to rationalise and plan better rather than duplicating things”. It does not necessarily mean that aid money has to be channelled to the government as budget support but at the very least it needs to be on-budget, transparent and predictable so that the government

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31 Interview with Dr. Salua Nour, GTZ  
32 DACO list of project disbursements 2006  
33 Interview with Taziff Kamora  
34 Interview with Dr. Clifford Kamara, Ministry of Health  
35 Interview with Jam Jalloh, Ministry of Development and Planning
is able to improve its planning, track resources that are coming into the country and assess the impact of that aid. Aid projects need to build on existing systems not compete with them.

There are however a very large number of different projects being implemented in Sierra Leone. In 2006, donors funded a total of 265 different projects at an average of approximately US$1 million per project. If we look more closely at the health sector, the situation can be illustrated more clearly. The Ministry of Health and the National HIV/AIDS Secretariat received US$22.2 million in grants36 which was channelled through 31 separate projects in 2006. Donors spent an average of US$790,000 per project. 20 of these projects were projects supported by the World Health Organisation, which only spent an average of US$ 47,725 per project. Donors spent a further US$12.4 million on funding many more projects in the NGO sector. However it was not possible to see how many NGO projects were funded with this amount given that some donors did not disaggregate their reporting to DACO in this area.

Donors channel nearly one-fifth of their aid through NGOs. This primarily goes to international NGOs that then either directly implement development projects or work in partnership with Sierra Leonean counterpart organisations. This amounted to US$63 million in 2006. International NGOs brought in a further US$34.8 million of their own core resources. This aid is also reported by DACO as supporting the different pillars of the PRSP. It certainly makes sense that NGOs that are providing basic services should do so in communication and coordination with the government. It is not clear to what extent this is happening. However it would make no sense to align money that aims to support the emergence of an organised, diverse and vibrant civil society mobilising different interest groups to demand their rights to any government programme. This distinction is important to remember.

3.2 Budget support conditions undermining ownership

Despite the fact that two-thirds of donor project aid to Sierra Leone is not even reflected in the government budget, donors do give 18% of their aid as budget support, up from approximately 10% in 2003. This is money which is channelled directly to the Ministry of Finance and the central coffers of the state. Increased budget support is potentially the easiest way for donors to support government strategies as money goes directly into the government budget. According to the Sierra Leone Budget Director, donor coordination and harmonisation – in so far as improving coordination around budget support – has been “very relevant for Sierra Leone; Sierra Leone is one of the countries which suffered from too many bilateral arrangements with development partners”. “Each one came up with its own priorities in the past and did not consider what the priorities of governments were and where the revenues should be directed”.37 However budget support to Sierra Leone does comes laden with a wide range of conditions which contradict the principle of ownership.

Debt relief to Sierra Leone has been one form of budget support. The amount of money that was actually freed up from debt relief under the HIPC initiative and the MDRI is reflected as an inflow in the Sierra Leone budget. This amounts to approximately US$40 million in 2007 and US$47 million in 2008.

The money is not earmarked specifically for poverty programmes, as in Ghana for example where debt relief money is managed in a separate “HIPC fund” and spent on specific “HIPC projects” to address poverty reduction, so it not easy to see exactly how this money is spent.

36 The AfDB and the WB provided an additional US$10.2 million and US$2.3 million in loans to the health sector in 2006
37 Interview with Matthew Dingie, Ministry of Finance
That said, inclusion of this freed-up money in the general budget – rather than in putting into a separate account – does make more sense for overall coherence and budget planning. As a result of having cancelled their debts, the creditors wish to see incremental expenditure in poverty priority areas as a result of this newly freed-up money in the general budget. According to the government Debt Management Office, HIPC funds that were available between 2002 and 2005 funded poverty-related activities that included girl-child education, school fee subsidies to primary schools, increase in scholarships to universities, increase in teachers on the payroll from 17,000 to 31,000, procurement of drugs and support for the police force.

Budget support as a means of channelling new aid money seems like a clear way forward to “support government strategies” as it should give the government more flexibility to take policy decisions about how to prioritise investment. And given the relatively recent political stability in Sierra Leone and the ongoing concerns about insufficient progress in governance reform – particularly in terms of accountability and transparency – the government of Sierra Leone does receive a fairly high level of budget support. Budget support makes up nearly one-fifth of the Government budget and it comprised 35% of DFID’s aid to Sierra Leone, 22% of the WB’s, 36% of the ADB’s and 21% of the EC’s aid disbursed to the country in 2006.38

**Chart 4**

![Budget support as proportion of total aid to Sierra Leone in 2006](image)

Source: Government of Sierra Leone, Budget Bureau, 7th March 2007

The UK government was the first to commit high levels of budget support to Sierra Leone, the decision likely influenced by the political kudos the UK government received following its successful military invention and contribution to the end of the civil war. Despite the risks associated with providing budget support to Sierra Leone, their support has had a number of positive effects. According to a recent review of budget support to Sierra Leone, it contributed to growth in the post-conflict period, allowed for increased spending on health, education and economic services and as a consequence better development results in these areas. It also contributed to significant improvements in public financial management.39

The majority of development actors interviewed – be they from the government, from donor agencies or from civil society organisations – agreed that there were too many conditions attached to donor aid, and

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38 These figures are based on what Sierra Leone actually received in 2006. The EC records disbursement of 13.75 million Euros as budget support in this year. However, the second tranche of money (c. €3.75 million) did not arrive until the beginning of 2007 and thus was not included as income for 2006. Had this money arrived in 2006, 28% of the EC’s aid would have been as budget support.

in particular to budget-support aid. These conditions are putting an undue burden on the limited resources available. According to the Government budget director: “We think there should be a reduction in the conditionalities. There is not the capacity there in the MDAs [Ministries, Departments and Agencies] to monitor all of these in our post-conflict situation. (...) It is costing us more to meet the conditionalities all in one go”. One civil society respondent argued however that the government would be in stronger position to “question the nerve-breaking conditionalities” if it “first put its house in order by combating corruption and using donor funds efficaciously”.

The government of Sierra Leone undoubtedly has to deal with a large and rather confused number and type of conditions. The results framework of the PRSP set out 106 benchmarks against which the donors and the government monitor progress. Then in July 2006, the government and budget support donors agreed the “Improved Governance and Accountability Pact” which stipulated another set of 10 governance reforms with 35 related targets which Sierra Leone was to meet by July 2007. The Multi-Donor Budget Support framework however is the most important set of conditions as these are the conditions to which disbursement of large sums of aid money are directly linked. It has another set of 32 conditions attached to it as explained below. There is overlap in terms of the issue areas that these conditions address with the MDBS framework and the IGAP agreement effectively prioritising certain areas of the PRSP and at the same time going into greater detail as to what the government should do.

As far as multi-donor budget support goes, in order to qualify at all, the Government of Sierra Leone has to meet three entry level conditions. These are:

a) Continued good macroeconomic performance, as evidenced by satisfactory progress under an IMF program.

b) Satisfactory progress in PRSP implementation. This will be assessed on the basis of annual PRS progress reports and the annual MDBS review of mutually agreed benchmarks.

c) Continuous improvements in Public Finance Management (PFM). This will be assessed on the basis of applicable evidence including annual reports on National Action Plan (NAP) implementation.

The first condition appears as a “single condition” of being in the IMF’s “good books”. In reality it is quite onerous and means adhering to a whole series of stringent fiscal targets as well as ten “prior action” structural IMF conditions. This is discussed in more detail below.

The other entry level conditions “Progress in PRSP implementation” and “continuous improvements in Public Financial Management” appear to be less influential. However the progress in PRSP implementation is extremely vague and open-ended adding to the lack of clarity and conditionality burden in general. It could include monitoring any or all of the 106 benchmarks in the PRSP results framework. The condition regarding public financial management improvements as an entry condition is potentially counter-productive given that budget support itself appears to have been a factor in contributing to improvement in this area. According to a new review of multi-donor budget support to Sierra Leone, budget support has contributed “to a significant extent” to the “impressive set of achievements” in improving PFM in recent years.

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40 Interview with Mr. Matthew Dingie, Director of Budget
41 Interview with Christian Lawrence, Campaign for Good Governance
42 In cases where the conclusion of an IMF program review or approval of a new program is delayed, the donors conditionality policies suggest that macroeconomic stability condition can be considered to be met if the macroeconomic situation and prospects are judged satisfactory.
43 IMF 2006 Article IV Consultation and PRGF review, February 2007
44 Lawson (2007)
Budget support donors deliver their money in different ways to Sierra Leone. The European Commission and DFID pay a certain amount of budget support money upfront once the entry level conditions are fulfilled. A framework with a further 32 conditions (in 2006), called the Performance Assessment Framework (PAF) is then used to determine whether they get the second disbursement of money, generally called the “performance tranche”. This framework also determines whether or not they will get budget support money disbursed from the World Bank at all. The conditions within the PAF are extremely wide ranging as can be seen in the table below:

**Table 1. Selected conditions in the 2006 Performance Assessment Framework**

<table>
<thead>
<tr>
<th>Type of condition</th>
<th>Reform</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Reforms</td>
<td>Agree roadmap for civil service reform, Set up new Human Resource Management Office</td>
<td>World Bank/ DFID</td>
</tr>
<tr>
<td></td>
<td>Increase in international competitive bidding procedures for procurement</td>
<td>World Bank</td>
</tr>
<tr>
<td>Improving investment climate</td>
<td>Government submits “acceptable acts” to Parliament to revise financial sector legislation</td>
<td>World Bank</td>
</tr>
<tr>
<td>Improvements in public financial management</td>
<td>Improved budget execution</td>
<td>World Bank/ EC</td>
</tr>
<tr>
<td></td>
<td>Increase in number of MDAs audited</td>
<td>EC</td>
</tr>
<tr>
<td>Outcome conditions</td>
<td>Increase in number of national primary school examination passes</td>
<td>European Commission</td>
</tr>
<tr>
<td></td>
<td>Improvement in weight to age ration for children</td>
<td></td>
</tr>
</tbody>
</table>

Source: MDBS Progress Assessment Framework for 2007: See Annex 1

Procurement reform is one of the World Bank’s conditions for budget support. For 2008 the proposed procurement condition sets a percentage target for the total amount of government procurement that is “conducted through open competition”.45 The Procurement Act was passed in 2004 at donors’ instigation, “the idea for it came from the development partners”. The World Bank country economist saw conditionality through budget support as a means of ensuring that procurement reform could be moved along. He said “Once the government came on board the donors could use Budget Support to strengthen the system. One thing is putting the system together; the other is to make it effective”.46

Transparency in government procurement is one of the “Singapore Issues” which developing countries have refused to negotiate on at the World Trade Organisation, seeing it as a way of pushing procurement liberalisation. Whilst more transparency around procurement contracts may help to reduce corruption,47

45 Draft MDBS Performance Assessment Framework for 2008
46 Interview with Yusuf Foday, World Bank
47 McDonald, O., (draft, forthcoming), Buying power: Aid, governance and public procurement. Christian Aid
opening up procurement to foreign firms risks squeezing out local businesses unable to compete with larger foreign firms. Donors have committed to using country systems for channelling their aid, but whether they use national procurement systems is closely linked to how good they think those systems are.

