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Preface

This research explores the relationship between ‘core government functions’ (CGF) and transitions in fragile and conflict-affected situations (FCAS), using the context of five countries including Colombia, Myanmar, Pakistan, Sierra Leone and South Sudan as case studies. The report is part of a multi-country research project commissioned by UNDP that seeks to understand whether (and how) prioritising public spending on CGF can lead to more successful transitions towards peace in fragile and conflict-affected countries. It aims to do this by comparing the experience of different FCAS countries and assessing the extent to which these transitions have been facilitated (or not) by increased investment to rebuild CGF.

CGF are described as those functions that ‘are required to make and implement policy’ (UN-World Bank, 2017) and are defined as:

- **Executive coordination at the centre of government:** the ability of the core executive to effectively integrate central government policies across the public sector and act as the final arbiters between different elements of the government apparatus.
- **Public revenue and expenditure management:** the ability of the government to raise adequate levels of revenue and to spend it effectively, in order to meet the basic service delivery needs of the general population.
- **Government employment and public administration:** the ability of the government to establish basic capacity for defining and administering policies, regulations and programmes, in order to provide public services in a professional and transparent manner.
- **Local governance:** the extent to which the government has been able to establish political and institutional structures and processes at the subnational level, which are responsive to the specific needs of diverse local populations.
- **Security sector:** the ability of the government to restore order and provide basic security for the population, consistent with a political settlement that enables the economic and social functions of society and local communities to resume.
- **Aid management:** the ability of the government to establish developmental partnerships and effectively manage external resources by directing them towards strategic priorities in line with national development plans.

Rebuilding CGF which are responsive and legitimate are viewed as critical undertakings for countries transitioning out of conflict. However, evidence of the connection between public spending and institutional restoration and resilience is sparse. While there are a number of studies which link public spending with improvements in institutional capacity to deliver necessary services, such evidence is largely absent from contexts of conflict and fragility. This research aims to begin addressing this gap.

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The synthesis report was written by Yadaira Orsini and Jo Robinson from the Conflict, Security and Violence Team at Oxford Policy Management, with substantive inputs from Jairo Acuña-Alfaro, from UNDP.

Several authors contributed to the writing of the respective case studies as follows: Colombia by Yadaira Orsini and Dayna Conolly; Myanmar by Nick Travis and Thet Aung Lynn; Pakistan by Kiran Tariq; Sierra Leone by João Morgado and Jo Robinson and South Sudan by Florian Krätke and Manisha Marulasiddappa.

The authors would like to thank everyone who contributed to this research, including respondents from the five country governments, think tanks, donor agencies, NGOs and independent researchers, who took time to meet and share their knowledge and experience. Their insights have proved invaluable.

This research was produced in consultation with members of the UN Interagency Platform on Core Government Functions in Countries Impacted by Fragility and Conflict (IPCGF). The Interagency Platform is co-chaired by the United Nations Development Programme (UNDP) and the United Nations Department of Political and Peacebuilding Affairs (DPPA) and comprises of the UN Secretariat and UN agencies, funds, and programmes mandated to and involved in supporting the strengthening of CGFs in fragile and conflict-affected settings.

The research would not have been possible without contributions from the research team; Dayna Connolly, Alistair Grattidge, Florian Krätke, Thet Aung Lynn, Manisha Marulasiddappa, João Morgado, Kiran Tariq and Nick Travis, who variously supported the design of data collection tools, conducted field visits and undertook quantitative and qualitative data analysis. The authors are extremely grateful for all their hard work and critical insight. Particular thanks goes to Henlo Van Nieuwenhuyzen for his insightful and valuable comments on the draft of this report.

Any faults with the substance or analysis within the report rest solely with the authors.

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Executive Summary

Re-building Core Government Functions (CGFs) which are responsive and legitimate is a critical process in a country transitioning out of conflict. Although there is much evidence to support the need for effective government institutions to sustain transitions away from conflict, understanding what is required to successfully develop institutional capacity within core government apparatus in fragile and conflict affected situations (FCAS) is a largely neglected area. Indeed, evidence of the connection between public spending, institutional restoration/reform and resilience is sparse in FCAS. Addressing this gap in understanding is increasingly important in light of the continuing trend towards the concentration of poverty in FCAS.

With its ambition to leave no one behind, the 2030 Agenda poses great demands on governments core functions and institutions to provide integrated and multidimensional responses to development challenges. This is particularly relevant to countries affected by fragility and conflict, as the public administration becomes the chief provider of social protection and public goods while co-existing among formal and informal ineffective political power arrangements. These arrangements are products from protracted struggles between the various powers competing for control over resources.

The public administration of any country, developed, developing, or fragile, embodies a large and complex set of issues, procedures and structures related to the management of personnel, institutions and relationships. These issues are exacerbated in developing and fragile settings given their nascent institutions and the pressures deriving from the dependency of socioeconomically disadvantaged groups on the public sector.

The challenges associated with conditions of fragility and violent conflict are daunting and multidimensional. The strengthening of public institutions is at the heart of Sustainable Development Goal 16, as it aims to enable core functions of government as an essential strategy to promote just, peaceful and inclusive societies. It encompasses both technical and political aspects associated with the functioning of the government apparatus and the delivery of public services and goods.

By testing the hypothesis that - *Fragile and conflict-affected governments that prioritise restoring core government functionality in their national budgets are more successful in their transitions towards peace and development* – this study aims to assess whether countries that prioritised CGFs had better peacebuilding and state-building outcomes and to better understand whether, and how, prioritising spending on CGFs can lead to more successful transitions towards peace in FCAS. Quantitative and qualitative data has been collected across five case study countries: South Sudan, Myanmar, Colombia, Pakistan, and Sierra Leone.

In order to test this hypothesis, the research asked four key questions for each of case study countries. The questions and our findings are presented below.

1. What areas are prioritised in government expenditures in FCAS?

- Quantitative analysis of CGF spending over the full period of transition in each country demonstrates the primacy of the security sector in each case, and equally the lack of prioritisation given to the public administration sector.
- The type of transition influences the space for, nature and timing of specific reform, but restoration is never truly ‘starting from scratch’ and destruction through conflict will not necessarily erase the challenges which existed in previous institutions.
- What is common to all the case studies is the strength of the executive and the centralisation of political power, in opposition to devolution and effective local governance.
- Technocratic reforms such as in public revenue and expenditure management, and to a lesser extent public administration, tend to be more resilient even in complex political contexts, ongoing fragility and protracted crises.
- Successful reform is possible when there are reform-minded officials; ‘champions’ within ministries - even where the political leadership is not prioritising a particular reform agenda.
- Similarly, technocratic leadership has supported some of the most successful reform processes.

2. Do spending priorities change before, during and after a violent conflict? Does priority national budget spending shift in particular areas and timeframes during a transition?

- Timing and sequencing of reforms across the core government functions remains a challenging process to unpick.
- For countries facing protracted crisis, notable escalations of violence triggered a prioritisation of the security sector across the transition timeline.
- Commitments resulting from peace agreements or political settlements have considerably influenced spending patterns and government priorities.
- Security sector reform emerges as one of the most urgent priorities in many contexts, but is often highly politicised and requires government and donor alignment for meaningful and more transformative reform to take place.
- Expenditure is not the only indicator of prioritisation, or of improved functionality.

3. Are public expenditures and donor commitments on core government functions conducive and aligned to their restoration needs in fragile and conflict-affected settings?

- Donor commitments in protracted crises face challenges in the context of multiple transitions and cyclical phases of violence.
- Donor priorities have also shifted within particular functions over the course of transitions in protracted crises.
- In some cases, donor prioritisation of CGFs seems to wane after a certain period of time from the formal end to the conflict, or a key moment of transition (even where underlying fragility remains), and in situations of protracted crisis

- There does not appear to be a quantitative relationship between government and donor spending on core government functions over the transition periods we have investigated.
- The extent to which reforms can be donor-driven is closely linked to the financial influence of donors.
- Successful reforms have often come about when donor and domestic priorities align, and the best examples of success occur when there is sustained national ownership and leadership.

4. What implications does this have on the risk of relapse into conflict?

- Quantitative analysis shows little connection between government effectiveness and fragility.
- Lack of reforms or incomplete reforms are more connected to risks of conflict relapse than (increasing or decreasing) levels of expenditure.
- Similarly, and particularly in contexts of protracted crises, reform processes which are not inclusive or only provide benefits to a particular group (unless such efforts are intended as a protection measure) are un conducive to supporting peaceful transitions.

Conclusions

Our findings indicate that the research hypothesis does hold when three key conditions are true:

1. **When CGFs are prioritised by both governments and donors, and there is continued national ownership and leadership** for expenditure in particular areas to support meaningful reform.
2. **When CGFs are prioritised before the formal end of a conflict, and continue to be over a sustained period of time, even in protracted crises to deliver ‘complete’ reform**, rather than initial prioritisation and then a gradually declining interest by both governments and donors.
3. **When expenditure results in reforms which are genuine and equitable, benefitting society at large** rather than only a particular group or set of groups within it, or when expenditure on a function is being instrumentalised by the government for its own political agenda.

Since levels of expenditure and increased functionality are difficult to trace, the question of what success looks like remains open. For the purposes of this study, an indicator of success is a reduction in the risk of relapse into conflict. Success in CGF spending also encompasses other aspects such as service delivery, which points to a need to further unpack this idea and adapt it to what it looks like in each country.

Recommendations

In light of these findings, the research puts forward six key recommendations for the donor community:

1. Understand expenditure within the broader political economy to unpack the incentive structure behind potential government support (or not) for specific reforms, and drivers of particular prioritisation.

2. Engage consistently and continuously, even in the most challenging situations.
3. Tackle the challenging reforms early on, not only the short-term fixes.
4. (Re)Conceptualise transitions to develop a more nuanced understanding of the type of transition - or multiple transitions - a country is undergoing.
5. Raise the profile of the debate around CGFs, and promote the framework.
6. Understand what the picture of CGF expenditure and reform looks like in more FCAS contexts.

Sierra Leone's

'war-to-peace' transition

List of abbreviations

APC	All People's Congress
CFFA	Country Financial Accountability Assessment
CGF	Core Government Function
DACO	Development Assistance Coordination Office
DAD	Development Assistance Database
DDR	Disarmament, Demobilisation and Reintegration
DEPAC	Development Partnership Committee
DFID	Department for International Development
EU	European Union
FCAS	Fragile and Conflict-Affected Situation
FSU	Family Support Units
IFMIS	Integrated Financial Management Information System
IRCBP	Institutional Reform & Capacity Building Programme
LTA	Local Technical Assistant
MDAs	Ministries, Departments and Agencies
OPM	Oxford Policy Management
OSD	Operational Support Division
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PRSP	Poverty Reduction Strategy Paper
PSRU	Public Service Reform Unit
RUF	Revolutionary United Front
SLPP	Sierra Leone People's Party
SPU	Strategy and Policy Unit
SSR	Security Sector Reform
UN	United Nations
UNDP	United Nations Development Programme
WB	World Bank

17 Introduction

In many respects, Sierra Leone represents more of a ‘model’ case than any of the other case study countries selected for this study. After a formal disarmament process negotiated by the UN, there was an end to the conflict, a national election process and a steady move towards increasing stability; a relatively linear post-conflict trajectory. The complete collapse of the state in the lead up to the war meant institutional restoration of the highest order was required to re-establish any sort of functioning governance structure. However, this also presented an opportunity to restore and rebuild more effective core government functions (CGFs) than had previously existed.

In analysing this case, we have interrogated UNDP’s research hypothesis that: *‘Fragile and conflict-affected governments that prioritise restoring core government functionality in their national budgets, as well as their spending of humanitarian and development aid, are more successful in their transitions towards peace and development’*. The study has used a mixed methods approach combining qualitative key informant interviews⁷⁰ with quantitative expenditure trend analysis⁷¹ across each of the CGFs. A certain number of methodological assumptions have been made to underpin the latter, which are explained in detail in Annex B.

⁷⁰A total of 15 interviews were conducted for this case study, both in Freetown and by phone, with a range of past and present government and international agency officials, as well as technical advisers working on the various core government functions. These interviews contextualise and complement a review of available literature on Sierra Leone, and an analysis of government spending and aid data.

⁷¹A trend analysis of public spending on core public administration functions (CPAF), using two processes. Firstly, an overview of the composition of expenditure and revenue as well as the sustainability of public finances (e.g. fiscal balance) throughout the transition processes to understand whether variations in CPAF-related expenditures were part of broader structural changes or isolated events surrounding transition points. Secondly, an in-depth analysis of CPAF-related spending within the 6 year time-span surrounding the identified transition milestones, to explore whether these changes in public spending were motivated by the prioritization of certain policies/functions or by the availability (or lack thereof) of public resources.

18 Sierra Leone as a ‘war-to-peace’ transition

Responsibility for Sierra Leone’s political and economic collapse, and ultimately descent into war, is largely attributed to the country’s former leader Siaka Stevens, who over almost two decades weakened the country’s institutions through patronage and corruption to concentrate his own power and wealth⁷². Despite his rule ending in 1985, his successor General Joseph Momoh was unable to reverse this trend and prevent state collapse. In March 1991 a newly formed rebel group; the Revolutionary United Front (RUF), backed by the Liberian president Charles Taylor, launched attacks at the border with Liberia, propelling Sierra Leone into a decade-long bloody war, funded by the illicit trade of arms and diamonds. During the conflict the government often failed to meet targets relating to net domestic financing because of shortfalls in revenues and external budget support, together with expenditure overruns on wages. Expenditure tracking surveys conducted by the World Bank illustrated a considerable diversion of resources, with subsidies often unaccounted for, particularly in the education and health sector.⁷³

There were several failed attempts to negotiate a peace deal, first in Abidjan in 1996, then in Lomé in 1999, both criticised for various reasons including the fact that the RUF was treated as a legitimate negotiating partner and credible political entity, as well as the exclusion of key provisions to address the causes of the conflict, and to monitor and enforce peace⁷⁴. In May 2000, the RUF took 500 peacekeepers hostage, which prompted the UN to strengthen its mission and deploy more peacekeepers and led to the involvement of the United Kingdom military forces. These developments, coupled with the first public denouncement of Liberian support for the RUF by the UN put considerable pressure on the rebel forces, leading them to agree to enter a disarmament process in May 2001. Despite initial scepticism that this would be a success, the process continued for eight months and was declared completed, and the war officially over, in January 2002.

After the formal end to the conflict, Presidential and Parliamentary elections were held in May 2002 with support from the UN mission, and the incumbent, Ahmed Tejan Kabbah, secured 70% of the vote. More a referendum on the incumbent president, this landslide victory was attributed to Kabbah’s Sierra Leone People’s Party (SLPP) claim to have secured their previous election promise of ending the war⁷⁵. Thus **2002 marks our first identified milestone in the transition, signalling the formal end to the conflict and marking the first election process of the post-conflict phase.**

From 2002, Sierra Leone’s growth performance and fiscal management improved due to more stable security and political conditions. Despite the fact that the SLPP remained in power after the end of the war, they had not been able to influence change during the conflict period and the immediate aftermath was the first opportunity for any significant restoration. Following the disarmament agreement in 2002, the government launched its National Recovery Strategy for

⁷²Ducasse-Rogier, M. (2004)

⁷³Chatham House (2007)

⁷⁴Ibid.

⁷⁵Kandeh, J. (2003)

Newly Accessible Areas which focused on restoration and resettlement rather than radical governance reform, despite the fact that most state institutions had ceased to function by 2002. Progress proved challenging, with the strongest improvements witnessed in the security sector, police, fiscal management, and the restoration of the chieftaincy at the local government level.

Despite a new democratic mandate, the SLPP faced a myriad of challenges, not least considerable security concerns from conflicts in neighbouring Liberia and Côte d'Ivoire, and an army lacking in both resources and adequate training. The SLPP government during this period is frequently described as presiding over a 'shadow state' following endemic corruption, a collapsed legal system, poor service delivery and a lack of transparency.⁷⁶ However, by the end of 2004, the Ministry of Defence and security service had made significant strides, with improved local capacity and a number of key structures and systems in place.⁷⁷

2004 represents the second identified transition milestone marking a number of significant developments in the move towards stability. Not only did this mark the beginning of phase 1 of the government's reform plan – the Institutional Reform & Capacity Building Programme (IRCBP) – it was the year during which the UN handed back control of security in the capital to Sierra Leonean forces. Additionally, 2004 also saw the first local elections in more than three decades, and the enacting of the Local Government Act 2004 which gave both the local councils and the chiefdom councils' powers to raise revenue.

The country's first nationally organised Presidential and Parliamentary elections in 2007 did prompt a degree of violent protest, but the All People's Congress Party (ACP) Ernest Bai Koroma, won the results of a run-off and was duly elected. The elections were deemed to be 'largely transparent and well-administered'⁷⁸ and the result was particularly significant, representing the first peaceful handover of power from a democratically elected president who had completed two terms in office to another from an opposing party. This successful election was seen by many in the international community as a marker that the country was successfully making the transition away from conflict. Research and perspectives from key informant interviews have confirmed **this as a moment of significance in the transition and we have therefore opted to select 2007 as our final milestone** rather than the originally proposed milestone of 2006 (when the UN peacekeeping mission drawdown had been completed).

As indicated in Figure 1, the trajectory of Sierra Leone from 2006 onwards shows a generally improving picture in terms of levels of fragility over time.⁷⁹ However, violence did accompany the Ebola outbreak in the country (2014-2016), and most recently, although 2018 Presidential elections were largely peaceful in the first round, they were not without violence in the second round, starkly drawn along regional lines. This represented a continuation of longstanding ethnic and regional tensions between the country's two dominant parties; the APC and the SLPP. Each

⁷⁶See UNDP (2006) and International Crisis Group (2004)

⁷⁷Chatham House (2007)

⁷⁸Carter Centre (2012)

⁷⁹The score of the Fragile States Index and its subcomponents increase with the level of fragility (and vice versa). As such, a reduction of the score of a given state implies it is becoming less fragile. On the other hand, the rank is inversely related to fragility - the less fragile a state is, the higher its rank.

Figure 1 Fragile States Index - Sierra Leone Total Score (left) & Rank (right)

Source: Fragile States Index

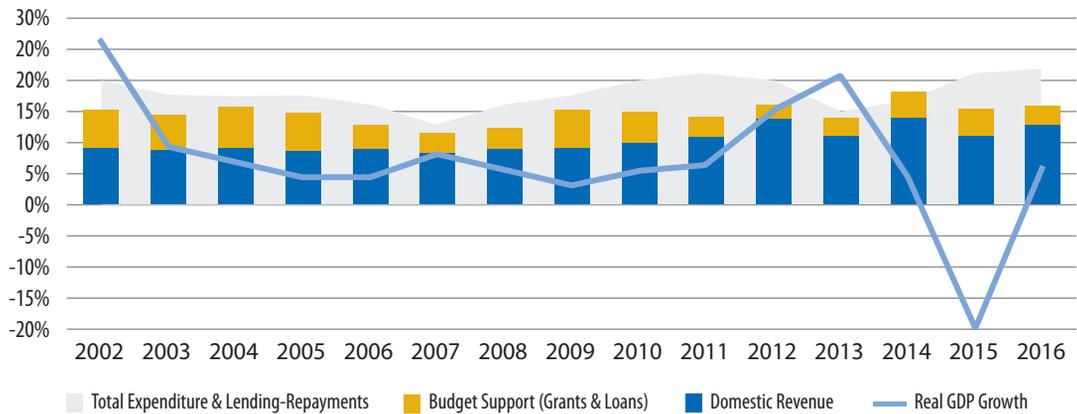
party draws on a regional and ethnic power base: the SLPP are supported in the East, a predominantly Mende area, and the APC are supported in the North by the Temne and also Limba. Although this ethnic and regional rivalry was not central to the conflict in Sierra Leone, it does present a potential obstacle to the long-term stability of the country, particularly as these divisions are often exploited by politicians.

18.1 Overview of Aggregate Revenue and Expenditure Trends & CGF Spending

Domestic revenue collection appears to have gone through three distinct stages during the post-conflict period. Between 2002 and 2009, domestic revenue remained relatively stable at approximately 9 percent of GDP revealing a limited impact of the initial revenue mobilization reforms.⁸⁰ From 2010 up to 2014, it increased substantially to 14 percent of GDP driven by the resumption of Iron Ore exploitation. This growth would be partially reverted in 2015 and 2016 due to the impact of the Ebola crisis (see Figure 2). On the other hand, this period was marked by a reduction of the proportion public revenue corresponding to direct budget support. Immediately after the conflict (2002-2005), budget support accounted for approximately 40 percent of government revenues (6 percent of GDP). This proportion would progressively decrease and by 2016, it corresponded to less than 20 percent. On balance, public revenue appears to have remained relatively stable at approximately 15 percent of GDP despite some variability.

This evolution implies that throughout the period under analysis, there was limited fiscal space for a substantial increase of public expenditure. This is reflected on the evolution of aggregate spending from 2002 to 2016. Over these fifteen years, public expenditure was relatively volatile but mostly within an interval ranging from 16 to 21 percent of GDP.

⁸⁰These estimates were derived from data provided by the Ministry of Finance and World Bank GDP figures inclusive of Iron Ore production (WDI). As such, there are slight differences to the estimates reported in IMF reports.

Figure 2 Aggregate Public Revenue & Expenditure (Actuals, % GDP) vs GDP Growth

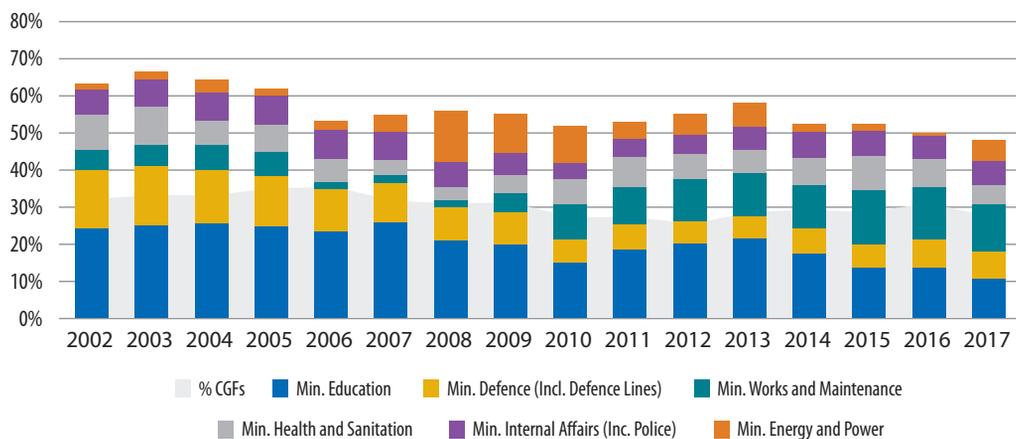
Source: Sierra Leone Fiscal Tables (EPRU, MoFED), Sierra Leone Annual Financial Statements of the Consolidated Fund (Accountant General's Department) & World Development Indicators

Nevertheless, between 2002 and 2016, there were substantial changes to the Government's spending priorities (see Figure 3). In the immediate aftermath of the conflict (2002-2007), the fields of education, health and defence were clearly the most relevant areas of expenditure. The composition of public spending would change considerably with the government turnover in 2007. From 2008 onwards, defence and education would lose prominence to the fields of energy and infrastructure. This shift is consistent with President Koroma's commitment to these two fields expressed in the two government strategies which covered this period (Agenda for Change and Prosperity). It is noteworthy that the aggregate domestic expenditure on core government functions accounted for roughly one third of total spending throughout the whole period.⁸¹

The composition of aid flows to Sierra Leone was considerably more volatile. Debt relief accounted for a very large share of the aid provided to Sierra Leone up to 2007 in light of the Heavily Indebted Poor Country Initiative. Budget support also corresponded to a considerable proportion of aid flows immediately after the conflict (26 percent in 2004) but progressively lost relevance. Sizeable flows of humanitarian aid were provided to Sierra Leone in two key moments, the post-conflict recovery (2002-2005) and the Ebola crisis (2014-2016). In terms of support to specific sectors, the development of CGFs received substantial external assistance in the immediate aftermath of the civil war (31 percent in 2003). Nevertheless, with the consolidation of peace, the CGFs would lose relevance to areas such as Health, Infrastructure and Productive Sectors.

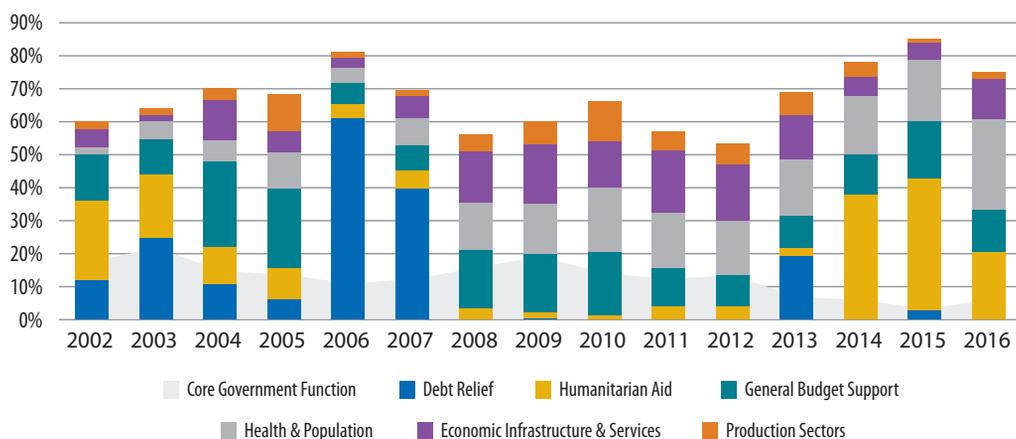
⁸¹The expenditure on CGFs includes the Ministries of Internal Affairs and Defence reported separately in the chart.

Figure 3 Domestic Expenditure - Top MDAs Vs CGFs, % Total Expenditure (Actuals)



Source: Sierra Leone Fiscal Tables (EPRU, MoFED) & Sierra Leone Annual Financial Statements of the Consolidated Fund (Accountant General's Department).
 NB: 2013 figures correspond to budget allocations as budget execution data was not available for that fiscal year.