The quality of the procurement systems is not only judged on the integrity of the system but also on how open it is to foreign competition. So, Sierra Leone faces both conditions both on procurement transparency (from DFID) and on procurement liberalisation (from the World Bank) as part of its budget support agreements.48 Donors appear to be using the Paris Declaration to push this “Singapore issue” through the back door.

Most of the donor agencies interviewed agreed that there were too many conditions, but were somewhat at a loss as to how to reduce them. One of the problems is that each donor comes to the table with their priority areas which they are not willing to drop. Currently, the 2008 Multi Donor Budget Support Performance Assessment Framework is being discussed and negotiated by the donors. Attempts are being made to reduce the number of conditions; however this time the African Development Bank is jumping on the conditionality bandwagon and would like to add yet more of its own benchmarks to the list.

However it is not just the number of conditions that is problematic. As one Ministry official commented, it is the amount they aim to cover as well: “With some of them, their scope should be reduced. They are asking for too many things in one particular condition”.49 The risk of putting pressure on donors to reduce the actual numbers of conditions is of course that they just bundle more things into one condition.50 It is the number of government actions that are required to fulfil these conditions that count.

3.3 Donors captured by IMF PRGF conditions

All four budget support donors tie their disbursements to Sierra Leone to the condition that the country is “on-track” with its IMF programme. In 2007 this caused a number of problems. As Sierra Leone did not meet a number of IMF conditions in 2006, budget support donors did not disburse their money as planned. Donors did not deliver on nearly US$25 million in budget support that the government had budgeted in 2007.

Budget support donors voluntarily tie their money to IMF targets, yet there is clearly a tension between IMF macroeconomic objectives and budget support donor poverty reduction objectives. As a result of the IMF review early in 2007 which raised alarm bells about over-spending, Sierra Leone has been operating on a cash budget since the first quarter of 2007. Domestic revenue has been very low given that it was an election year, and the World Bank is concerned that Sierra Leone “may have cut expenditure back too much”.51 This tension between the IMF and budget support donors can be seen in the May 2007 ‘Joint Aide Memoir’ between the Government of Sierra Leone and the four Budget Support Partners.

The note says that the “Joint Budget Support Partners remain concerned that expenditures may need to be compressed beyond the level required for adequate delivery of services and maintenance of security in

48 See MDBS Performance Assessment Framework for 2007 (in Annex) and draft MDBS PAF 2008
49 Interview with Government official
50 Eurodad, (2005), Untying the knots: How the World Bank is failing to deliver real change on conditionality
51 Interview with Engilbert Gudmundsson, World Bank Country Manager
a fragile period prior to elections. In this context, it may be prudent to revisit, together with the IMF, the feasibility of agreed IMF targets.\textsuperscript{52}

Government representatives have argued that IMF targets are too ambitious and that they need to be reviewed and made more realistic. Dr. Sahr Jusu, Head of the Public Debt Department said that calculating the targets based on projected GDP is problematic because “if the GDP estimates are overly optimistic then the targets are too”.\textsuperscript{53}

The macroeconomic and structural conditions set by the IMF are also extremely controversial, undermine ownership and have had negative impacts on many countries’ ability to spend their aid money well. Recent research has shown that stringent IMF conditions have led to “less aid delivery and less effective use of aid” and that it favours “domestic debt reduction or external reserve increases over additional public spending”.\textsuperscript{54}

The specific macroeconomic (deficit, inflation, expenditure, revenue etc) conditions stipulated by the IMF are divorced from the Sierra Leone’s PRSP and give the government little scope to explore alternative macroeconomic frameworks. They continue to focus on macroeconomic stability. But, as one interviewee said, “macroeconomic stability is not the be all and end all of national development”.\textsuperscript{55} And IMF targets could even contradict poverty reduction efforts if they constrain government investment in much needed health and education workers for example. Donor agencies in Sierra Leone argue that they do not have sufficient macro-economic expertise themselves, and that therefore they are obliged to follow the IMF’s advice. Given the contradictions between the IMF’s conditions and their purported aims it is surprising that they do not invest at the very least in alternative macro-economic analysis which they could then use to inform their decisions or push the IMF to carry out Poverty and Social Impact Analysis on their macroeconomic policies before deciding on macroeconomic targets.

\begin{flushleft}
\textsuperscript{53} Interview with Dr. Sahr Jusu, DATE
\textsuperscript{54} Goldsborough and Elberger, (2007) “The IMF and Spending for the MDGs
\textsuperscript{55} Interview with Dr. Samuel Braima, Lecturer Department of Economics, Fourah Bay University
\end{flushleft}
Table 2. IMF macroeconomic targets and actual figures for 2006

<table>
<thead>
<tr>
<th></th>
<th>IMF/ programme target for 2006</th>
<th>Actual in 2006</th>
<th>Reason for shortfall/ improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflation</strong></td>
<td>7.4% (PRGF target) 12.4% (programme target)</td>
<td>9.7% (annual average)</td>
<td></td>
</tr>
<tr>
<td><strong>Domestic revenue</strong></td>
<td>12.5% of GDP (Le 544 billion/ c. US$ 192 million)</td>
<td>11.8% of GDP (Le 495.7 billion/ c. US$175 million)</td>
<td>Disruptions in electricity and water supply which increased production costs Trade diversion to other countries because of higher tax rates in SL</td>
</tr>
<tr>
<td><strong>Donor grants</strong></td>
<td>Le 377.4 billion/ c.US$133 million</td>
<td>Le 346.5 billion / c. US$122 million</td>
<td>Technical delays in release of budgetary support from donors</td>
</tr>
<tr>
<td><strong>Government spending and net lending</strong></td>
<td>Le 899.9 billion / c. US$318 million (21% GDP)</td>
<td>Le 915.5 billion / c US$323 million (21.8% GDP)</td>
<td>Overspending by government on wages (including more staff in foreign embassies, new appointments in Presidents, VPs office and Ministry of Finance)</td>
</tr>
<tr>
<td><strong>Budget deficit (excluding grants)</strong></td>
<td>Le 355.9 billion / c. US$126 million (8.3% GDP)</td>
<td>Le 419.8 billion / c. US$148 million (10% of GDP)</td>
<td>Lower than expected domestic revenue collection,</td>
</tr>
<tr>
<td><strong>Gross external reserves</strong></td>
<td>2.8 months import cover (US$143.1 million)</td>
<td>3.9 months import cover (US$184.2 million)</td>
<td></td>
</tr>
</tbody>
</table>

Source: PRSP Annual Progress Report 2006
3.4 Limited space for negotiation of conditions for budget support

"Most of the time we are in a lame-duck position. Donors are taking the lead" (Samuel Braima, Fourah Bay University)

Under the Paris Declaration, donors have said that they will “draw conditions from the national PRSP” and that they will “respect country leadership”. But the process for defining the conditions in the budget support PAF contradicts this. If there were to be real buy in from the Sierra Leone government into implementation of the reforms outlined in the PAF, the initiative for defining the conditions would come from the government itself. However, this is far from the case. The process is very much led by the donors, as one of their representatives agreed:

“initially the donors do a draft to agree on the conditions, and then these are taken to the government and discussed”.

Given the extent of negotiation, discussion and consensus building that has already taken place amongst the donors, it is not surprising that the government’s room for negotiation is rather limited. As the Budget Director said, “They are the initiators of the benchmarks. The donors set the targets and then there are preliminary discussions with the key stakeholders. The Ministry of Finance negotiates mostly in terms of timing”. One government official also thought that the conditions that were set were overly influenced by the donor agency individuals responsible at any given time, “Conditions are based on the perceptions of the desk-officer at the time – they will impose them and they are more rigid”.

The Ministry of Finance is the main interlocutor of the MDBS group particularly when it comes to agreeing the conditions in the PAF. This does not mean however that other Ministries are not involved in the discussions about conditions that are specifically relevant to them. For example, the European Commission ties its budget support to amongst other things a number of health outcome conditions. These include for example, “64% of children under one year of age should be vaccinated with third dose of DPT vaccine” or “The percentage of weight to age ratio below the 80th percentile should decrease to 22.5%”. Although these indicators are “not made in isolation” or without some discussion, the Ministry of Health representative interviewed had reservations about tying budget support to outcome indicators, particularly as it encourages prioritisation of a particular area, potentially at the expense of somewhere else. He explained, “We have a pot of resources, if we put more money there (because it is a budget support condition) then we have to pull it from somewhere else”. He would prefer to see good process indicators, such as budget allocation, rather than impact/outcome indicators as favoured by the European Commission.