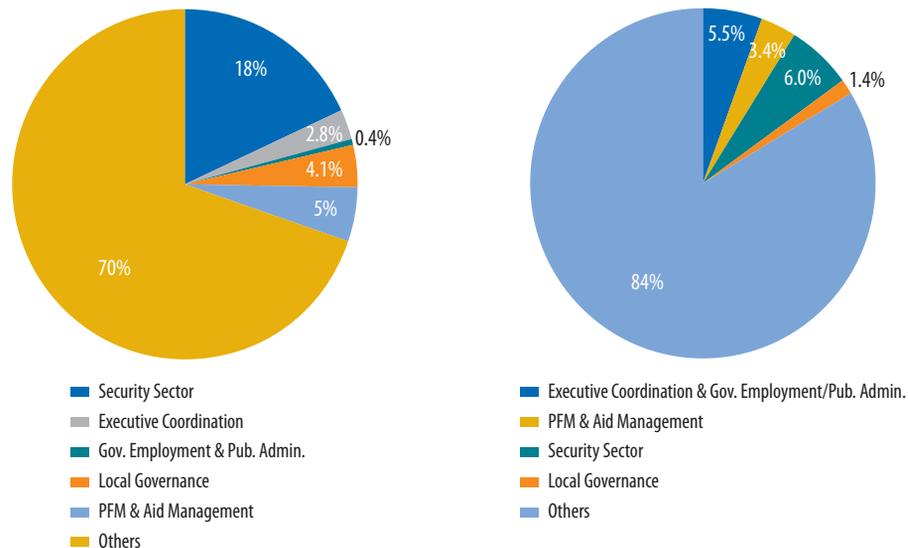
Figure 4 Aid Flows - Selected Sectors (% Total Gross Disbursements)



Source: OECD-DAC Creditor Reporting System

Overall, between 2002 and 2016, 30 percent of domestic expenditure and 16 percent foreign aid was spent on CGFs in real terms. In both cases, the security sector was the area where most resources were spent. On the other hand, no clear pattern can be detected between domestic and foreign spending priorities on the remaining functions. The next sections will discuss the public and foreign spending on each of these areas and the evolution of each function from 2002 to 2016. The expenditure figures presented here were derived from the Audited Annual Accounts prepared by Sierra Leone's Accountant General and the Gross Aid Disbursements reported by the OECD-DAC Creditor Reporting System.⁸² A detailed methodology on how expenditure was classified and aggregated to match each core function can be found in Annex B.

Figure 5 Domestic Expenditure (left) & Aid Flows (right) to Core Government Functions vs Other Areas (2002-16)



Source: Sierra Leone Fiscal Tables (EPRU, MoFED), Sierra Leone Annual Financial Statements of the Consolidated Fund (Accountant General's Department) & OECD-DAC Creditor Reporting System. NB: Aid flows reported in this chart exclude Budget Support & Humanitarian Aid.

⁸²Budget execution data was not available for 2013. As such, the 2013 estimates presented in this report correspond to budget allocations.

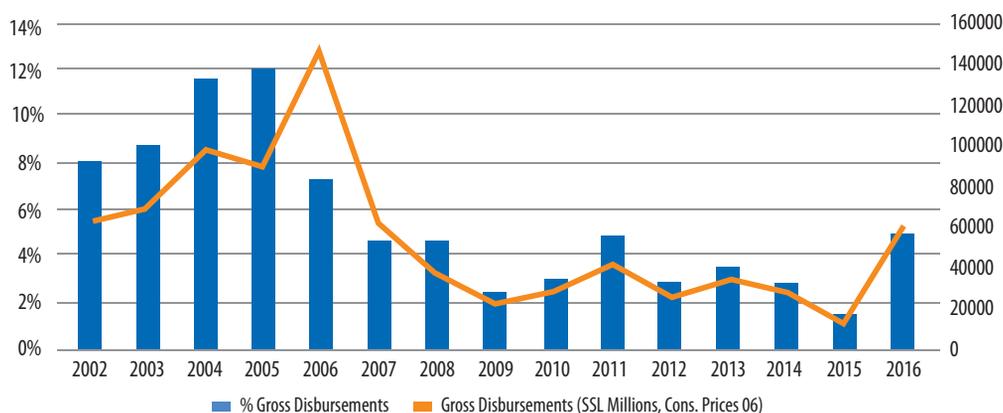
19 Evolution of core government functions

The following section discusses the evolution of external and domestic expenditure for each of the core government functions identified in the UN and WB publication ‘Rebuilding Core Government Functions in FCAS’⁸³ over the course of the transition period in Sierra Leone. It is accompanied by qualitative evidence from interviews and literature explaining how and why each function has evolved, the political economy behind certain prioritisation, and the perspectives of interviewees on the effectiveness of reforms and their connections to the country’s stability.

19.1 Government Employment and Public Administration

Figure 6 presents the gross aid disbursements related to the Public Administration and Executive Coordination functions as reported by the OECD-DAC Creditor Reporting System. These two functions are reported together under the ‘Public sector policy and administrative management’ area. This field corresponds to the aid flows meant to support ‘institution-building assistance to strengthen core public sector management systems and capacities’ including i) the ‘administration and operation of the civil service’ and ii) the administration and operation of the office of the chief executive.⁸⁴

Figure 6 Executive Coordination & Government Employment/Public Administration (% of Gross Aid Disbursements⁸⁵)



Source: OECD-DAC Creditor Reporting System

⁸³These functions are identified in the report as; Executive Coordination, Government Employment and Public Administration, Public Financial Management, Aid Management, Security Sector and Local Governance, and are identified as of crucial importance to ensuring stable transitions away from conflict.

⁸⁴This area also includes unrelated areas such as: i) foreign affairs; ii) diplomatic missions; iii) Administration of developing countries' foreign aid; iii) central procurement; iv) national monitoring and evaluation; v) macroeconomic policy; vi) meteorological services; and vii) national standards development. These sub-areas are not reported separately by the OECD-DAC.

⁸⁵Excluding budget support and humanitarian aid.

Aid flows to this area accounted for a large proportion of external expenditure on CGFs in the immediate aftermath of the conflict. Between 2002 and 2006, this field absorbed between 7 and 12 percent of the total gross disbursements excluding humanitarian aid and budget support (allocable flows).⁸⁶ Following this initial period, there was a pronounced decrease in the aid flows to these functions in both absolute and relative terms. In 2015, gross disbursements reached their lowest level between 2002 and 2016 corresponding 1 percent of total allocable flows. Over the whole period, these functions absorbed approximately one third of total aid flows to CGFs, the second largest area.

The bulk of these aid flows were channelled to the Government Employment and Public Administration reforms. The initial surge in 'external expenditure' in this field is related to the support provided by several donors who prioritised the restoration of a functional civil service following the end of the civil war. Although not an immediate post-conflict priority, support to this area was led by DFID namely through the Civil Service Reform Programme (2008-12) and the financial assistance provided to the Record Management Improvement Programme (2005-2013).⁸⁷ Despite the reduction of gross disbursements from 2006 onwards, external support to civil service reform continued through various programmes. In 2009, the government started its Public Sector Reform Programme (2009-15) which received financial and technical support from DFID, UNDP and the EU.⁸⁸ From 2012 to 2018, the World Bank also supported the reform of the civil service through the results-based financing "Public Sector Pay and Performance Project".

In contrast to the evolution of gross aid disbursements, the domestic expenditure on Government Employment and Public Administration followed a positive trend between 2002 and 2016.⁸⁹ During this period, public spending in this field increased more than 5 times. Nevertheless, this area absorbed the smallest amount of public spending of all the CGFs (between 0.2 and 0.5 percent of total spending).⁹⁰ The small scale of domestic spending in this area contrasts with the predominance of Public Administration Reform Projects among the aid flows discussed in section 2.1.1. This dichotomy suggests that the lion's share of expenditure on Civil Service Reforms has been financed through external funding despite an incremental absorption of some of these costs.

In the immediate aftermath of the conflict the civil service was facing a number of challenges. The first was a general lack of skilled staff across the public service, with many senior posts vacant. This was increasing pressure on the existing senior and skilled staff to compensate for capacity gaps. Salaries were generally low, particularly for in the middle grades, making public service jobs

⁸⁶Budget Support is excluded because the corresponding expenditure is reflected in the domestic accounts. Humanitarian aid was also deducted because it reflects aid flows which result from an emergency rather than the strategic allocation of donor resources.

⁸⁷World Bank (2012), Programme Appraisal Document, Sierra Leone Pay & Performance Project. The Record Management Improvement Programme had the objective of cleaning the government's payroll and improve its integrity particularly in the education and health sectors. The improvement of Teacher's Records was also supported by the AFDB.

⁸⁸The EU also provided assistance through a separate programme starting in 2012, "The EU Support to Civil Service Reform Programme". This projected provided technical and institutional support to key government institutions in this area including the Human Resource Management Office (HRMO) and the Public Service Commission.

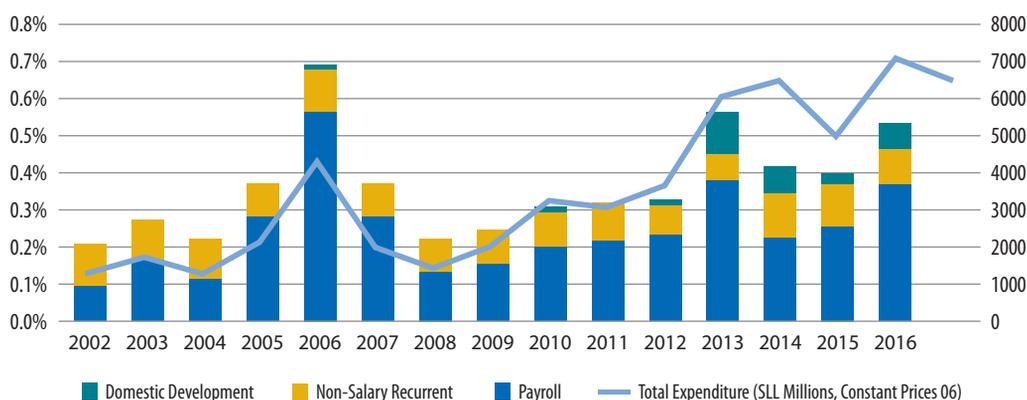
⁸⁹The expenditure reported under Government Employment and Public Administration corresponds to the spending coded under the Establishment Secretary's Office, the Human Resources Management Office, the Public Service Commission (PSC) and the Public Sector Reform Unit (PSRU).

⁹⁰These figures are slightly underestimated due to the poor reporting of the PSRU's spending. Between 2002 and 2008, it was impossible to obtain a breakdown of the expenditure on the Governance Reform Secretariat (GRS), the PSRU's predecessor under the President's office. Between 2009 and 2016, the PSRU's expenditure data was generally incomplete.

unattractive to skilled workers, and although donors had stepped in to fund the salaries of key staff – perhaps to a greater extent than in any other country in Africa⁹¹ - this was reported to be demoralising those skilled workers who were not paid higher salaries by external donors⁹². As a result, the distribution of public service was generally skewed towards to the lower grades - grades 1 plus 3 through 5 accounted for 22.5 percent of total employment and 19.0 percent of direct costs in 2002⁹³ (see Table 1 below.) In addition, the wage bill was relatively high – around 8% of GDP compared with an average of 6 percent for SSA countries. The ratio expanded from 3.5 per cent in 1996, to 4.8 per cent in 1998. 6.1 per cent in 1999, 7.1 per cent in 2000, 7.4 in 2001 and about 8.1 per cent in 2002. Personnel expenses as a proportion of total government recurrent expenditure, at 32 per cent, is about average for SSA⁹⁴.

In 2003 with support from a number of donors, DFID in particular, the GOSL, under the responsibility of the Public Service Reform Unit, initiated a reform of the public service with four key objectives; the re-organisation and restructuring of ministries, Conversion of the Office of the Establishment Secretary into a Personnel Management Office (PMO); the improvement records management and the restoration of the Civil Service Training College to build capacities.

Figure 7 Government Employment/Public Administration by Economic Classification
(% of Domestic Expenditure)



Source: Sierra Leone Fiscal Tables (EPRU, MoFED) & Annual Financial Statements of the Consolidated Fund (Accountant General's Department)

⁹¹ World Bank (2003), Sierra Leone - Strategic Options for Public Sector Reform (English).

⁹² The World Bank 2004 PER indicates that of the senior posts that were filled, roughly 100 were financed by external donors at wages higher than those prescribed by the public service salary scale.

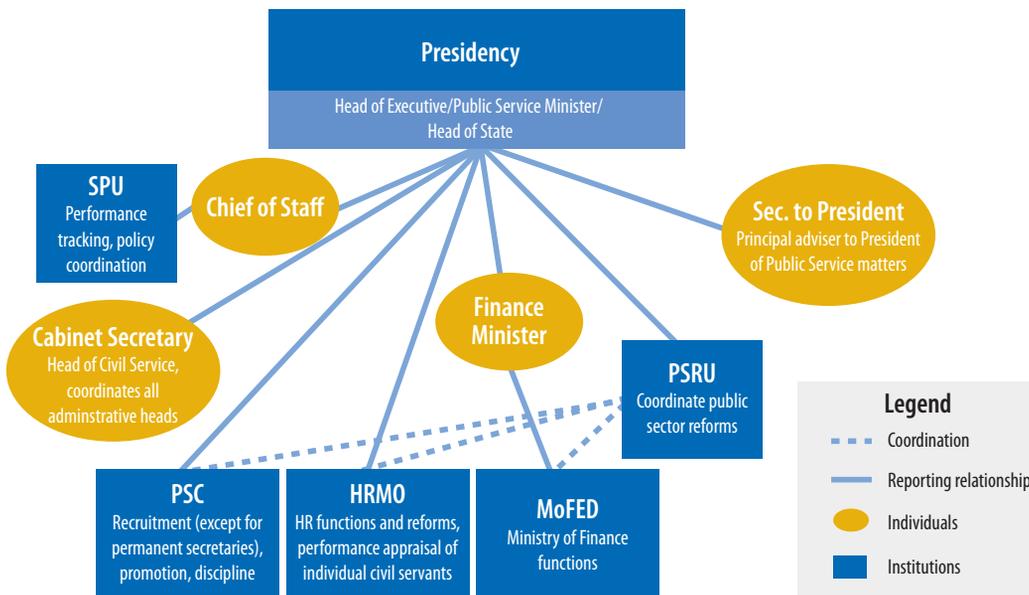
⁹³ World Bank (2004), Sierra Leone Public Expenditure Review.

⁹⁴ World Bank (2003), Sierra Leone - Strategic Options for Public Sector Reform (English).

A 2008 evaluation of DFID's support in this area found that it only had limited success, due to an overambitious technocratic approach which assumed a number of conditions. In reality there was not sufficient political will and interest in place, nor was there a common vision shared by donors and government of what type of civil service should emerge from the reform process, or sufficient technical and management capacity in place to implement the proposals⁹⁵. Indeed, others have highlighted that during the years immediately following the conflict, public service reforms were not a government priority and reform attempts were largely donor driven⁹⁶ - a view with which several interviewees concurred.

Government initiatives have instead tended to focus on ad-hoc measures in response to immediate problems, without adequate consideration for the long term consequences. This pattern usually reflects a response to pressures from different interest groups. For example these initiatives have often dealt with civil service capacity gaps by outsourcing their functions - working with NGOs – or by creating temporary capacity through the use of donor funded staff in line positions⁹⁷. This has undermined the central agencies formally responsible for the process and as a result, the relationship between the MoFED and the various ministries, departments and agencies (MDAs) – including those directly responsible for civil service reform – has historically been characterized

Figure 8 Public Sector Reform Actors



Source: Srivastava & Larizza (2013)

⁹⁵Poate et al. (2008).

⁹⁶Srivastava & Larizza (2013)

⁹⁷Ibid

by mistrust⁹⁸. Donors must bear some responsibility for these challenges; their efforts have been shown to exacerbate inter-agency rivalry, by supporting individual agencies (such as DFID support to the PSRU and EU and UNDP support to the HRMO), which has provided financial independence without providing complementary incentives to effectively engage with counterpart institutions⁹⁹.

Although reforms have prompted a small improvement in the numbers of professional and technical staff, the 'missing middle' remains a problem in Sierra Leone. As shown in Table 1, only 11 percent of the civil service workforce are professional and technical staff. Comparable figures for Gambia (in 2007) were 26 percent and for Sudan (in 2004) it was 14.3 percent¹⁰⁰. Interviewees pointed to limited opportunities for merit-based promotions and expressed frustration over the pace of salary reform as contributing to the problem.

However, the World Bank did report some progress in some areas, including a reduction in the overall size of the public service from around 100,000 people in the mid-1980s to 71,000 in 2008. Although it should be noted that the vast majority of this reduction had already taken place by the end of the conflict in 2002. Notably, the reduction in the share of armed forces and increases in the number of police and teachers are significant successes¹⁰¹. In addition, there were a series of management and functional reviews which led to the retirement of many over-age workers, and the ongoing elimination of ghost workers following a verification exercise in 2008 that covered the entire civil service.

To address the issues described above – namely the deficit of donor coordination and their alignment with national priorities – the government approved the Public Sector Reform Programme in 2009 which received implementation support from DFID, UNDP, EU and WB. The programme recognised the continuing challenges impeding effective service delivery and sought

Table 1 Civil service workforce composition before and after conflict

Category	Grades	1993/94		2008		2011	
		Numbers	%	Numbers	%	Numbers	%
Low	1–5	23,400	80%	13,255	92%	11,881	87%
Middle	6–10	3,039	10%	995	7%	1,559	11%
High	11+	2,819	10%	134	1%	177	1%
Total		29,258	100%	14,384	100%	13,617	100%

Source: *Srivastava & Larizza (2013)/World Bank, Sierra Leone Public Expenditure Review (2010)*

⁹⁸Srivastava & Roseth (2013)

⁹⁹Ibid

¹⁰⁰Srivastava & Larizza (2013)

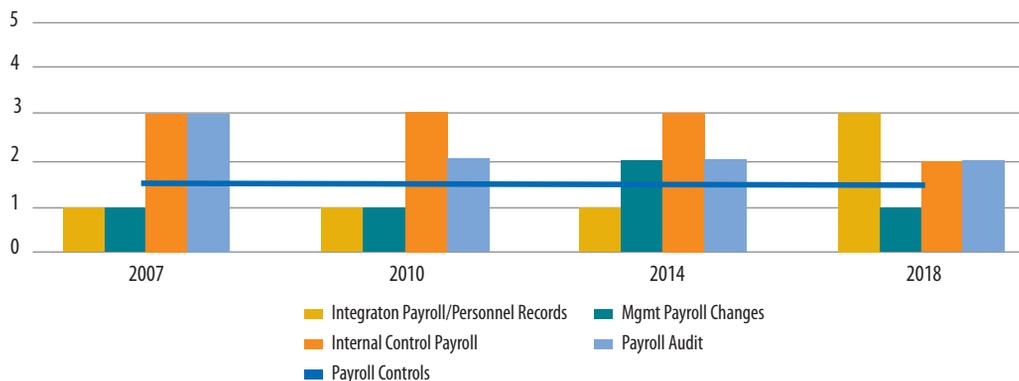
¹⁰¹World Bank (2010), *Sierra Leone Public Expenditure Review*

to improve public sector productivity and public service delivery to ‘levels that are consistent with the developmental priorities articulated in the Government of Sierra Leone’s Agenda for Change’¹⁰². It sought to undertake pay reforms aimed at improving competitiveness, rationalise staffing, minimise waste and inefficiencies introduce robust performance management and implement comprehensive training and staff development.

The consensus on the outcome of these reforms is mixed. As shown in Figure 12, the aggregate indicator for this function – Payroll Controls - shows no improvement between 2007 and 2018 with a low score throughout the whole period (equivalent to D+). The behaviour of the sub-indicators is quite volatile and no consistent improvement is observed in any of the areas. Interviewees suggested that although the government has made progress on improving the timeliness of salary payments, ghost workers continue to be an issue, wage disparities remain and the pay ranges for each grade are not respected nor enforced. In addition, one interviewee from a key bilateral donor argued that the civil service remains highly politicised with recruitment and promotion still dependent on political connections. These conditions are described by some commentators as ‘binding constraints’ to improving overall civil service performance¹⁰³.

Despite this, the 2018 PEFA did report that although ghost workers still exist, considerable work has been done to clean up the payroll and ‘the payroll budget is the most predictable government expenditure.’¹⁰⁴ The PEFA also reports that human resource management is now well organised with each ministry having a dedicated HR management unit and clear job descriptions in place to guide employees on responsibilities and key performance areas. Since 2015 there has been a

Figure 9 Selected PEFA Indicators - Government Employment & Public Administration



Source: Sierra Leone Public Expenditure and Financial Accountability (PEFA) Assessments (2007, 2010, 2014, 2018)

¹⁰²World Bank (2012), Project Appraisal Document: Pay and Performance Project

¹⁰³Srivastava & Larizza (2013)

¹⁰⁴Sierra Leone PEFA Assessment (2018).

moratorium on employment of both civil and public servants except where new appointments are absolutely necessary¹⁰⁵. This is borne out in figures (shown in Table 2) which indicate only moderate growth in public employees since the conflict came to an end.

Table 2 Trends in public employee numbers since the end of the conflict

Public Service Branch	2002		2007		2017	
	Numbers	%	Numbers	%	Numbers	%
Civil Service	17,015	28%	16,597	24%	18,045	25%
Military	16,556	27%	10,623	15%	7,451	10%
Police	7,338	12%	9,339	14%	11,472	16%
Teachers	20,962	34%	32,571	47%	34,507	48%
Total Employees	61,871	100%	69,130	100%	71,475	100%

Source: World Bank, *Sierra Leone Public Expenditure Review 2010 & Sierra Leone PEFA Assessment 2018*

In conclusion, public sector reforms have been largely donor-led, particularly until 2009. From that period onwards the government have taken more ownership over reforms in this area although the majority of the funding continued to be provided by donors. This later stage of reforms appear to have been the more successful, although results in this area remain moderate.

19.2 Executive Coordination at the Centre of Government

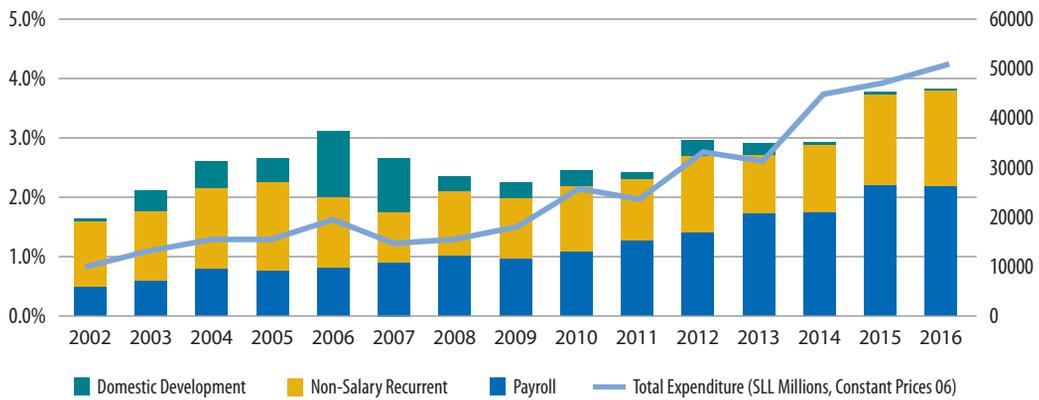
As stated in section 2.1, the OECD-DAC reports the aid flows to the Executive Coordination and Public Administration functions as an aggregate. This flaw of the reporting system prevents us from analysing specific aid flows to executive coordination. Nonetheless, **several sources indicate that the external support to this area was mostly circumscribed to the assistance provided to the Strategy and Policy Unit (SPU) established by President Koroma within the State House.** Throughout its existence (2008-2017), the unit received financial support through a Multi-Donor Trust managed by UNDP and technical assistance from the Africa Governance Initiative.¹⁰⁶

On the other hand, **domestic expenditure** on Executive Coordination can be analysed separately. As shown by figure 7, **it increased steadily in particular from 2007 onwards.**¹⁰⁷ **Spending on this area increased fivefold in real terms between 2002 and 2016 mostly driven by the growth in recurrent expenditure (payroll and non-salary recurrent).** Although the predominance of recurrent expenditure is to be expected in a function such as executive coordination, the considerable weight of non-salary recurrent expenditure might suggest that a large part of this expenditure was in practice unrelated to the actual functionality of executive coordination

¹⁰⁵Ibid.

¹⁰⁶The Multi-Donor Trust Fund was financed by DFID and the EU.

¹⁰⁷The expenditure reported under Executive Coordination corresponds to the spending coded under the Ministry of Presidential Affairs, the Office of the President, the Office of the Vice-President and the Cabinet Secretariat.

Figure 10 Executive Coordination by Economic Classification (% Domestic Expenditure)

Source: Sierra Leone Fiscal Tables (EPRU, MoFED) & Annual Financial Statements of the Consolidated Fund (Accountant General's Department)

institutions. While representing a small share of total public spending - 3.8 percent by 2016 - such a pronounced increase is noteworthy.¹⁰⁸ This trend could be explained by a combination of different factors. On the one hand, Sierra Leone's political system has become increasingly centralised and is prone to a top-heavy structure surrounding the president. On the other hand, this gradual increase in public expenditure is also likely to reflect the integration of external staff. As an example, the external support provided to the SPU was designed to progressively decrease assuming an incremental absorption of these costs.¹⁰⁹ The extent to which this trend is also a reflection of a gradual increase of the government's investment in this area is unclear.¹¹⁰

Achieving effective coordination of the executive branch has been a long-standing challenge in Sierra Leone. The domestic efforts to improve the functionality of the centre of government started even before the end of the civil war. Following his return to power in 1998, President Kabbah set up the National Policy Advisory Committee, a body composed of retired government advisors meant to "provide guidance and ideas on policy matters". However, the committee would prove unsuccessful in improving the implementation of the government's top-level strategy and would be dissolved with the political transition of 2007.¹¹¹

Upon taking office in 2007, President Koroma also took steps to improve the coordination of the executive in order to ensure the effective implementation of the government's new strategy (Agenda for Change). His main actions were the creation of a Chief of Staff post and, most

¹⁰⁸The scale of domestic expenditure in this area from 2010 onwards is comparable to the related aid disbursements between 2009 and 2016.

¹⁰⁹Simson, 2013.

¹¹⁰The aggregate domestic and external "expenditure" on Executive Coordination and Public Administration (actual government expenditure + gross aid disbursements) was on average lower from 2008 onwards than during the immediate aftermath of conflict.

¹¹¹Scharff (2012)

importantly, the Strategy and Policy Unit (SPU) mentioned above. This unit was created with a mandate to “strengthen policy analysis and coordination, provide implementation support [and] monitor and evaluate government performance”.¹¹² As such, it introduced a number of new procedures to streamline implementation of government programmes. Flagship programmes were identified within the broader government strategy in order to enable a strategic prioritization of the President’s Office resources. This approach was complemented by the establishment of performance contracts with line ministries in order to ensure that the executive's efforts were fully in line with these priorities. These performance contracts were regularly monitored through a stocktake process meant to hold ministries accountable and address bottlenecks that might arise.