More democratic ownership of course would mean that civil society organisations had been involved in the process and debate about benchmarks that should be agreed to. Despite the importance of budget support and the influence of the PAF, CSOs have very little knowledge about what the PAF contains or about the process for deciding it, despite its clear relevance for their work on budget advocacy and monitoring or monitoring of public policies.

56 Interview with Lucy Balmer, Head of Programmes, DFID
57 Interview with Matthew Dingie, Director of Budget
58 Government representative at CGG Dialogue Forum
59 Interview with Dr. Clifford Kamara, Ministry of Health
As one civil society representative said “we need to know how policies at the very high level influence our budget process - that is critical”. The PAF itself is not publicly accessible. Although the DACO office for example does publish a large number of aid related documents on its website, it was only possible to obtain the PAF document by informally “asking the right person”. The draft PAF which is currently being negotiated by donors was even harder to come by. The lack of awareness amongst CSOs of this influential document should not be surprising in this context.

Conditionality on aid in Sierra Leone continues to be a huge issue. The level of dependency on aid makes the government less likely to negotiate hard, and the government has never to date turned down aid because it did not like the terms of the aid that is was being presented with. According to one civil society representative “We feel that we are so poor that if we question the conditions, we will lose the money, (...) we have so emphasized the fact that we are poor that we do not ask them simple questions”.

There does appear to be some shift in attitudes, albeit that progress in practice has been limited. The Irish Aid representative said for example that they hope in 2008 to develop their programme in close consultation with the government once the government has outlined their priorities in the next PRSP. And the World Bank country manager said that he “would very much like to see things approached in a different way, (where) ambitious triggers would be set by the government and not by us, and then we could see on what kind of benchmarks based on their ambitions we could agree on”.

Some of the explanations for why more progress has not been achieved in terms of donors’ approach were related to the fact that Sierra Leone is still in a relatively fragile situation, and that budget support was risky enough as it is. This argument presumes however that loading conditions on aid is a helpful way of improving the effectiveness of the aid and of reducing fiduciary risks. It is not at all clear that this is the case. Other explanations relate to the fact that donor agencies themselves are driven by the organisational priorities and logics which constrain change on the ground. As the WB representative said “we (donor agencies) are very different types of animals and it is going to take time to work through some of these constraints”.

**3.5 Technical assistance “somewhat useful” but still supply driven**

Under the Paris declaration, donors have committed to “Respect partner country leadership and help strengthen their capacity to exercise it.” They have also said that they will ensure that by 2010 half of their technical assistance is “implemented through coordinated programmes consistent with national development strategies”. This target is extremely weak given that it would be expected that all technical assistance offered to the government should respond to their needs. A large percentage of donor aid to Sierra Leone is spent on technical assistance.

Unfortunately there is insufficient data available to show how much of aid to Sierra Leone is Technical Assistance (TA) but the following examples give some indication of the amount. The European Commission reported spending €5.2 million on technical assistance out of a total of €13.7 million disbursed for the government sector in 2006 or 38% of their aid to the government. Nearly all of Japanese aid is technical

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60 Interview with Morlai Kamara, NMJD
61 Interview with Kpaka, National Accountability Group
62 Interview with Engilbert Gudmundsson, Country Manager, World Bank
64 Paris Declaration on Aid Effectiveness, Targets and Indicators, http://www.oecd.org/dataoecd/57/60/360802358.pdf
assistance and DFID said that “most” of their aid to Sierra Leone was technical assistance.

There are a lot of ambiguous feelings amongst civil society and government actors in Sierra Leone about the value of technical assistance. All civil society respondents expressed serious concerns about the usefulness of technical assistance and most of the government representatives felt that it could be better. The views of those interviewed can best be summed up by the response “Technical assistance is somewhat useful”. Given the large amount of aid money that is spent in this area, this is a serious problem to be addressed. Almost all the interviewees asserted that technical assistance is too often a waste of valuable resources on foreign experts, many of whom are not experienced enough to make a significant contribution to the development of Sierra Leone.

Years of conflict and emigration of skilled and educated people has undoubtedly left a capacity gap. Technical assistance could go some way to filling that gap or to “somehow compensate for the brain drain”. But several people also questioned the strategy of immediately “bringing in a consultant” from abroad without trying to build on existing local capacity. “They should continue to use national expertise as much as possible. There are many cases where you have the capacity here.” The number of UNDP-contracted consultants for the running of the presidential elections in August and September 2007 was an example cited on several occasions where more national capacity could have been used and indeed planned for. One person reportedly joked “the only thing they are missing is an ex-pat voter!”

Others questioned the capacity of the expatriate “experts” brought in as technical advisors to do jobs for which they are not qualified. As one civil society respondent said, “Many expats that come here don’t have a clue what they are doing and they are actually learning from Sierra Leone. They should bring people who actually have the experience. There are too many examples of 25 year olds straight from university who don’t have any experience, only their theories”.

This responsiveness to the government of Sierra Leone’s needs is a key area where donor agencies have said that they will improve their aid effectiveness. The Real Aid 2 report by ActionAid on technical assistance in 2006 seems to have raised awareness about the issue amongst CSOs and government actors, but whilst “improvements are being made to improve responsiveness of TA, progress is slow”. According to the Director of the aid coordination unit, DACO, donors are very quick to respond by providing consultants when the issue is a donor priority. “For example if DFID wants to move on the ‘aid policy’ they will move ten times quicker and contract a consultant. But if they are not interested in what might be a government priority, they will move ten times slower.”

Sustainability and the transfer of knowledge is another huge problem. As another civil society representative expressed: “Technical assistance - can be useful if it comes and builds enough capacity and leaves people trained. But there seems to be no exit, the consultants just keep on coming”.

Contracting of consultants to fill gaps appears to happen in an ad-hoc manner without any real analysis of existing

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65 Interview with government representative
66 Interview with Dr. Samuel Braima, Lecturer Department of Economics, Fourah Bay University
67 Interview with government representative
68 Interview with Valnora Edwin, Coordinator, Campaign for Good Governance
69 Interview with Jam Jalloh, Head of Programmes, DFID
71 Interview with Lucy Balmer, Head of Programmes, DFID
72 Interview with Kawusu Kebbay, Director of Development Aid Coordination Office (DACO)
73 Interview with Kadi Jumu, Policy Advocacy & Civil Society Coordinator, Christian Aid
capacity/ capacity gaps and how they might be addressed on a longer term basis. Donors and government alike appear to act in a reactive manner. Planning for the running of the elections – both the Presidential elections that took place in 2007 and the local elections that will take place in 2008 – appears to have a short-term focus. Decisions about keeping on expatriate consultants for the 2008 local elections were only being discussed as their contracts came to an end after the Presidential elections at the end of September 2007. And whilst there was some “pairing” of international consultants with national election staff employed in NEC (National Electoral Commission), not enough thought seems to have gone into potential transfer of knowledge. One civil society representative argued that with more foresight some of these problems could have been addressed: “Even for the elections, we have imported too many ex-pats. They could have foreseen that, sent Sierra Leoneans to get their training elsewhere. The problem won’t be solved even for the 2012 elections.”

DFID used the example of its support to the National Revenue Authority as an example of how it is trying to improve knowledge transfer.

“DFID is providing technical assistance to the NRA - this used to be just UK crown agents flying in to give advice. Now it is a consulting company that sits with the head of the NRA and they try and team with national consultants”.

Technical assistance can also be another means of influencing particular policies favoured by the donor. This kind of influence has sometimes been called “soft conditionality”. One example of such is the European Commission’s practice of funding a trade advisor to the Ministry of Trade, who is supportive of the EC’s Economic Partnership Agreements (EPAs). The European Commission Delegation says that “The assignment of a TA to the Ministry of Trade and Industry as adviser on the EPA negotiations has enhanced the importance of trade as part of the GoSL-EC cooperation”. This is a clear example of the European Commission using aid to push a controversial trade agreement.

3.6 Democratic ownership requires more enabling environment for civil society

“For me ownership would stem from the very stage of envisioning local development. A few consultations in a few towns… that is not ownership. We have to see as a country, as a community, as a society – that is what we need for our education system, for our water sector, for gender participation”.

“People need to have the opportunity to shape government policies”.

Donor and government representatives, as well as CSO themselves, believe that more should be done to strengthen the CSO capacity and to promote more active involvement of the CSOs in policy making. Democratic ownership of policies and processes requires public debate and dialogue to take place with these membership organisations must be given an opportunity to form themselves as a force in order to be able to participate at decision making processes as a counterbalance to state power”.

74 Interview with Christian Lawrence, Programme Officer, Campaign for Good Governance
75 Interview with Lucy Balmer, Head of Programmes, DFID
77 Interview with Morlai Kamara, Programme Manager, Network Movement for Justice and Development
78 Interview with Christian Lawrence, Programme Officer, Campaign for Good Governance
all key stakeholders. There are a number of places where this public debate and dialogue can take place including in the parliament, in the media with civil society organisations and with different interest groups. To date the parliament in Sierra Leone has been a “rubber stamp” institution with low capacity and somewhere where very limited political debate takes place. Typically donor agencies have paid little attention to the role and capacity of parliaments. UNIOSIL and UNDP are two agencies that have invested in parliamentary projects in Sierra Leone but this is not a priority for most donors. Support by donors for some independent media outlets and civil society organisations has been more significant. It is the latter that this report is particularly concerned with. How have donors supported more democratic ownership through their support to civil society and to what extent has the Sierra Leonean government “encouraged the participation of civil society”?

As discussed in section 2, much of the real policy discussion and decision-making takes place in a closed space, often between the lead donors in a sector and Ministerial heads. Nonetheless a number of policy working groups and sub-working groups have been set up to monitor the implementation of the PRSP. These working groups are meant to be multi-stakeholder spaces where civil society representatives also participate. The majority of civil society representatives interviewed for this report were not aware or only vaguely aware of the existence of these working groups. Out of the 32 meetings that these policy working groups have had – the minutes from which are accessible on the DACO website - there was no participation of any civil society organisation.