These new procedures led to positive results during Koroma’s first mandate. The stocktake process is understood to have played an important role in improving “top-down performance discipline” by using the president’s influence as a ‘stick and carrot’¹¹³. The SPU is also credited with improvements in intra and inter-ministerial communication by using advisors as honest brokers between these institutions¹¹⁴. Nevertheless, according to an interviewee from an international NGO, an expansion of SPU’s mandate following President Koroma’s re-election considerably reduced the unit’s effectiveness. From a broader perspective, the SPU never addressed the root causes of poor executive coordination in the country. By relying on the influence of the President, the SPU took advantage of Sierra Leone’s hyper-presidential system rather than promoting a collegial decision-making process at cabinet level.¹¹⁵ Moreover, this *modus operandi* is conducive to the systematic bypassing of line ministries and the civil service, compromising an actual reform of the public sector.¹¹⁶

Interviewees from the diplomatic and development communities agree that the coordination of the executive branch remains highly problematic. The creation of the SPU--and the underlying external and domestic expenditure--suggests that this area became a higher priority for the government and donors between 2007 and 2016. However, the positive impact of this new structure was short-lived. Several interviewees agreed that the excessive concentration of power in the President’s Office continues to undermine any significant improvements in this area. Moreover, the complete reshuffling of the personnel and structure of the State House whenever the administration changes poses serious constraints upon efforts to institutionalise better coordination practices.¹¹⁷ Overall, the available evidence indicates that the increasing expenditure on this area did not directly translate into better functionality. Besides these additional resources, the improvement of the coordination of the executive will likely require a reform of Sierra Leone’s political culture into a less centralised system.

¹¹²Simson (2013).

¹¹³Simson (2013)

¹¹⁴Ibid

¹¹⁵Ibid

¹¹⁶Srivastava and Larizza, 2012

¹¹⁷Upon taking office in early 2018, President Bio disbanded the SPU and created the post of Chief Minister to replace the former Chief of Staff.

19.3 Public Finance: Revenue and Expenditure Management & Aid Management, Financing and Donor Relations

Figure 8 presents the aggregate aid flows (gross disbursements) related to the PFM and Aid Management Functions. The OECD-DAC reports the flows to both functions under two different headers, i) Public Finance Management, and ii) Domestic Revenue Mobilization. The former comprehends the fields of budget planning, national audit and public debt and aid management while the latter comprises tax collection, tax policy and administration and non-tax revenue mobilization.

PFM and Aid Management received substantial external support between 2002 and 2016 accounting for approximately 21 percent of all flows to core government functions.

Nevertheless, gross disbursements to this area were extremely volatile. Throughout this period, the external funds disbursed to this field varied between 1 and 10 percent of total allocable aid flows (excluding budget support and humanitarian aid). Notwithstanding, there were noticeable peaks in the disbursements to both functions in particular between 2008 and 2010, 2012 and 2015.

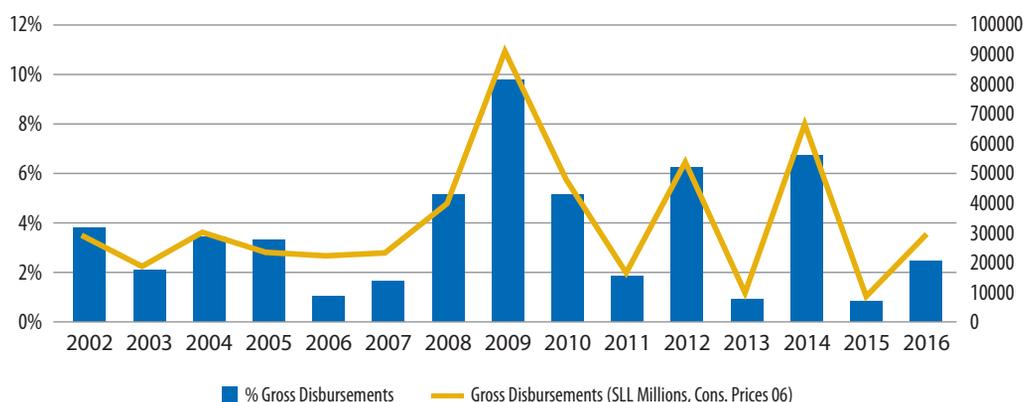
The large majority of these aid flows were channelled to PFM projects. The external assistance to PFM reforms has been led by the World Bank (WB), DFID, the EU and the African Development Bank (AFDB) since the end of the civil war.¹¹⁸ The Institutional Reform and Capacity Building Project (IRCBP, 2004-2011), funded by the WB, DFID and the EU, was the first sizeable PFM project following the end of the conflict.¹¹⁹ During this period, DFID, the EU and AFDB also provided specific financial and technical support to the establishment or restoration of key PFM institutions through the Sierra Leone Audit Service and the National Revenue Authority Support Projects (DFID), the Ministry of Finance Institutional Strengthening Project (EU) and the Institutional Support to Strengthen the PFM and Energy Sectors Project (2005-2011).¹²⁰ This group of donors continued to fund PFM reforms after the conclusion of IRCBP via the Integrated Public Financial Management Reform Project (IPFMRP, 2009-2014) and the Public Financial Management Improvement and Consolidation Project (PFMICP, 2013-2020).¹²¹

¹¹⁸These four donors also support the Government of Sierra Leone through a Multi-Donor Budget Support fund (MDBS) which is conditional on specific targets of PFM reform.

¹¹⁹This project had two main components, i) PFM Reform and ii) Decentralisation.

¹²⁰Support to the Sierra Leone Audit Service (2004-13), Support for National Revenue Authority (2005-13) and Institutional Strengthening of the Ministry of Finance.

¹²¹PFMICP also received financial contributions from the AFDB.

Figure 11 PFM & Aid Management (% of Gross Aid Disbursements¹²²)

Source: OECD-DAC Creditor Reporting System

The external assistance to Aid Management has been centred on the establishment and consolidation of the Development Assistance Coordination Office (DACO).¹²³ The department received continuous support from its inception in 2004 until 2016 through the “Strengthening of the Development Assistance Coordination Office” project implemented by UNDP with financial support from the EU and DFID.

The PFM and Aid Management functions also accounted for the second largest share of domestic spending on CGF’s between 2002 and 2016 corresponding to 16 percent of related expenditures (5 percent of total domestic spending).¹²⁴ Public spending on these functions increased steadily over this period - more than four times in real terms. Throughout these fifteen years, the majority of these expenditures went into goods and services (non-salary recurrent expenditures) while barely any resources were assigned to development spending. Payroll expenditure increased eight-fold (in real terms) far outstripping the growth registered amongst the two other categories. As an aggregate, aid disbursements and domestic spending related to PFM and Aid Management registered grew considerably throughout the period under analysis.¹²⁵ This pattern suggests the Government not only absorbed a large part of the external recurrent expenditure on PFM reform (namely on local technical assistance) but also progressively increased the pool of resources allocated to this field from 2002 to 2016.

¹²²Excludes budget support and humanitarian aid.

¹²³DACO was set up in 2004 under the Vice-President’s Office.

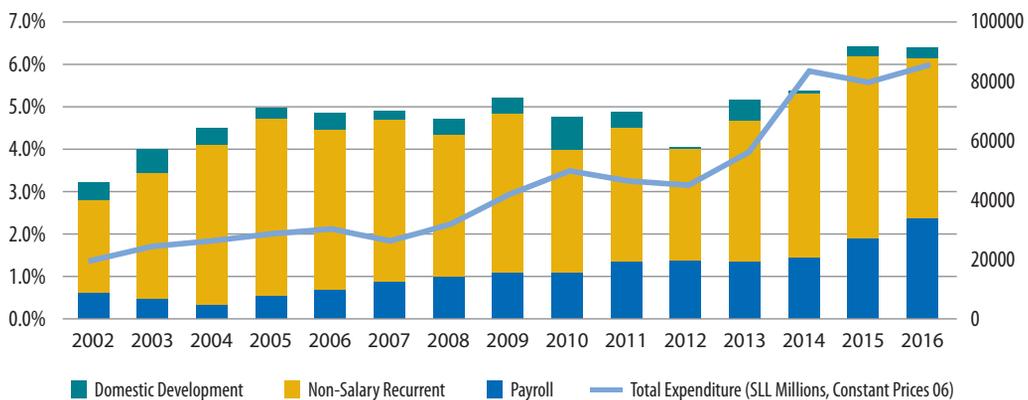
¹²⁴The domestic spending related to PFM and Aid Management comprises the following expenditure heads: i) Auditor General’s Department, ii) Ministry of Development & Economic Planning; iii) Ministry of Finance/Ministry of Finance & Economic Development; iv) Customs and Excise Department/National Revenue Authority; v) Income Tax Department/Revenue Appellate Board; vi) Accountant General’s Department; vii) National Public Procurement Authority. Expenditure on Aid Management is only included from 2007 onwards as DACO was located within the President’s Office before the merger of the Ministries of Finance and Planning under President Koroma.

¹²⁵An increase of approximately 60 percent between 2002 and 2016.

By the end of the civil war, Sierra Leone's PFM system was severely affected by the lack of qualified personnel and precarious physical conditions. The internal conflict had led most qualified personnel to flee the country and resulted in the destruction of the Ministry of Finance building along with its computerised systems.¹²⁶ Despite these constraints, an assessment conducted by the World Bank in 2002 concluded that the system had withheld a "platform of competence in economic management" which would serve as a stepping-stone to the PFM reforms which would follow.¹²⁷ According to this report, the country managed to ensure "strong expenditure control and adherence to the legal and regulatory framework" during the conflict by relying on highly qualified technical assistance experts at the central level.

During President Kabbah's second term (2002-2007), PFM reforms were guided by two donor-driven reform plans, the Country Financial Accountability Assessment (CFAA) from 2002 and the Common Action Plan from 2004. The goals of this initial set of reforms would be mostly achieved. By 2007, the majority of the issues identified by the CFAA had been addressed and the first PEFA assessment concluded that Sierra Leone's PFM system was at par with regional standards.¹²⁸ Throughout these five years, the strengthening of PFM institutions and the reinforcement of budget execution processes were prioritized. Therefore, an appropriate legal framework was developed to regulate the budget cycle while key institutions were created or consolidated (e.g. National Revenue Authority, Sierra Leone Audit Service, National Public Procurement Agency). In addition, budget execution was strengthened through the introduction of an Integrated Financial Management Information System (IFMIS). On the other hand, the

Figure 12 PFM & Aid Management by Economic Classification (% Domestic Expenditure)



Source: Sierra Leone Fiscal Tables (EPRU, MoFED) & Annual Financial Statements of the Consolidated Fund (Accountant General's Department)

¹²⁶Tavakoli et al., (2015).

¹²⁷The Country Financial Accountability Assessment (CFAA) was published by the World Bank in March 2002.

¹²⁸Tavakoli (2012).

progress made on budget planning and audit was considerably more limited. A medium-term expenditure framework (MTEF) was introduced but did not materialize into a *de facto* improvement in multi-year fiscal planning. Moreover, the external audit reports continued to be submitted with significant delays and remained limited in scope.

Although there was limited support for these reforms among Sierra Leone's political leadership due to their potential to restrict the prevailing discretion over public resource management, backing from a core group of senior finance officials ('reform champions') were a key contributor to their implementation.¹²⁹ Besides this, two other factors were considered important to the achievement of these reform goals. On the one hand, local technical assistance (LTA) experts ('parallel public service') appear to have made a crucial contribution to these results¹³⁰. In addition, as one interviewee from an International Financial Institution explained, the conditionality attached to the Heavily Indebted Poor Country Initiative (HIPC, 2002-2007) and the Multi-Donor Budget Support worked as a strong incentive for the implementation of the reform plans.

Under President Koroma, two other reform plans would follow. The Integrated PFM Reform Programme (IPFMRP, 2009-2013) - supported by a multi-donor project under the same name – was designed to be a comprehensive government-driven process in order to increase local ownership and improve donor coordination. In turn, the PFM Reform Strategy (2014-2017) would build upon the IPFMRP approach while incorporating the findings from more recent diagnostics (e.g. PEFA 2010, Audit Reports) and placing more emphasis on revenue management in light of growing iron ore exports.¹³¹

Despite the comprehensiveness of these two reform programmes, several interviewees along with available PFM diagnostics suggest that Government engagement in this area decreased considerably from 2010 onwards.¹³² One explanation put forward was the declining influence of western donors resulting from smaller aid inflows, the growth in natural resource revenue and the increasing presence of China. Interviewees also suggested that by 2010 the 'low-hanging fruit' had been exhausted and that further reform would require more structural interventions.

In fact, the available evidence indicates that the progress made in improving Sierra Leone's PFM system slowed down following the change in government in 2007. According to an evaluation of the Multi-Donor Budget Support to Sierra Leone (2002-2015), between 2010 and 2014 there were noticeable deteriorations "in the overall credibility of the budget, policy-based budgeting and significant remaining weaknesses in all areas of public finance management". This conclusion is supported by the evolution of core PEFA indicators during this period (see Figure 10).

Nevertheless, the 2018 PEFA assessment registered improvements in some of these areas. Some examples included the expansion of the IFMIS coverage from 7 to 30 MDAs which will contribute to improved fiscal discipline and the introduction of a Treasury Single Account which

¹²⁹Tavakoli et al (2015)

¹³⁰Ibid. Tavakoli et al (2015) explains that Budget support corresponded to 25 percent of discretionary spending between 2001 and 2006.

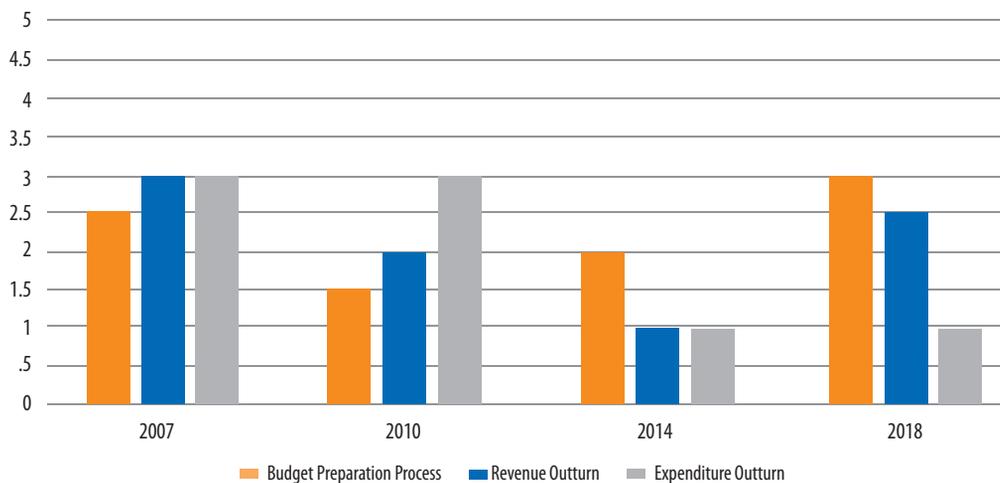
¹³¹The PFM Reform Strategy would be supported by the donor-financed PFMICP project.

¹³²Welham and Hadley (2016) & Interviews with Senior IFI Official and Diplomatic Sources.

will enable a more strategic allocation of resources. Moreover, there is evidence that the LTA staff was absorbed into the government payroll ensuring the retention of expertise within the Ministries of Finance and Planning.¹³³ However, serious shortcomings remain. Expenditure arrears continue to accumulate as a result of political interference and overrides of spending ceilings. Moreover, recurrent budget reallocations and repeated delays in payments to suppliers continue to impact on the quality of service delivery.

By and large, the evolution of Sierra Leone's PFM system from 2002 to 2016 has been somewhat inconsistent. Between 2002 and the first years of President Koroma's mandate, there was a relatively fast improvement of the quality of the system led by external technical assistance and financial support. A lack of national leadership in conjunction with a reduced influence from western donors appears to have slowed the pace of reform until at least 2014. Over the past few years, some progress was achieved; however, the system is still constrained by structural flaws. This evolution suggests that the incremental increase of domestic expenditure on this area was primarily a result of the absorption of external expenditures rather than a genuine prioritization of PFM reforms by the Government of Sierra Leone.

Figure 13 Selected PEFA Indicators Public Finance: Revenue & Expenditure Management



19.3.1 Evolution of the Aid Management Function

Sierra Leone's accounting system does not provide for a breakdown of public expenditure on Aid Management.¹³⁴ Nonetheless, a number of reports and diagnostics provide some evidence of the evolution of this function and the extent to which it was prioritized by the Government and

¹³³Welham and Hadley (2016) estimate that former LTA staff accounted for approximately one fifth of the Ministry's staff. These civil servants were kept at their previous (higher) salary levels what will likely require a revision of pay grades to avoid marked discrepancies with the rest of the staff.

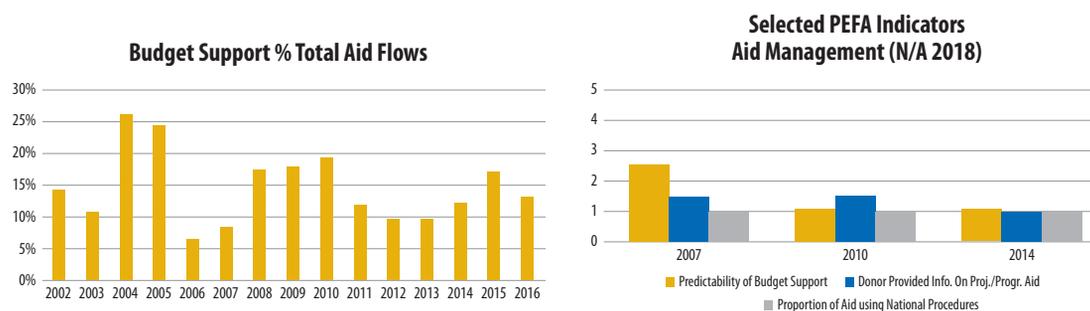
¹³⁴Presumably, only a very small share of the overall spending on this area was assigned to Aid Management.

Development Partners. The Development Assistance Coordination Office (DACO) – the public body in charge of this area – was created in 2004 with the objective of improving aid coordination and lead the preparation of Sierra Leone's first Poverty Reduction Strategy Papers (PRSP).¹³⁵ The office was initially located in the Vice-President's Office and subsequently moved to the Ministry of Finance and Economic Development in 2007 following the merger of the Finance and Development ministries.

According to an assessment of the donor project which supported the establishment of DACO (2009), this body achieved a number of important goals during its first years of existence.¹³⁶ By 2009, the PRSP had been successfully concluded, an Aid Management Information system had been established (DAD) and donor coordination mechanisms had been set up (i.e. Development Partnership Committee – DEPAC, Sector Working Groups). However, the report criticized the lack of sustainability of these results as the unit was mostly staff with external consultants rather than focussing on the development of internal capacity.¹³⁷

According to the 2014 PEFA assessment, seven years after being created, the DAD was still unable to capture all aid flows to Sierra Leone. This was related to a lack of timely reporting and follow up from both donors and DACO. In addition, the utilisation of country systems for aid programmes remained unimpressive. The Paris Declaration Monitoring Surveys of 2010 and 2007 revealed that donor alignment with national procurement systems had decreased from 38 to 21 percent while the proportion of aid recorded on budget remained stable at approximately 50 percent. Furthermore, the share of aid provided as budget support between 2002 and 2016 was volatile, undermining budget credibility. The unpredictability of budget support is also reflected on the evolution of the corresponding PEFA indicator from 2007 to 2014.

Figure 14 Aid Management: Budget support and selected PEFA indicators



Source: Sierra Leone PEFA Assessments (2007, 2010 & 2014) and OECD-DAC Creditor Reporting System

¹³⁵Including the PRSP I (2007-2008), the Agenda for Change (2007-2012) and the Agenda for Prosperity (2013-2018).

¹³⁶UNDP (2009), "End-of-Project Evaluation of 'Support to Development Assistance Coordination Office' & Review of Sierra Leone's Aid Coordination Architecture".

¹³⁷Most of the original DACO staff left following the 2007 election depleting the unit of internal capacity.

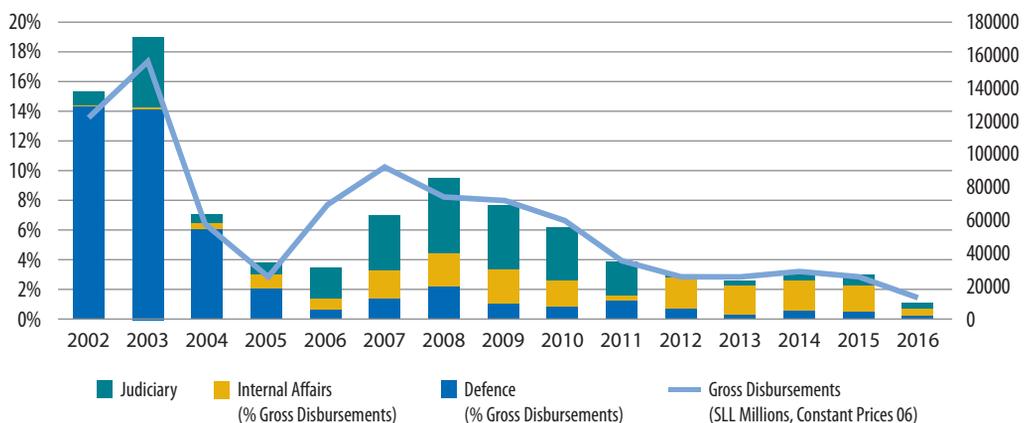
Overall, it appears that the attempts to improve aid management were led by the donor community in the immediate aftermath of the conflict. The extent to which this reform was also prioritized by the government remains unclear. The merger of the Ministries of Finance and Development in 2007 and the subsequent transfer of DACO suggests that it was a cause of concern to the Koroma government. Nevertheless, as suggested by the 2014 PEFA assessment, the effectiveness of aid coordination in Sierra Leone still has substantial room for improvement.

19.4 Security Sector

As indicated in Figure 13, the security sector received the largest share of aid contributions among the six CGFs accounting for 37 percent of disbursements to core functions between 2002 and 2016. The aid flows presented were selected using a broad definition of the security sector recognizing the nexus between defence, internal affairs and the judiciary.¹³⁸

Donor support in this area was predominantly led by the UK – a result of the considerable British military involvement in bringing the conflict to an end. DFID's Sierra Leone Security Sector Reform Programme (SILSEP) ran from June 1999 to 31 March 2008 with the initial focus on building civilian oversight of the armed forces, establishing oversight of an already-existing Ministry of Defence (MoD) and establishing co-ordination for the security and intelligence sectors. In addition, the UK provided direct technical support to the Republic of Sierra Leone

Figure 15 Security Sector (% Gross Aid Disbursements¹³⁹)



Source: OECD-DAC Creditor Reporting System

¹³⁸These three areas correspond to 6 different Aid codes from the Creditor Reporting System: i) Security system management and reform; ii) Reintegration and SALW control; Child soldiers (prevention and demobilisation); iii) Participation in international peacekeeping operations; iv) Legal and judicial development; v) Civilian peace-building, conflict prevention and resolution; and vi) Removal of land mines and explosive remnants of war.

¹³⁹Excluding budget support and humanitarian aid.

Armed Forces (RSLAF) through the International Military Assistance Training Team (IMATT). UK government funding also supported the police through the Commonwealth Community Safety and Security Project from the late 1990s, which was overtaken by the Justice Sector Development Programme - focusing on policing, correctional services, the judiciary and to a lesser extent the Ministry of Internal Affairs. The World Bank also committed US\$31.5 million, through a Multi-Donor Trust Fund, and additional direct financing through Emergency Recovery Credits, budget support and a Post-Conflict Fund Grant.

During these 15 years (2002-2016), the sector appears to have lost prominence among donor priorities as gross disbursements decreased from 15 to 1 percent of allocable aid flows. In addition, the distribution of gross disbursements within the sector also changed dramatically. Between 2002 and 2005, defence absorbed the vast majority the external resources channelled to the sector (55.5 to 93.5 percent) reflecting the urgency of interventions such as DDR and the reform of the military. From 2006 onwards, the judiciary and internal affairs would become the target of the majority of external expenditure in this field reflecting a shift of focus towards law enforcement and rule of law.

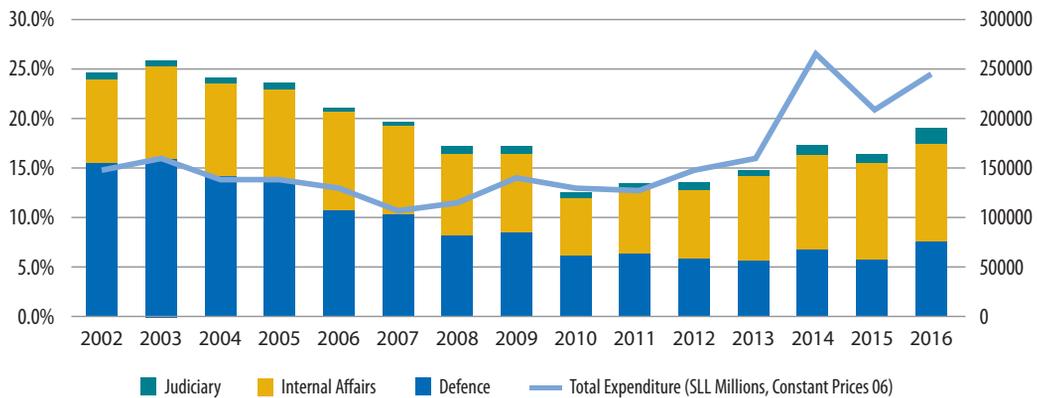
Security was also by far the largest domestic spending area among the six CGFs, accounting approximately 60 percent of public expenditure on CGFs. The proportion of domestic expenditure spent on the security sector followed a non-linear path between 2002 and 2016. From 2002 to 2010, it decreased considerably from approximately 25 to less than 13 percent.¹⁴⁰ Subsequently, it would grow back to roughly 19 percent of total expenditure until 2016. Despite an initial reduction observed from 2002 to 2007, security expenditure would actually increase in absolute terms during the period of analysis. By 2016, spending on this sector was 65 percent higher (in real terms) than in 2002. Nonetheless, this additional spending would be insufficient to completely offset the sharp reduction in external aid flows to the field.

The distribution of domestic spending within the sector is also noteworthy. In parallel to the aid disbursement patterns, there was also a progressive shift of domestic spending from Defence to the other areas, in particular Internal Affairs.¹⁴¹ In fact, most of the expenditure growth observed between 2002 and 2016 was driven by this subsector. Conversely, the evolution of domestic expenditure on defence was far more irregular during this period. It is also interesting to note that while expenditures on the defence payroll decreased steadily as share of domestic spending from 2002 to 2016, the exact opposite occurred in the internal affairs subsector.

Drawing from the domestic and external expenditure trends, it appears that this area was a priority for both the government and donors in the immediate aftermath of the conflict. Due to the nature of the conflict in Sierra Leone, it was clear that reform of the security sector had to be a priority. Public confidence in both the military and the police was extremely low as a result of pervasive

¹⁴⁰The domestic expenditure reported for the security sector correspond to the following expenditure votes: Ministry of Defence; Defence Expenditure; Central Intelligence & Security Unit; Small Arms Commission; Immigration Department; Immigration Department; Independent Police Complaints Board; Ministry of Internal Affairs; Police; National Security Adviser's Office (ONS); Prisons Department; Supreme Court; Court of Appeal; High Court; Law Officers' Department; Local Courts; Justice and Legal Service Commission.