In eight out of the thirty two meetings, representatives from ENCISS (Enhancing Interaction and Interface between Civil Society and the State to Improve Poor People’s Lives) were present. ENCISS is seen by many of the donors as being a key civil society representative in Sierra Leone and according to one interviewee it “is always rolled out” for such policy dialogues. There is an understanding amongst many donors that “they then dialogue with a wide range of CSOs”\(^ {79} \), although given the lack of knowledge amongst many CSOs about these working groups, this does not seem to be happening.

A further problem is that ENCISS, by its own admission is not a civil society organisation itself. Although in many ways it looks like a self-standing organisation, it is in fact a DFID project which has been managed by CARE International since its inception three years ago. The plan is that the ‘organisation’ will evolve into an independent institution although exactly what kind of institution remains to be seen. According to the ENCISS director ENCISS “lies between civil society and the state and is not a CSO”.\(^ {80} \) Its aim is the “increased capacity of representative civil society to participate in, influence, contribute to and monitor the Poverty Reduction Strategy and local government policy, planning and implementation”.\(^ {81} \) As a project/organisation which is something of a mixture between an institutional broker, foundation and CSO grant provider it needs to maintain as much neutrality as possible and keep relative distance from both CSOs and from state institutions in order to be effective. As the project has evolved it has undoubtedly suffered from the confusion about its own role – and the confusion that others have about what its role is or should be. This means that it is not a suitable institution to represent civil society nor for donors to accept that the presence of ENCISS representatives constitute “civil society participation”.

Part of the problem seems to be the desire of donors to view civil society as a harmonious and uncomplicated space which can somehow be managed, whilst in reality it is of course messy, diverse and represents different interests. One donor representative was critical of the way many people “talk about civil society as if they were parasites and dependent”. She argued that “they are not looking at the real institutions... membership organisations, women’s groups, market women, trade unions etc. They

\(^{79}\) Interview with donor representative
\(^{80}\) Interview with Jeannette Eno, ENCISS
\(^{81}\) See http://www.enciss-sl.org/
don’t wait for us to call them ‘civil society’ in order to fulfil their function as civil society structures. These membership organisations must be given an opportunity to form themselves as a force in order to be able to participate at decision making processes as a counterbalance to state power”.82

Some civil society organisations also criticised the Sierra Leonean government for cherry-picking civil society representatives to participate in different policy dialogues. One interviewee, referring to different policy dialogue sessions with officials, commented that “some of these meetings, some of the more relevant organisations aren’t there simply because they might be more critical”.83 Despite a significant lack of trust between CSOs and the government – one of the arguments for setting up the ENCISS project – many CSOs are trying to build more constructive engagement around certain issues. The majority of CSOs interviewed organise policy dialogues to which they invite government representatives, particularly when they have some new reports to present. Although as is common elsewhere, once the research is more critical of government policy, there is a tendency for government officials to dismiss it on the argument that its methodology is not robust enough. Although probably an area where many CSOs could benefit from some training, it is a rather easy response to what may be valid critiques.

Most coordinated donor aid to date has been around budget support, but donors are increasingly looking into ways to contribute in joint ways to specific sectors as well. The education sector is one example where donors are pooling their funds to support the Education for All – Fast Track Initiative. Education is an area in which many CSOs in Sierra Leone are directly involved, yet when the donors funding the Fast Track Initiative met with the Ministry of Finance and the Ministry of Education to discuss a US$13.9 million fund for education, CSOs were not invited.84

Donors could do more to share information and facilitate participation in relevant policy dialogues. But they also need to be aware of the social and political impacts of their interventions in supporting civil society which could inadvertently undermine rather than support emerging forms of organisations. The insufficiently enabling environment provided by donor agencies and the government for more civil society participation and engagement in public policy discussions is however far from being the only constraint. Civil society organisations themselves face big challenges in terms of both getting more organised collectively and in increasing capacity to engage in policy discussions at all levels. Although many are critical of the space occupied by for example ENCISS as a CSO representative, CSOs are still not sufficiently organised in networks of their own with functioning communication between representatives and members of the network in order to propose more representative alternatives on different issues who can feed back to a larger group. As one international NGO representative expressed, “If local CSOs are not demanding their own spaces, then it is hard to push them to do so”.85

82 Interview with Salua Nour, Representative GTZ
83 Interview with Kadi Jumu, Policy Advocacy & Civil Society Coordinator, Christian Aid
84 Interview with Tennyson Williams, Country Director, ActionAid Sierra Leone
85 Interview with Kadi Jumu, Policy Advocacy & Civil Society Coordinator, Christian Aid
4. Accountability and transparency

Development aid is given to countries in the name of poor people with most official donors stating that one of their aims – often their primary aim – is poverty reduction. Yet the poor people which that aid is meant to assist have very limited say in how that aid is spent and little or no recourse to action if the money is not invested in addressing their needs. The governments of developing countries, never mind the citizens in whose name the aid money is being raised, are often in the dark about what aid is being invested in their country. Citizens are generally in the dark as to how that aid money has been spent, whether spent directly by the donor or channelled through government coffers. Rich country governments make repeated commitments to increase the amount of development aid money, as a means of contributing to resolving global injustices, and to improve the effectiveness of how they spend that money. However the current system does not provide either the governments or the citizens of poor countries with the mechanisms to be able to hold donors to account, nor for citizens to be able to hold their governments to account. This section will look whether the commitments to transparency, participation and mutual accountability made under the Paris Declaration are being implemented, and to what extent these commitments are likely to contribute to a more accountable aid system.

4.1 Transparency – a precondition for accountability

“For aid to be accountable it is interesting to know all the information about the aid that is coming in and for what purpose”.86

Lack of access to reliable information is a serious problem in Sierra Leone. A recent citizen survey showed that one-third of citizens relied upon “rumour” as their primary information source. Transparency in aid resources coming into the country is not an exception. 90% of civil society interviewees said that lack of transparency of aid flows to Sierra Leone, of donor activities on the ground and of the government at local and national level were serious constraints. Without access to basic disaggregated information about aid flows to the country and the purpose of that aid, it is impossible for citizens in Sierra Leone to even begin to challenge their government or donors on the relevance of proposed interventions or whether the projects are actually implemented. The recently elected APC-led government won the race partly on an anti-corruption ticket. Corruption is endemic at every level of society in Sierra Leone and it would be naïve to think that aid escaped corruption. But when aid projects either do not materialise or there is less money than expected, it is all but impossible for Sierra Leonean citizens or CSOs to know where the problem lies. Did the money get stuck in the administrative tubes of donor administration systems, was it largely spent on expatriate consultants or expensive goods and services from Europe or elsewhere, or was it used to grease the palms of a contractor or government employee? As one interviewee said, “If the information were disseminated for even the literate population to know, they might find new ways of asking questions”.87

Transparency of donors to government

Under the Paris Declaration donor agencies have committed to improve their own accountability to developing country governments – and by extension to citizens of those countries. They have said that they will “provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens”88. As mentioned above, the fact that two-thirds of official aid money that comes into the country is not reflected in the

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86 Interview with Thomas Johnny, Policy Research Manager, ActionAid Sierra Leone
87 Interview with Dr. Samuel Braima, Lecturer Department of Economics, Fourah Bay University
Old habits die hard: Aid and accountability in Sierra Leone

The government budget is a stark indication of how far donors have to do to improve their transparency of information to the government.

Some improvements can be seen in the way that information on aid inflows is collected and analysed by DACO in its publication of its annual Development Assistance Reports, the third of which has recently been published and can be found on the DACO website. However the gaps in information reflect the difficulties that DACO itself has in getting information from donors. DACO sends out quarterly requests to donors asking for information on how much aid they have spent and where. The African Development Bank, World Bank, DFID, Irish aid, JICA and the European Commission “tend to respond” and USAID “sometimes responds.”

The only bilateral donors for which there is information available in the Development Assistance Report on aid disbursements relative to the amounts they had committed are DFID and Irish Aid. The only multilateral financial institution for which this information was available was the African Development Bank. This is one of the key questions asked to the donors in the countries that participated in the Paris Monitoring survey on aid effectiveness, in which Sierra Leone did not participate.

A recent research project that submitted requests for detailed aid information to donors found that the information they were given was often incomplete and sometimes contradictory with aggregate amounts that had been reported to DACO. The Ministry of Health, which has been trying to gather information for its health accounts, has had particular difficulty extracting information from donors on their expenditure in the health sector. Some of the constraints appear to be related to poor systems in donor agencies or lack of prioritising of the issue, whilst in other instances it seems to be as a result of people “instantly clamping up” as soon as inquiries about money arise. DACO is in the early stages of setting up an online database to try and resolve some of these information problems with the donors being responsible for inputting their own data. This system will of course be most useful if the data is entered immediately when commitments and disbursements are made.

**Transparency of donors to citizens**

“It all comes down to how much information you allow people to know. Inform people and they will be able to take action,” (Thomas Johnny, ActionAid Sierra Leone)

“One point I feel particularly displeased about is that donors do not account to citizens. They do not even think that it is a responsibility in their view to account to citizens” (Christian Lawrence, Campaign for Good Governance)

The difficulties CSOs have in accessing information about donor aid flows and activities in Sierra Leone clearly show that donors are not doing enough to improve their transparency and access to information. All CSO representatives interviewed referred to the lack of information about donor activities in the country. Donors appear to be playing a double game. On the one hand there has been a significant lack of trust between the donors and the government, evident in their discourse and in the extent to which donors ring-fence and condition their funding. On the other hand they do very little to breakdown or disseminate information to the very people who could in practice start to demand better results from aid-funded programmes. Headline figures of total aid are routinely announced, but donors do little to communicate disaggregated, accessible information to Sierra Leonean citizens. As one CSO representative said, “the main reason that people cannot hold government to account is that they do not have the information. Is it enough for DFID to say that they are giving 40 million pounds to the country?”