¹⁴¹We considered all the security expenditure votes that were unrelated to the judiciary or defence (i.e. Ministry of Defence, Defence Expenditure and Central Intelligence & Security Unit) to be part of the Internal Affairs area. This included institutions such as the Ministry of Internal Affairs and the Sierra Leone Police Force.

Figure 16 Security Sector by Component (% Domestic Expenditure)

Source: *Sierra Leone Fiscal Tables (EPRU, MoFED) & Annual Financial Statements of the Consolidated Fund (Accountant General's Department)*

corruption and an inability to maintain public order and security. The security forces were in urgent need both of improvements to their basic operational effectiveness and to their governance and oversight.

One interviewee indicated that this priority was the result of government leadership and external pressures, including those from donors. The government saw SSR as a vital strategy to consolidate the political settlement, but there was also a considerable push and accompanying funds from donors. SSR was deliberately placed at the core of the first pillar of Sierra Leone's poverty reduction strategy, building on the priorities identified in the Security Sector Review and highlighting the security-development nexus: the inherent connection between the maintenance of the country's internal security and the alleviation of poverty¹⁴².

Although smaller reforms began before the formal end to the conflict, prioritising Disarmament, Demobilisation and Reintegration (DDR), larger scale reform did not get underway until 2002. Technical Advice was given both to the DDR of ex-combatants and community-driven recovery efforts, with the participation of donors, NGOs and civil society¹⁴³.

Despite the considerable emphasis which the donor community placed on security sector reform in the immediate aftermath of the conflict, the main challenge facing the effective reform of the security sector was a 'perception trap'¹⁴⁴. Although there was agreement among the principal stakeholders in SSR as a concept, there were differing views about what security sector reform meant in practice and how it should be implemented. In the context of relative peace, the role of

¹⁴²Adedeji Ebo (2006) The challenges and lessons of security sector reform in post-conflict Sierra Leone, *Conflict, Security & Development*, 6:4, 481-501

¹⁴³World Bank (2002) Sierra Leone: Disarmament, Demobilization and Reintegration (DDR), Good Practice Infobrief, Africa Region No 81.

¹⁴⁴Albrecht, P (2008) Monitoring and evaluation arrangements for the Sierra Leone Security Sector Reform Programme: a case study, Saferworld

the military was not immediately clear and containing the military whilst strengthening the role of the police in domestic security initially challenged the relationship between the two¹⁴⁵. As the ONS interviewee explained, the UK interventions also sought to right-size the military which, by the end of DDR was made up of 17,500 operatives. The objective was to cut this number to 8500, while at the same time increasing police numbers from around 7000 to 14000. As Table 2 above demonstrates, this strategy has been largely successful.¹⁴⁶

One particular issue of contention was the Special Security Division - a police unit feared by the population because of its role in the conflict, it was perceived as being damaging to the unity of the police and it was assumed it would either be reduced or disbanded. However, it played a crucial role in preventing the RUF's invasion of western Freetown towards the end of the conflict and subsequently public perceptions dramatically changed. As a result of this change in perception towards the SSD (renamed the Operational Support Division – OSD – in 2003), with donor support, it expanded from making up just roughly one-fifth of the entire police force in the late 1990s, to one-third by 2005¹⁴⁷. During the 2007 election period, presidential candidate Ernest Bai Koroma employed a former RUF commander and his subordinates as his bodyguards. After winning the election, Koroma employed them as officers of the OSD's Presidential Guard Police Unit, raising concerns over the risk of the politicization of the OSD. However, with underlying concerns over the military's involvement in domestic issues, the momentum for the OSD's expansion and strengthening has remained as an attractive option within the government. Prior to the 2012 elections, despite the challenging financial situation of the Sierra Leonean government, the OSD purchased weapons totalling approximately \$4.5 million, including machine guns and grenade launchers, under the pretext of protecting citizens from terrorism¹⁴⁸. One interviewee from the ONS explained the OSD still inspires fear and faces a lack of confidence from the public as a result of numerous cases of extra-judicial killings.

Although in technical terms the SSR process did begin to have an impact, an evaluation has demonstrated that once the country stabilised, there was a loss of government interest in the SSR process. In 2005 Defence Councils were postponed several times and the National Security Council had not been convened for two years; 'A situation thus arose where the various security-providing agencies prepared for the 2007 general elections with only limited interest or involvement from the executive'¹⁴⁹. There was a consensus among interviewees that after the election of the APC in 2007, there was a change in prioritisation and a move away from a focus on the security sector. According to one interviewee, the situation changed considerably and the resources under the MoU with the UK began to decrease without being matched by the government's budget. Their view was that the government sought to re-politicize the security

¹⁴⁵ Akira W. Jingushi (2015) Post-Conflict Security Sector Reform, and the Roles of the Military and the Police: The Case of Sierra Leone, NIDS Journal of Defense and Security, 16

¹⁴⁶ This is also consistent with the evolution of payroll expenditures in the defence and internal affairs sectors.

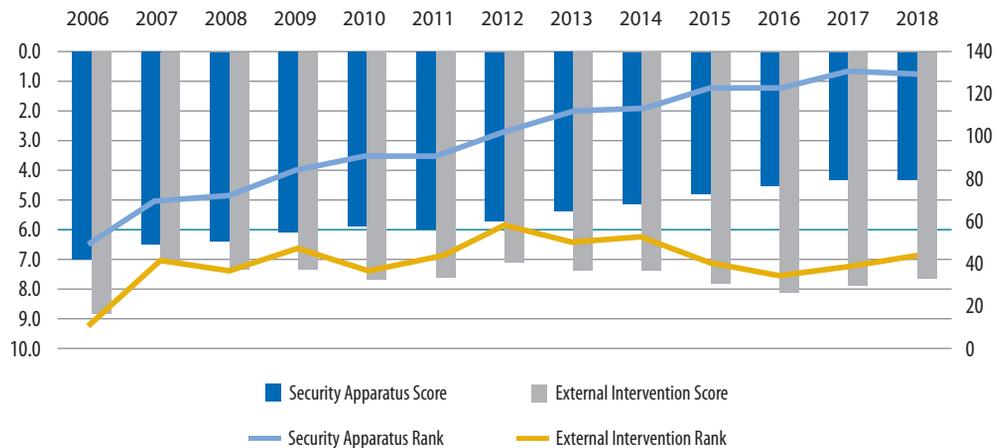
¹⁴⁷ Ibid

¹⁴⁸ Akira W. Jingushi (2015) Post-Conflict Security Sector Reform, and the Roles of the Military and the Police: The Case of Sierra Leone, NIDS Journal of Defense and Security, 16

¹⁴⁹ Albrecht, P (2008) Monitoring and evaluation arrangements for the Sierra Leone Security Sector Reform Programme: a case study, Saferworld

institutions by giving prominence to those from the North West (a predominantly APC-supporting region of the country) in the armed forces. This policy shift appears to have been detrimental to the reform of the Sierra Leone Police despite the additional domestic and external resources spent on law enforcement from 2007 onwards.

Figure 17 Selected Indicators Fragile State Index - Security Sector



Source: Fragile States Index

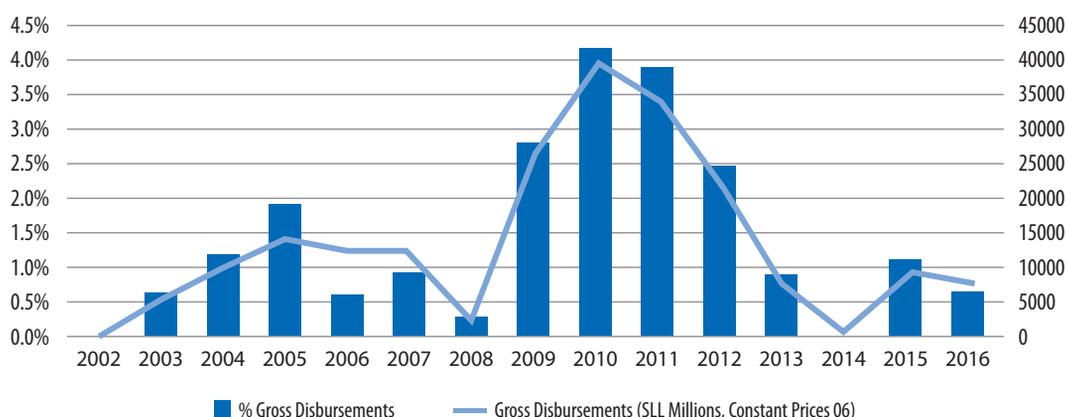
Security sector reform was regarded by a number of interviewees as having been one of the most successful reforms across the CGFs in Sierra Leone. This perception is consistent with the evolution of the security indicators of the Fragile State Index (see Figure 17). Many agreed that the landmark represented by the peaceful elections in 2007, just five years after the formal end of the conflict and conducted without the presence of large-scale UN troops, was a significant achievement and a sign of the success of SSR. There was also agreement among many interviewees, however, that although the reform of the army in terms of its professionalization, rightsizing and civilian oversight has been a success, reform of the police force has not yielded such positive results. The commonly held view was that corruption within the police remains a significant problem and that as a result they do not command the trust of the population.

19.5 Local Governance

In aggregate terms, Local Governance was the area which received the smallest amount of external funding among the various core functions. Figure 18 reports the gross aid disbursements to the Local Governance core function between 2002 and 2016. The OECD-DAC Creditor Reporting Systems aggregates all the aid flows into this area under a single aid code presented here - Decentralisation and support to subnational government.

From 2002 to 2016, this field received 8 percent of the gross aid disbursements to CGFs, the equivalent to 1.4 percent of the total allocable aid flows. Aid disbursements to this area were in general quite volatile ranging from roughly 0 to 4 percent of allocable flows. They also indicate that this area was not an immediate priority for donors in the aftermath of conflict, with external support to decentralisation appearing to have peaked between 2009 and 2012. For the remainder of the period analysed here, the aid flows to this field were considerably more modest.

Figure 18 Local Governance (% Gross Aid Disbursements¹⁵⁰)



Source: OECD-DAC Creditor Reporting System

External assistance to decentralisation has been led by the World Bank since 2002. The Institutional Reform and Capacity Building Project (IRCBP, 2004-2011) - which also supported PFM reforms - was the most relevant local governance project during the initial phase of the peace transition.¹⁵¹ This project, co-funded by DFID and the EU, provided financial support to design and implement of Sierra Leone's decentralisation programme managed by extra-governmental bodies: the Decentralization Secretariat (DS) under the Inter-Ministerial Committee on Decentralization and Local Government (IMC).

Alongside IRCBP, the Bank and the EU also supported the improvement of decentralised service delivery through the first and second phases of the Decentralized Service Delivery Programme (2009-2018). From 2006 to 2011, DFID would complement these efforts by investing on the development of internal capacity of local councils through the Decentralisation Capacity Building Programme.

¹⁵⁰Excluding budget support and humanitarian aid.

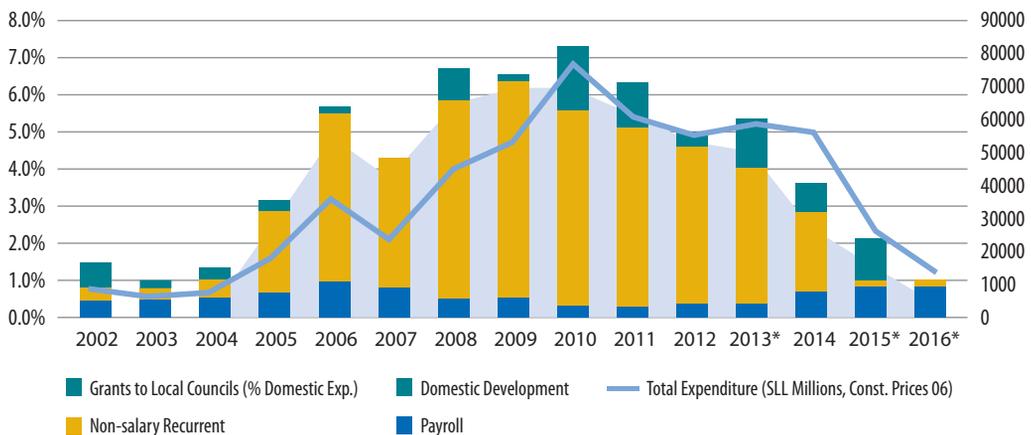
¹⁵¹The peak of gross aid disbursement s observed between 2009 and 2012 might be explained by the back-loading or delayed release of IRCBP funds towards the end of the project.

Domestic expenditure on Local Governance corresponded to 4.1 percent of public spending (in real terms) between 2002 and 2016 – the third largest area among CGFs.¹⁵² Public spending in local governance increased considerably from 2005 onwards following the re-establishment of local councils in 2004. From 2005 to 2014, public expenditure on this field varied between 3 and 7 percent of total spending. The sharp reduction of expenditure observed in 2015 and 2016 appears to be related to the misreporting of transfers to local councils.¹⁵³

The lion's share of domestic expenditure on this area corresponds to transfers to local councils, averaging 78 percent of total local governance spending over 2005-16. Nevertheless, the proportion of decentralised spending remains remarkably low even at the highest level registered between 2002 and 2016 - 6.2 percent of public spending. Sierra Leone's reporting system does not provide a breakdown of the share of this transfers that was actually spent at the local council's discretion (deconcentrated vs decentralized spending). The proportion is likely to be small as the majority of these funds is ring-fenced for specific purposes.