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89 Interview with Naomi Jefferies, Development Assistance Coordination Office
90 Peave Dividend Trust, Draft, (forthcoming) Dr. Samuel Braima, Lecturer Department of Economics, Fourah Bay University
91 Interview with Tennyson Williams, Country Director, ActionAid Sierra Leone
Accessing information from donors is extremely ad-hoc and often depends on knowing who to ask. As one interviewee commented, “Donors would tell you the information if you went and knocked on their door, but you have to be in their world in order to get access in the first place”. \(^{92}\) Another expressed frustration at accessing more detailed information, “Some of the donors give you information – but it is very difficult to get actual amounts for specific programmes. Most of the time they tell you that the person in charge is not there”. \(^{93}\)

The commitments in the Paris Declaration are not explicit about donors being more transparent to citizens in developing countries about aid – but donors are being blinkered if they do not address this. They have recognised the importance of improving developing country public financial management systems and budgeting processes partly as a way of addressing corruption problems. These public institutions require public scrutiny if they are to function properly. Citizens also need information if they are to be able to monitor whether resources are reaching their intended destination. Donors need to vastly improve their provision of information not only to the government of Sierra Leone – for which they have made an explicit commitment under the Paris Declaration – but also to the citizens of Sierra Leone. This is a crucial very first step to becoming more answerable to the people they purport to serve. In addition it should facilitate a more enabling environment for CSOs to monitor and participate in government implemented aid-funded programmes.

**Transparency of government to citizens**

Lack of access to information from the government of Sierra Leone is not only about transparency of aid resources. DACO has indeed made some improvements in this regard in at least publishing the information that they receive from donors in their annual report albeit nearly a year after the event. In order for CSOs to be able to engage in public policies and programmes, which are only partly influenced by aid resources, they need to be able to access information more generally. Access to information from the government is extremely difficult. As with getting information from donors, again it was commented on several occasions that you needed to have an inside connection and know which door to knock on. As one CSO representative said: “Most government offices have not set up any mechanisms to provide information. You have to know someone, you have to beg someone, you have to lobby to get information”. \(^{94}\)

**4.2 Accountability still focused upwards not downwards**

Despite the recognition that aid has a tendency to skew accountability relationships and thus undermine democratic processes, there are many clear examples in Sierra Leone of where continued practices in the country would appear to reinforce this problem. One example is the number of donor-funded secretariats that have been set up in parallel to government ministries. The Decentralisation Secretariat (primarily funded by the World Bank), the Governance Reform Secretariat (primarily funded by DFID) and the HIV/AIDS secretariat are just three of these parallel institutions that exist. The Decentralisation secretariat is nominally located within the Ministry of Local government, but in practice operates independently of it. The contrast in terms of resources is startling. The entire Ministry of Local Governance at the end of September 2007 had just three functioning computers. Meanwhile the Decentralisation secretariat was overflowing with technology, equipment and well-paid staff. The head of the Decentralisation secretariat is far more answerable to the World Bank than to the Minister of Local Governance.

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\(^{92}\) Interview with Dr. Samuel Braima, Economist, Fourah Bay University

\(^{93}\) Interview with Salia Kpaka, Programme Officer, National Accountability Group

\(^{94}\) Interview with Kadi Jumu, Policy Advocacy & Civil Society Coordinator, Christian Aid
While there may be efficiency arguments to setting up such parallel structures for “getting the job done” in the first place, in the medium-term there is no hope of strengthening the weak government ministry, the weakness of which was presumably the rationale for setting up the parallel Secretariat. Under the Paris Declaration, donors have committed to reducing by two-thirds the number of so-called parallel “Project Implementation Units” (PIUs). There is no evidence of any reduction in such structures.

Donors are also paying the salaries of high-ranking civil servants in key Ministries. This is justified on the basis that there was a dearth of skilled civil servants following the civil war, and that qualified people needed to be attracted to come back to work in such positions. Within the Ministry of Finance for example, the salaries of the heads of all the key divisions are being paid by the European Commission, the World Bank and DFID. There are some efforts to negotiate and absorb some of these salaries into the regular payroll, something that has already occurred with the Accountancy General for example. Nonetheless, there are concerns that individuals being paid by donors are naturally going to be partly answerable to the donor, rather than to the government. The IMF pays the salary of the Financial Secretary, who is the highest paid civil servant in the government. It is hard to see the government taking a strong position vis-à-vis the IMF in this situation.

4.3 Little progress in mutual accountability

Accountability is not just about participation and transparency – it also requires mechanisms that make both donors and developing country governments answerable to citizens as to how the money has been spent. The power relations between the aid “donor” and the aid “recipient” have meant that accountability has traditionally been seen in a one-dimensional manner – i.e. towards the donor. Nonetheless both donors and developing country governments have said that mutual accountability and transparency in the use of development resources is a “major priority”.95

However there are currently no functioning mechanisms in Sierra Leone for donors, the government and citizens to judge whether or not aid money has contributed to poverty reduction in the country, or whether the government and donors have lived up to their commitments to improve the quality and effectiveness of aid. Under the Paris Declaration, the government of Sierra Leone and the donor agencies have committed to “jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness”. But little progress has been made and there is a glaring lack of commitment of participation of civil society organisations in this process.

One of the examples cited of progress on mutual accountability was “The Improved Governance and Accountability Pact (IGAP)”, which was signed in July 2006 between the government of Sierra Leone and the four budget support donors. The aim of this agreement was to “to take forward ten critical governance and accountability reforms over the coming year until July 2007” and “in the spirit of mutual accountability, the Pact also includes commitments from development partners to improve aid effectiveness”.96 The four budget support donors agreed to ten principles to match the ten governance reforms agreed to by the government. The contrast, however, between the ten commitments on each side are striking. The donor agencies signed up to ten principles to match the ten governance reforms agreed to by the government. The contrast, however, between the ten commitments on each side are striking. The donor agencies signed up to ten principles, which are in effect a re-statement of their commitments under the Paris Declaration, but with no targets or indicators attached. The government, on the other hand, signed up to ten in-depth governance reforms, some of them structural and highly political, with no less than 35 specific and time-defined targets. This agreement is little known by civil society organisations, and when

the twelve months were up – immediately before the general elections – in July 2007, there was no review, public or otherwise, to evaluate whether both sides had lived up to their commitments.

4.4 Steps by CSOs to make public resources more accountable

CSOs in Sierra Leone face a number of capacity constraints and monitoring and advocacy around public policies is relatively new. Citizens lack basic information in the first instance about what aid is coming into their country, from whom and for what purposes; secondly they need to have mechanisms to hold their governments to account which currently do not exist.

Nonetheless there are a number of organisations increasingly involved in tracking public expenditure. Involvement of CSOs in the Public Expenditure Tracking Survey (PETS) process is one example of such. Both interviewees from Campaign for Good Governance and the National Accountability Group said that participation in this process has been worthwhile. One of the anomalies highlighted by a recent PETS was that up to 95% of resources for health centres were not arriving at their destination. The government has since employed an international consultancy company to manage these disbursements. The PETS process has been somewhat successful in addressing some of these problems, but there is no mechanism for recovering the lost funds afterwards, and given the lack of access to information and lack of mechanisms, there is little means for citizens to monitor a process in anything that resembles real time. As one CSO representative said, “it is no use only involving people at the time of doing the PETS when the expenditure has already taken place. We need to know from the outset – at the very least knowing how this money will be allocated”.  

A number of CSOs however are getting themselves increasingly organised around advocating for more pro-poor allocation of resources and monitoring of that implementation. The National Accountability Group for example did their own shadow PETS survey that focused on the education sector in a few districts. Following this, NAG was invited to be part of the budget oversight committee where they believe they can make useful inputs.

Some civil society organisations have recently formed a Budget Advocacy Network which is being supported by Christian Aid. This network is still in its infancy and exploring ways to advocate for more pro-poor budgets in the first place and monitor budget expenditure in the second. Access to timely information is crucial but as the Christian Aid representative commented, “Sometimes the information is so late it is too late to even engage”. Other limitations are that the type of information and the process are not very accessible. ActionAid Sierra Leone criticised the way the budget process is carried out, saying that “you shouldn’t have to have a PhD. in economics to confront budget issues – but the budget is an elitist process. There is no time that people can connect to the budget process. It is talked about in macro-economists language”. NAG has tried to respond to this difficulty by producing a handbook on national budgets and budgetary finance.

Campaign for Good Governance has done a number of surveys of public perceptions of government programmes. These have included reports on basic education, food security and the penal system as well as a citizens’ report card survey assessing citizen’s views on government achievements in improving the road network and the electricity services in districts of Bo, Kenema and the Western Area. And the Network Movement for Justice and Democracy has recently embarked on an extensive five year

97 Interview with Tennyson Williams, Country Director, ActionAid Sierra Leone
98 Interview with Kadi Jumu, Policy Advocacy & Civil Society Coordinator, Christian Aid
99 Interview with Tennyson Williams, Country Director, ActionAid Sierra Leone
100 See documents at http://www.slcgg.org/
programme to monitor government services and track resources in health and education in three districts of the country.

A number of the constraints for CSO engagement in public decision-making processes were outlined in section 3, including the lack of trust between CSOs and the government and the tendency of both donors and government to hand-pick selected CSOs. When it comes to CSOs initiating activities to do their own monitoring of public policies, a clear obstacle they come up against is the lack of transparency and accessibility of information. There is undoubtedly great value in investing in so-called demand side governance. Whilst several donors expressed the need to support CSOs to do more policy and advocacy work, there do not appear to be the right kinds of funding mechanisms in place to really support strengthening independent civil society voices.

In general donor agencies in Sierra Leone provide very little funding directly to Sierra Leonean civil society organisations. DFID for example channels almost all of its in-country civil society related funding through ENCIS. The European Commission has recently agreed to join forces with DFID and is also putting most of its funding for support of civil society into ENCIS. As well as being a broker between the state and CSOs the idea is that ENCIS will also act as a provider of smaller grants to local organisations. In order for this to be successful, ENCIS itself needs to overcome a number of institutional and procedural issues that have meant that hardly any small grant funding has been provided to date. USAID, channels most of its money through international organisations such as CARE, Management Systems International and the National Democratic Institute which are implementing projects directly. Irish Aid channels nearly half of its funds through international NGOs – many of which fund Sierra Leonean civil society organisations (e.g. Christian Aid, Trocaire), others which implement projects themselves (e.g. Goal, MSF).

Although beyond the scope of this research to examine the shifts in trends of funding for CSOs, most CSO representatives said that funding from donors is very projectised. Some thought that this was a continuation of previous situation. However a couple felt that in fact the situation had worsened with “CSOs getting less institutional support, (...) and more and more project funding”.101 And one donor representative was very critical of the way donors are cherry-picking particular individuals or organisations as participants in their programmes or are instrumentalising them as watchdogs of government programmes. She said that “We should not be contributing to the atomisation of civil society as the donors are doing at the moment”.102 Rather it would be better to provide longer term institutional support, particularly to membership based organisations.

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101 Interview Tennyson Williams, Country Director, ActionAid Sierra Leone
102 Interview with Dr Salua Nour, Representative GTZ
5. Accountable donors provide predictable funding

Under the Paris Declaration donors have committed to providing information about aid “over a multi-year framework” and disbursing that aid money “in a timely and predictable fashion according to agreed schedules”. If they were to do this as they have committed, they would make it easier for the government first of all to plan and budget for the coming year and secondly ensure that the government does not have to borrow domestically to compensate for shortfalls when money does not arrive. With a budget that reflects financial inflows correctly and comprehensive information about how and where that money is being channelled, it is also much easier for citizens to hold both their government and donors to account. Citizens in turn, particularly those involved in advocating on and monitoring their government’s budgets, would be able to both monitor how that money is allocated within the budget and whether the aid money actually reaches its final destination. Our research in Sierra Leone shows that donors have a long way to go to live up to their commitments in terms of predictability.

5.1 Huge gaps between what is committed and disbursed

Only a few donors commit to providing long-term assistance to Sierra Leone. In 2002 the British government said it would commit to supporting Sierra Leone for ten years stating that it would endeavour to provide £40 million per year to the country. The European Commission provides aid through its EDF programme and makes commitments to the country on a five year basis (the upcoming 10th EDF has a six year span). And the German cooperation is funding five-year programmes in “youth employment through private sector development” and “promotion of youth potentials through non-formal education”. The World Bank, another major donor to the country in effect makes no up-front commitments, and aid to Sierra Leone is decided on a year by year basis.

Making aid more predictable in Sierra Leone is an enormous problem for all aid that comes into the country. In chart 5 we can see that donors disbursed less than half of the aid that they had committed to Sierra Leone in 2006. In all cases except for “undisclosed aid modalities” – which largely consists of aid from China, donors have disbursed significantly less than they had committed. The European Commission argues that this large difference is partly explained by the fact that their amounts refer to overall commitments for the period of a long-term financing agreement. However they say they are giving increasing attention to fine-tuning and achieving yearly ‘forecasts’ for these programmes. This may provide a partial explanation, but there sufficient examples of slow disbursement of EC aid to suggest this does not explain it entirely. For example, the European Commission in 2001 committed €28 million for a Health Sector Support Project (HSSP). A recent evaluation of the EC’s support to Sierra Leone shows that the implementation of this project started one year late and the majority of activities that were planned to take place in the first stage of the project did not start until 2005. One of the reasons suggested is that the project “relied on complex and not flexible administrative mechanisms”. Although not possible to quantify the blame for low disbursement, it seems to be caused by various factors including bureaucratic donor procedures, weak capacity to implement projects and unfulfilled conditions attached to budget support.

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103 Note that the amount “committed” by the European commission is probably inflated, given that it commits money for projects that extend over a few years. They did not provide a breakdown of what was specifically committed for 2006
104 European Commission/ Consortium Integration, 51
105 Idem
Although overall in 2006 there was far less disbursed than what had been committed, donors are guilty of both under-spending and overspending in comparison to what they have said they will do. DFID, Irish Aid and some of the UN agencies score relatively well in 2006, but for many donors there are enormous disparities: at one end of the spectrum the European Commission and the World Food Programme disbursed far less than they said they would while at the other UNDP and USAID disbursed far more. The Swedes, Norwegians, World Bank, UNHCR and the Global Fund were some of the other donors providing significant amounts of money to Sierra Leone that did not provide full information on their commitments for 2006.

As regards supporting government capacity, what is most relevant is the aid that goes channelled through the government budget and that is meant to support Ministries Departments and Agencies (MDAs). Aid to MDAs – this compares to what donors commonly call “project aid” in other countries – is rather confusingly labelled. This is because the vast majority of this money does not in fact appear on the government’s budget, nor is it managed by any government MDA. Rather it is money that is spent through separate projects or so called Project Implementation Units (PIUs) and according to the budget director it is very difficult to reflect this in the budget given that donors are extremely slow to inform the government about how much money has been disbursed and for what purpose. This was confirmed by the planning department of the Ministry of Health who are attempting to get information from all actors who invest in health in order to update the health accounts and are having as much difficulty in extracting information from donors as from private actors or local health providers. One of the clear constraints of donor funding being off-budget is that it makes it extremely difficult to plan effectively and channel resources to areas most in need.

As donors only report the total amount of money they are spending on MDAs and do not break it down as to how much is on/ off budget it is not possible to see the variance between different donor agencies. However when we look at the global figures we see that two-thirds of donor aid that donors report to DACO as support to MDAs is in fact not reflected in the Budget of Sierra Leone.

Based on calculation of total reported by donors to DACO in 2007 Development Assistance Review and estimate of amount disbursed in Government of Sierra Leone budget October 2006.
5.2 Budget support not delivering expected predictable results

“This is the biggest headache for me as the budget director – I cannot predict the amount of money available for me to spend. There are huge distortions in budget disbursements” (Matthew Dingie, Ministry of Finance)

One of the key potential benefits of budget support is that it can reduce the government’s annual costs of budget financing – if it is provided in a timely manner. The reason for this is that revenue collection tends to be seasonal and does not match cash-flow needs for recurrent expenditure and investment. If the government has to borrow money in the short-term from the banking sector, like in a small economy like Sierra Leone, this can quickly push up interest rates and therefore exacerbate the domestic debt problem.\textsuperscript{107}

But budget support is still far from fulfilling this potential. First of all not enough money is scheduled to be paid to the government early in the year – which would provide a kind of cash float to the government, and secondly even when it is, it rarely turns up on time. If we think about the implications of an indebted person not receiving any salary until the second half of the year, we can begin to imagine some of the implications. The figures for budget support to Sierra Leone in 2007 illustrate this extremely clearly. But late disbursements of budget support is far from limited to this year – it has been an ongoing problem for Sierra Leone since donors started providing money through this aid modality.$^\textsuperscript{107}$

As can be seen in Chart 7, 2007 has been an extremely difficult year for budget management in Sierra Leone. More than one third of donor funding (nearly US$ 25 million) that had been budgeted as budget support was not disbursed. The only donor to pay its budget support in the first three quarters was the

\textsuperscript{107} Lawson (2007), 12
European Commission and even this was not disbursed until late August 2007. The disbursement received from the EC in January 2007 was in fact a late payment from 2006. DFID was due to disburse its budget support in the second quarter but it did not do so until December 2007, when it disbursed the full amount of both its fixed and performance tranches. The World Bank did not disburse any of its budget support in 2007 “due to delays on the part of the government in meeting the triggers that were the benchmark for disbursement”.108

**Chart 7**

![Budget support disbursement to Sierra Leone 2007](image)

Sources: Government of Sierra Leone, Budget Bureau, September 2007 and World Bank, DFID and EC offices, January 2008.

A number of different reasons were given for why budget support had not been paid. These reasons did not include donors’ fears about the money being used for election campaigns despite widespread rumours that this was the case. According to the World Bank country manager “in terms of disbursement, all four budget support donors are in the same boat”.109 All budget support donors interviewed (WB, DFID, EC) said that the IMF’s negative review in early 2007 had affected their decision to disburse. In the case of DFID this problem was compounded by the fact that UK auditors had visited early in the year and had said the non-publication of the audited accounts was a red-line for disbursing budget support. The audited accounts have only recently been brought up to date but “Parliamentary Standing order 75” means that the audited accounts can only be made public once they have been approved by parliament. DFID wanted to see the audited accounts before disbursing the money, regardless of the fact that this would be unconstitutional. Government officials feel that DFID is shifting the goal-posts. Publication of the audited accounts is not an entry condition for budget support and the lack of public audited accounts has not prevented disbursements until now. DFID’s budget support was scheduled to be paid in the second quarter, but as of the end of September, no money had been released.

The European Commission had scheduled to disburse its main tranche for 2007 in the first quarter, but the money was not paid until the end of August. The delay in disbursement was apparently due to “consultation with the government” following the concerning IMF review and also to “administrative delays in Brussels”, including the fact that “people go away on holidays in July” in Brussels. Finally, given that the

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108 Email from World Bank country economist
109 Interview with Engilbert Gudmundsson, Country Manager, World Bank
conditions for fixed disbursement were met, EC Headquarters considered that they had to disburse. The World Bank's money is only scheduled to be disbursed in the final quarter of the year. The Bank does not divide its budget support contribution into upfront and performance tranches, but pays all or nothing based on an assessment of progress against both IMF conditions and the conditions it stipulates in the PAF.

5.3 Erratic donor funding contributes to economic woes

The IMF carried out a review of its PRGF agreement with Sierra Leone in February 2007. There were a number of factors which impacted on Sierra Leone not meeting its macroeconomic targets and as a result going “semi off-track” with the IMF. These included a drop in domestic revenue – partly caused by the conflict in nearby Guinea and election related slow-down in trade, but also exacerbated by delays in donor financing. This effect of delayed donor financing creates something of a vicious circle. As the joint aide-memoir from the Joint Budget Support Review warned in May 2007 “delays in donor financing, induced by fiduciary concerns, will create additional risk, requiring a significant compression of expenditure if fiscal targets are to be met. Should the delay in donor disbursements continue, this could translate into back financing of some 69 billion Leones (c. $US24 million) for the year as a whole, further fuelling inflationary pressures.” So as donors delay their funding because the IMF is concerned that Sierra Leone has not met its macro-economic targets, the government is forced to both reduce spending and borrow more domestically. The first action will impact on Sierra Leone’s ability to meet its targets as laid out in the PRSP (another budget support condition) and the second will make it more likely for Sierra Leone to miss yet more IMF fiscal conditions. Both results are contrary to what budget support aims to achieve.

In the government’s attempts to get back on track with the IMF, they have been operating with a cash budget this year. This has meant that they have only been able to spend what they have been getting in as revenue. Revenue collection in 2007 was slower than normal, as uncertainty prior to the elections caused the economy to slow down. The non-disbursement of donor budget support has “not made life easy for them (the government)”.

Investment in poverty reduction expenditures suffered severely as a result. There have been delays in transfers to the district councils for devolved functions under the decentralisation reform, late payment for school fee subsidies, hospital and health centre diets, drugs and medical supplies for health centres and many key programmes.

Delayed payments for budget support also have knock-on effects on the implementation of many donor managed projects. The so-called “standard aid projects” that are on-budget but primarily funded by donors are conditional upon a 10% counterpart fund from the government. Sometimes the government does not have the available cash to pay the counterpart contribution and donors will not disburse project funds until the local contribution has been paid in. This causes delays in the project – although the origin of the delay may actually be the delay in the disbursement of budget support.

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110 Interview with Englibert Gudmundsson, Country Manager, World Bank
111 Interview with Jam Jalloh, Ministry of Development and Planning, Government of Sierra Leone
6. Conclusions and recommendations

Given the level of aid dependency coupled with weak government structures, it is perhaps not so surprising that Sierra Leone has not moved forwards more quickly in improving the aid system and in implementing more efficient and effective aid modalities. These two factors contribute to the fact that the government is in a weak negotiating position vis-à-vis official donors. The main donors present in the country on the other hand have had significant comparative experience in trying to improve the quality of their aid in neighbouring West African countries, but also across the continent and in Latin America and Asia. However progress in improving the way donors operate in Sierra Leone has been piece-meal and ad-hoc. The argument that Sierra Leone is a difficult country for donors to work in has some merit, but should not be a reason for donor agencies not to get their own houses in order. On the contrary the challenges faced by Sierra Leone demand that donors take immediate steps to improve the areas of their interventions that they themselves have control over.

Donors in Sierra Leone are struggling to respect the language of “ownership” that underpins the Paris Declaration on Aid Effectiveness. To respect these commitments they need to relinquish some of their power in negotiations and management of aid. There have been some attempts to create more equal forums for discussing aid policies and procedures such as within the Development Aid Coordination Office. However a chicken and egg situation is created with the prevalent lack of trust between the government and the donor agencies and donors’ continued practice of heavily conditioning their aid, setting up parallel project units to control their aid and trying to mould policy-making.

Something of a vicious circle occurred in 2007 as a result of donors tying their budget support to IMF PRGF conditions. Following IMF alarm bells about slippage from PRGF targets, the government decided to operate on a cash budget. But without income from budget support donors who did not disburse, partly as a result of the IMF warnings, the government was unable to disburse money for poverty programmes. This situation is undermining ownership as the government then has its hands tied and cannot “exercise leadership” in implementing its development strategy.

The concept of ownership moreover, that donors limit themselves to, is seriously challenged by Sierra Leonean civil society organisations. They consider that “ownership” should be embodied by a democratic decision-making process in which policies and plans are debated in public, and overseen by parliaments. It should certainly not be something that becomes a cosy donor-government executive relationship. Donors are not doing enough or are not equipped with the right skills or political understanding to facilitate a more enabling environment for citizens to participate in decisions that affect them. This situation is compounded by a general atmosphere or lack of trust between all parties and the weak relationship between the government and civil society organisations.

Lack of transparency was one of the most often cited problems with regards to the government budget and aid flows. This was a problem for all actors – for example donors were critical of the government’s lack of transparency regarding the unpublished audited accounts, government representatives expressed their frustration at trying to get accurate information on what donors were investing in different sectors, and civil society organisations were often in the dark about what the government and donors were doing. Without this basic transparency, mutual accountability between donors and the government, and accountability by donors and the government to citizens is seriously called into question.

Donor accountability to governments is undermined by the fact that so much of their pledged resources simply do not turn up on time. Poor predictability of funding has had serious consequences for Sierra Leone in 2007. The fact that no sanction exists if donors do not deliver on what they said they would do
makes the concept of mutual accountability extremely weak. In addition, donors have done little thinking about how they might be more accountable to the citizens they are aiming to support, although some are beginning to think how civil society organisations might be able to better hold the government to account. This is not something new for many civil society organisations that already have experience in monitoring and influencing public programmes and policies.

**Recommendations to Donors**

- Donors should commit to radically reducing the number and scope of conditions they attach to budget support. These conditions are an administrative burden, intrusive into government policy processes and risk skewing government poverty priorities thereby undermining national ownership. In addition donors should cease tying their budget support to IMF targets which is undermining poverty programmes and as a consequence putting further risks on budget support disbursements. It is not credible to use lack of expertise in macroeconomic matters as a reason for this continued practice. Instead they should fund alternative macro-economic analysis and insist that the IMF carries out ex-ante poverty and social impact analysis on their macroeconomic policies.

- Donors need to radically improve all aspects of their transparency as a crucial step in becoming more accountable. As one interviewee said, “It all comes down to how much information you allow people to know. Inform people and they will be able to take action.” Donor agencies need to provide disaggregated information regarding the projects and programmes they fund and communicate this information proactively to key audiences. They should also need to improve their communication regarding aid to the government in a timely manner.

- Poor predictability of donor funds is undermining donors’ commitments to mutual accountability and the government’s efforts to improve poverty expenditure. Donors need to improve the predictability of their funding by both disbursing more of their money towards the beginning of the year to ease pressures on domestic borrowing and making multi-annual commitments for their aid.

- Donors should improve their understanding of civil society in Sierra Leone and facilitate CSO engagement in public policy discussions. Donors should support the capacity development of civil society. This includes providing core funding to CSOs, both avoiding instrumentalising individual organisations for donors’ aims and avoiding dividing nascent movements. As one interviewee said donors “should not be contributing to the atomisation of civil society”.

- There are serious concerns about the effectiveness of donors’ technical assistance. One CSO interviewee argued that “TA has failed to build capacity in Sierra Leone, that is why consultants continue to fly in” whilst a donor interviewee said that “Improvements are being made to improve responsiveness of TA but progress is slow”. Donor agencies should audit and evaluate the effectiveness of their technical assistance. Any new TA should demonstrate its responsiveness to need, its sustainability – skills transfer and exit strategy – and how it builds on existing capacity.

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112 Thomas Johnny, ActionAid Sierra Leone  
113 Tennyson Williams, Action Aid Sierra Leone  
114 Lucy Balmer, Head of Programmes, DFID
Recommendations to the Government of Sierra Leone

• “The government should manifest its willingness to utilize funding judiciously and clamp down on corruption as a positive way forward. Proper management of donor funds would give the government more legitimacy to question the nerve-breaking conditionalities.” Lack of trust by donor agencies reduces the likelihood of donors handing more power over to the government to chart its own development. The government of Sierra Leone needs to take concrete actions to address endemic corruption.

• The Government of Sierra Leone should use donor commitments under the Paris Declaration as leverage to continue pressurising donors to improve their predictability. The Ministry of Finance should consider making more realistic budgets based on their experience of unpredictable financing from aid donors.

• The Government of Sierra Leone should recognise the important role played by civil society organisations and their capacity to contribute to policy debates. In particular they should be open to dialogue with a wide-range of civil society organisations.

Recommendations to civil society organisations

• Civil society organisations need to improve their networking, organisation levels and communication channels. This is important in terms of their legitimacy as well as representativity.

• Civil society organisations should find ways to build constructive relationships with different government Ministries, Departments and Agencies as well as with donors without becoming co-opted by them.

• Urban-based policy and advocacy organisations need on the one hand to develop their research and communications skills so as to have more influence in policy making processes and on the other develop stronger links with community and membership-based organisations.

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115 Christian Lawrence, Programme Officer, Campaign for Good Governance
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## Annex 1: List of interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
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</thead>
<tbody>
<tr>
<td><strong>Civil society organisations</strong></td>
<td></td>
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</tr>
<tr>
<td>Tennyson Williams</td>
<td>Country Director</td>
<td>ActionAid Sierra Leone</td>
</tr>
<tr>
<td>Thomas Johnny</td>
<td>Policy Research Manager</td>
<td>ActionAid Sierra Leone</td>
</tr>
<tr>
<td>Christian Lawrence</td>
<td>Programme Officer</td>
<td>Campaign for Good Governance</td>
</tr>
<tr>
<td>Kadi Jumu</td>
<td>Policy Advocacy &amp; Civil Society Coordinator</td>
<td>Christian Aid</td>
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<tr>
<td>Morlai Kamara</td>
<td>Programme Manager</td>
<td>Network Movement for Justice and Development</td>
</tr>
<tr>
<td>Salia Kpaka</td>
<td>Programme Officer</td>
<td>National Accountability Group</td>
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<tr>
<td>Valnora Edwin</td>
<td>Coordinator</td>
<td>Campaign for Good Governance</td>
</tr>
<tr>
<td><strong>Academic/Consultancy/Foundation</strong></td>
<td></td>
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<tr>
<td>Taziff Koroma</td>
<td>Director</td>
<td>Conflict Management and Development Associates</td>
</tr>
<tr>
<td>Samuel Braima</td>
<td>Economics Lecturer</td>
<td>Department of Economics, Fourah Bay College</td>
</tr>
<tr>
<td>Jeannette Eno</td>
<td>Director</td>
<td>ENCISS</td>
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<tr>
<td><strong>Government of Sierra Leone</strong></td>
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<tr>
<td>Braima K. Manah</td>
<td>Deputy Chair</td>
<td>Bo District Council</td>
</tr>
<tr>
<td>Dr Clifford Kamara</td>
<td>Director of Planning and Information</td>
<td>Ministry of Health</td>
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<tr>
<td>Jam Jalloh,</td>
<td></td>
<td>Ministry for Development and Planning (MODEP)</td>
</tr>
<tr>
<td>Kawusu Kebbay</td>
<td>Director</td>
<td>Development Aid Coordination office (DACO)</td>
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<tr>
<td>Naomi Jefferies (DACO)</td>
<td>ODI Fellow</td>
<td>Development Aid Coordination office (DACO)</td>
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<tr>
<td>Matthew Dingie</td>
<td>Director of Budget</td>
<td>Ministry of Finance</td>
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<tr>
<td>Alimamy Bangura</td>
<td>Director of Economic Policy</td>
<td>Ministry of Finance</td>
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<td></td>
<td>Research Unit</td>
<td></td>
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<tr>
<td>Sahr Jusu</td>
<td>Director, Department of Public Debt</td>
<td>Ministry of Finance</td>
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<tr>
<td><strong>Donors</strong></td>
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<tr>
<td>Jane Hobson</td>
<td>Social Development Advisor</td>
<td>DFID</td>
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<tr>
<td>Lucy Balmer</td>
<td>Head of Programmes</td>
<td>DFID</td>
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</tbody>
</table>
| Claudi Ferrer            | Economic, trade and regional cooperation | European Commission |}

Old habits die hard: Aid and accountability in Sierra Leone

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<table>
<thead>
<tr>
<th>Priority area</th>
<th>Agreed actions</th>
<th>Source</th>
<th>Proposed indicators/ Evidence of progress</th>
<th>Target</th>
<th>Accountable MDA</th>
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<tr>
<td><strong>Pillar 1: Promoting Security, Peace and Good Governance</strong></td>
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<td>Anti-Corruption</td>
<td>Law Reform Task Force to review Anti-Corruption Act (2000) and agree on changes to Act in conformity with UNCAC and AU convention including provisions regarding declaration of assets of all public officials by end 2006 and draft bill prepared by end April 2007</td>
<td>DFID</td>
<td>Minutes of the Task Force meetings and draft bill produced by end April</td>
<td></td>
<td>Anti-Corruption Commission</td>
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| Civil Service Reform | By end 2006 agree with donors on a “Roadmap” for civil service reform including details of plans for training, pay and grading including implementation of the SES and operationalisation of HRMO and demonstrate reasonable progress in its implementation by end April 2007  
Government will replace the Establishment Secretary’s Office with a stronger Human Resource Management Office | DFID | “Roadmap” agreed with donors and Progress Report presented to donors giving evidence of progress up to April 2007 | Secretary to the President Establishment Secretary  
Gov. Reform Secretariat  |
| Risk to BSL and Government | The Government will agree on an acceptable plan than minimizes adverse fiscal and monetary consequences for converting non-interest bearing securities held by BSL to interest bearing assets | WB                 | MOU between MOF and BOSL augmented by implementation plan and sensitivity analysis of fiscal and monetary impact | Ministry of Finance  
PDU Bank of Sierra Leone |
| Fiduciary Standards | Adoption and implementation of new regulations in conformance with the new Government Budgeting and Accountability Act and supporting regulations | WB                 | Copy of statutory instrument and evidence that at least some training to Alert MDA staff about key changers and how to implement them | Ministry of Finance-PFM Unit, Budget Bureau and Accountant General |
| Budget execution | Government will ensure that the weighted aggregate variance between planned and actual spending for HIPC/PISP priorities, excluding wages, donor finance development expenditures and debt service will improve relative to the 2005 baseline of 11%  
Actual spending as a share of budgeted allocations for health and education will meet or exceed the benchmarks set for each year | WB | Actual spending as a share of budgeted allocations for Priority and Poverty-relates expenditures to be less than baseline for 2005  
Actual spending as a share of budgeted allocations for health and education related expenditure and eventual outcome | Financial Secretary-Budget Bureau  
Financial Secretary-Budget Bureau |
| **Priority area** | **Agreed actions**                                                                                                                                                                                                 | **Source**         | **Proposed indicators/ Evidence of progress**                                                                 | **Target** | **Accountable MDA**                                      |
| Internal Audit | Government acts to ensure that the number of internal audit units in central government ministries and agencies is increased each year to benchmark level or better | EC                 | Number of internal audit units in central government ministries and agencies meeting minimum criteria: adequately staffed, reporting to Vote Controller, independent or finance function/not involved in pre-audit, issues of regular reports, copies to OAG, evidence of management follow up | 10      | Ministry of Finance-Internal Audit Unit            |
| Records Management | Records management will improve annually in the MOF to benchmark percentage or better  
Government will improve annually the percentage of a random selection of health personnel files containing ‘complete’ records | EC | Percentage of a list of payment vouchers (randomly selected) that GOSL can produce within 24 ours  
Percentage of random selection of health personnel files containing ‘complete’ records | 75%  
60% | Accountant General  
Establishment Secretary Accountant General |
Old habits die hard: Aid and accountability in Sierra Leone

### Auditor General and PAC Reports

<table>
<thead>
<tr>
<th>Priority area</th>
<th>Agreed actions</th>
<th>Source</th>
<th>Proposed indicators/ Evidence of progress</th>
<th>Target</th>
<th>Accountable MDA</th>
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<tr>
<td>Decentralisation</td>
<td>Funds for Local Councils will be released in full no later than the last day of each quarter such that the cumulative amounts released will meet the following targets: 100% of the amount due in 2006 by 31st December 2006 and 25% of the amount due in 2007 by 31st March 2007</td>
<td>W/B</td>
<td>Percentage of funds due in 2006 transferred by end December 2006</td>
<td>100%</td>
<td>MOF-LGFD and Budget Bureau</td>
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<td></td>
<td></td>
<td>DFID</td>
<td>Percentage of funds due in 2007 transferred by end March 2007</td>
<td>25%</td>
<td>MOF-LGFD and Budget Bureau</td>
</tr>
</tbody>
</table>

### Priority area

#### Pillar 2: Promoting Pro-Poor growth for Food Security and Job Creation

**EITI**

- In collaboration with development partners and Civil Society, EITI implementation framework adopted by Government by end April 2007
- The general fiscal regime for the mining sector reflected in the Mines and Minerals Act, the Customs Tariff Act and other relevant legislation would be updated in line with 2005 recommendations from the IMF Fiscal Affairs Department, regulate coltan mining and taxations and introduce elements of EITI principles

- **Source**: DFID
- **Proposed indicators/ Evidence of progress**
  - Evidence of adoption agreed implementation framework
- **Target**
  - Acceptable revised Acts approved by Parliament
- **Accountable MDA**
  - Ministry of Presidential Affairs
  - Ministry of Mineral Resources
  - Ministry of Presidential Affairs

**Investment climate**

- Government will submit to Parliament an acceptable package of revised financial sector legislation informed by FSAP findings. The proposed minimum package would include the Companies Act and the Payment Systems Act.
- Government will ensure that all mining licenses will be administered through the cadastral system with monthly reports issued to the MOF, NRA, chiefdoms, local councils and the environmental agency.

- **Source**: W/B
- **Proposed indicators/ Evidence of progress**
  - Acceptable Acts laid before Parliament
  - Examination of licenses issued and random audit of licenses held
- **Target**
  - Bank of Sierra Leone
  - Ministry of Trade and Industry
  - Ministry of Mineral Resources (Mines Division)
  - NRA

**Rural Roads**

- The percentage of feeder roads in good condition will meet or exceed the agreed benchmark for the year

- **Source**: EC
- **Proposed indicators/ Evidence of progress**
  - Percent of rural feeder roads in good condition
- **Target**
  - SLRA (Feeder Roads Dept)

### Pillar 3: Promoting Human Development

**Basic Services**

- Results of PETS to demonstrate significant improvements in delivery of basic services including increases in percentage of teaching and learning materials and essential drugs arriving at destination

- **Source**: DFID
- **Proposed indicators/ Evidence of progress**
  - % of essential drugs transferred from DMOS to PHUs in FY2006 increases on 2005
  - % of teaching and learning materials transferred from District Inspectors to schools in FY2006 increases on 2005
- **Target**
  - >75%
  - >68%

- Ministry of Health; EPRU (PETS Team)
- Ministry of Education; EPRU (PETS Team)
<table>
<thead>
<tr>
<th>Priority area</th>
<th>Agreed actions</th>
<th>Source</th>
<th>Proposed indicators/ Evidence of progress</th>
<th>Target</th>
<th>Accountable MDA</th>
</tr>
</thead>
</table>
| Health       | The percentage of children under one year of age who are vaccinated with third dose of DPT vaccine will increase annually to the benchmark percentages or better  
The percentage of children with weight to age ratio below 80% percentile will decrease annually to the benchmark percentages or lower  
The number of bed nets distributed annually with long-lasting insecticide will increase annually to the benchmark levels or better  
The percentage of non-salary, non-interest recurrent expenditures of the consolidated Government budget spent on health will increase to the benchmark percentages or better | EC             | Percentage of children under one year of age who are vaccinated with the third dose of DPT vaccine  
Percent of children with weight to age ratio below 80% percentile  
Number of bed nets distributed annually with long-lasting insecticide  
Percent of non-salary, non-interest recurrent expenditures of the consolidated Government budget spent on health | 64%          | Min. of Health (Primary Health Care)                                                                 |