Local councils and chieftaincies had not been active in Sierra Leone since the 1970s when they were abolished by Siaka Stevens. After the end of the conflict and the re-election of the SLPP in 2002, decentralisation was, according to many interviewees, a clear priority for the government and was seen as a peacebuilding strategy. One interviewee emphasised the importance of decentralisation after the conflict to ensure that the state and public services reached remote locations where it had historically been absent.

Figure 19 Local Governance by Component (% Domestic Expenditure)



Source: Sierra Leone Fiscal Tables (EPRU, MoFED) & Annual Financial Statements of the Consolidated Fund (Accountant General's Department)

¹⁵²The following expenditure heads were considered part of local governance expenditure: i) Ministry of Local Government & Community/Rural Development; and ii) Grants to Local Councils.

¹⁵³A comparison of different data sources gives us reasons to believe that the annual accounts misreported the non-salary recurrent component of Local Council Grants in 2015 and 2016 leading to under-estimation of spending during those years.

Local governance is pivotal in a context where service delivery is poor, trust in the institution of government low and the promotion of social cohesion a primary concern. The government's National Recovery Strategy for Newly Accessible Areas included a commitment to establish elected district councils and the re-instatement of chiefs. Elections for the vacant paramount chieftaincies were held in June 2002 and a task force on decentralization and local government, funded by the UNDP and the World Bank, started work in October. It has been argued that the political and economic interests of the SLPP were in fact a key rationale for this prioritisation. The SLPP was the prime victim of the dismantling of local councils, which resulted in the concentration of power in Freetown and the consolidation of APC power in the country. The decision to pursue decentralization can therefore be seen as an attempt to reconfigure political institutions to reduce the potential for a return to the pre-war political economy, which tended to benefit the APC more than the SLPP¹⁵⁴. Additionally, the SLPP may have perceived decentralization as a good opportunity to enhance the government's legitimacy and increase political support for the ruling party. Similarly, development partners viewed the revival of sub-national institutions as a strategy to sustain political stability and reduce the centralised politics which had arguably been responsible for the country's conflict¹⁵⁵.

These circumstances led to the approval of the Local Government Act in 2004 and reactivation of 19 local councils (Freetown City Council, five town councils, and thirteen district councils) through peaceful local elections. The Local Government Act made provisions for political, fiscal and administrative decentralisation. The local council is designated the highest political authority in the jurisdiction, chiefdoms are recognised as the lowest political unit, and paramount chiefs are provided representation in councils and memberships of ward committees. Political decentralisation was considered a success the first phase of the ICRBP programme (2004-2008). Both rounds of local elections (in 2004 and 2008) witnessed peaceful transitions, and evidence suggests that they became increasingly competitive, suggesting that channels of political accountability were taking root at the local level¹⁵⁶.

In terms of fiscal decentralisation, the Local Government Act recognised that in the short term own revenues were unlikely to finance the functions devolved to the subnational level. It therefore provides for a "first-generation" system of intergovernmental transfers to fill the gap, which lasted from 2004 up until 2008. The act provided for tied grants to the local councils to carry out the functions devolved to them and to meet their administrative costs. It did not provide a rule or formula for determining the vertical pool of resources to be devolved; in practice, each sector allocation was determined through negotiations with the line ministry, inter-mediated by the Local Government Finance Department¹⁵⁷.

¹⁵⁴Srivastava & Larizza (2011)

¹⁵⁵Ibid

¹⁵⁶Srivastava & Larizza (2011)

¹⁵⁷Ibid

¹⁵⁸See Chatham House (2007) and Srivastava & Larizza (2011).

The decentralisation process in Sierra Leone has been widely praised as a success story of the post-conflict reforms. In a country with a history of centralisation, establishing district councils through peaceful elections in 2004 was a major achievement¹⁵⁸. Despite the hike in the domestic and external expenditure on this area between 2008 and 2011, the progress made in the decentralisation process appears to have slowed down from 2008 onwards. After 2008, parliament retained the authority to specify the functions on which tied grants must be spent and transfers became significantly tied not only to sectors but to specific activities and programs, making for a large number of separate grants. In addition, while each local council has a political head, a chief administrator and core technical staff, staff for devolved functions continued to remain under the administrative control of the central ministries, departments, and agencies. The devolution of functions has also been slower than expected with only 46 out of the 80 functions envisioned in the 2004 act formally devolved to local councils.

Revenue generation by the local councils also remains weak. Data from 2011 suggests that, on average, local councils were only able to finance about 25–30 percent of their spending through own-source revenues¹⁵⁹. This was confirmed by two interviewees who asserted that low capacity at local council level persists, and local revenue generation is meagre. The view of one interviewee was that this capacity gap is not something which the government appears to be addressing.

In most assessments, local governance reforms have not significantly impacted on chieftaincy authority. As two interviewees alluded to; the Local Government Act did not introduce a clear division between the roles of local councils and those of paramount chiefs and tensions between the two remain. One interviewee from the APRM suggested that donors did not seek to engage traditional authorities and other informal bodies in the design or implementation of decentralisation reforms. The existing literature attributes this to 'a concurrent reluctance among donors to involve themselves in the politically explosive issue of the chiefs and reticence among both the SLPP and the APC governments to really alter pre-war structures inherited from the colonial regime'¹⁶⁰.

¹⁵⁹Srivastava & Larizza (2011)

¹⁶⁰Broadbent (2012).

Box 1: Ebola in the context of post-conflict decentralisation

As an external shock which came at a time when Sierra Leone was understood to have transitioned away from conflict (2014-2016), Ebola brought to light the incomplete nature of decentralisation and the lack of devolved decision-making.

Several authors point to the lack of decentralised authority within the health sector. Core functions like hiring, deploying and managing staff remained highly centralised impeding local responsiveness, a problem exacerbated by slow information and direction from the centre and bureaucratic delays¹⁶¹. One representative of UNDP in the country agreed with this assessment, arguing that despite considerable investment, local governance reforms have stopped short of a de facto institutionalisation of genuinely local democratic practices. As such, the UNDP interviewee explained that shocks such as Ebola mean that citizens associate effective service delivery with emergencies when donors take the lead. Indeed a senior diplomat pointed to the fact that foreign technical assistance was increased during the Ebola crisis to fill capacity gaps in the civil service, but has been progressively phased down.

In the context of decentralisation explained above, and given the echoes of war in the Ebola outbreak; *“Ebola took exactly the same path from Liberia to Sierra Leone as did the RUF”* one interviewee explained - a trajectory which is also widely noted in the literature¹⁶² - the crisis also exposed continuing underlying tensions, deep suspicion and mistrust of public authorities.

Most strikingly, the connections between this mistrust and the process of decentralisation were marked, pointing to a risk of future conflict connected with incomplete locally devolved decision-making. The remoteness of the state from the daily lives of most Sierra Leoneans is one of the most significant conflict legacies seen in the current Ebola epidemic¹⁶³ and many people's experience of multiple decades of corrupt and partial treatment by government, especially with respect to ethnic and internal regional rivalries, played a part in the lack of trust in government responses to the crisis¹⁶⁴. Early on during the outbreak, this manifested as violence. In July 2014 there was a large riot in Kenema when crowds threatened to burn down the hospital where the treatment centre was located, and in a number of locations in the East and North West of the country, ambulances and burial teams were stoned when they tried to collect patients and bodies¹⁶⁵.

Although local governance structures remain problematic, some argue that international community drives to embed responsibilities in locally trusted institutions was the key to success. In rural areas in particular, chiefdoms boundaries and authorities were the key structure through which Ebola response was mounted and Ebola control often relied on their legitimacy¹⁶⁶. This points to the importance, even in a challenging context, of devolving decision-making capabilities to the local level. However, it has been argued that the lack of central government willingness to meaningfully devolve of power and responsibility to sub-national governments has prevented the development of a resilient local healthcare system, leaving the country vulnerable to further health shocks¹⁶⁷.

¹⁶¹See McPake et al (2015) and Wurie (2014).

¹⁶²See Lind, J. and Ndebe, J. (2015) and Wilkinson and Fairhead (2017).

¹⁶³Ibid

¹⁶⁴McPake et al (2015)

¹⁶⁵Wilkinson & Fairhead (2017)

¹⁶⁶Ibid

¹⁶⁷Conteh, F. (2016)

Indeed, the process of decentralisation has largely followed local governance structures which existed in the pre-war period which some have argued have failed to redress deeply rooted social inequities. According to Lind and Ndebe (2015): 'Much more needs to be done to address the remoteness of the state from the lives of most people. This condition pre-dates civil wars in the region, meaning the challenge is not simply to recreate governance structures that pre-date conflict. The implicit emphasis of 'reconstruction' on piecing back together a normative social and political order only underlines the need for greater efforts that break the mould.'¹⁶⁸

In conclusion, the sustained prioritisation of local governance reform in the early post-conflict period has led to a number of successes - providing the opportunity for citizens to participate and stand in local elections and to hold the government accountable. Despite the challenges local councils are also thought to have had a significant impact on local service delivery¹⁶⁹. However, the more recent moves to embed a system which increasingly resembles that of the pre-war years and to limit the political power of local governments through the incomplete devolution of functions and fiscal decision making have been shown to prevent local responsiveness to crises and therefore do pose a risk to continuing underlying fragility in Sierra Leone.

¹⁶⁸Lind, J. and Ndebe, J. (2015)

¹⁶⁹See Broadbent (2012) and Srivastava & Larizza (2011)

19 Conclusions

In the post-conflict period in Sierra Leone, the first and most immediate priority of all the CGFs was the security sector. This is reflected in both donor and government priorities, and its receipt of the highest levels of spending of all the CGFs immediately after the conflict. Interestingly, the urgency with which SSR needed to take place meant that **reforms of the military in particular were rapid and responsive to the context, rather than necessarily based on a long term strategy incorporating ‘best practice’ approaches. There is agreement that this has yielded considerable success.** Conversely, reform within the police force has not been as impactful. Spending trends highlight that this became an area of focus slightly later in the post-conflict period, and it could be argued reform has stalled due to more entrenched structures and practices since the end of the conflict. This indicates perhaps **that the period immediately after conflict offers a window of opportunity in which to effect positive change in terms of more effective core government functions, and as time goes on, the more difficult it becomes to deliver radical reform.** It also points to the alignment of donor and government priorities as a key success factor.

Core government functions other than the security sector were prioritised at a slightly later stage with large donor programmes focusing on reforms in these remaining areas from 2004 onwards. **Reforms in the more technocratic areas of PFM and public administration appear to have had relative success compared with those in inherently more politicised areas such as executive coordination and local governance.** Spending trends indicate that the former two also received more financial support than the latter two. This may be the result of donor reluctance to engage with these more challenging areas – a factor which comes to light in the context of local governance and the reform of the chieftaincy structure.

Across all the core government functions, Sierra Leone has received significant levels of donor support. As a result reforms prioritised by donors have inevitably been pushed forward, even in circumstances where the government may not have shared the same idea of prioritisation – for instance in public administration. In the period immediately following the conflict, when donors were able to exert considerable influence over reform priorities there was some clear progress across most of the functions. However, **it seems that progress stalled or was halted completely in the period post-2007. This trend may be a result of dwindling donor influence; in the context of both improved government revenue from natural resources such as iron ore, and the influence of Chinese operators in the country.** In practice this state of affairs has meant that many reforms are incomplete and have stopped short of being genuinely institutionalised in many cases.

In some instances, these incomplete reforms can be linked to risks of instability and conflict, a fact brought sharply into view by the Ebola crisis. In a context where widespread mistrust of the police remains, and where the state remains distant from the lives of many people because local government reform has stopped short of institutionalising genuinely local decision-making processes, the Ebola outbreak resulted in many incidences of violence and exposed

continuing fragility in Sierra Leone. This also points to the security-development nexus identified early on in the government post-conflict reform programme; the inherent link between development through effective service delivery, and the relative stability of the country. The link between improved CGFs and improved service delivery is especially relevant in Sierra Leone where the absence of state provided services was a key driver of the conflict.

The story of core government functions in the post-conflict era in Sierra Leone also challenges a popular assumption; that it is 'easier' to enact meaningful reform in a context where you are rebuilding CGFs from scratch due to almost complete institutional collapse. In reality, several of the core government functions have, in more recent years, increasingly come to resemble the institutions which existed before the conflict; local governance structures and executive coordination, for example, are indicative of increasing centralisation, while particular divisions of the police force are once again feared by the population at large. Such developments highlight **the significance of institutional legacies even in contexts of the complete breakdown of CGFs – restoration is never truly 'starting from scratch' and destruction through conflict will not necessarily erase the challenges which existed in previous institutions.**

From a donor perspective it should also be noted that **Sierra Leone indicates that both the path to stability and the reform of CGFs in FCAS are often much longer term processes than donor programmes usually allow for.** In these contexts the binding constraints - while often similar to those in other developing countries - are much more challenging to overcome because of their inherent connections with conflict legacies.

What next for Sierra Leone?

Despite success in some CGF reforms, there is more progress to be made across the board. In some areas, more technocratic reforms are required, which may be more straightforward for donors to support. For example, in terms of Public Administration, although LTAs brought into to fill capacity gaps have been integrated, they effectively operate as a parallel civil service. Integrating staff into the existing civil service pay structure will be vital to boost morale and motivation of civil servants not benefitting from external pay scales, and encourage the recruitment of the best candidates. The improvement of the PFM system requires that the lack of budget credibility is addressed. This can be achieved by introducing more systematic cash management processes which reduce the scope for political interference and ensure more timely payments to suppliers.

Although Executive Coordination is an area where it is extremely difficult for donors such as UNDP to effect change, a focus on moving away from a hyper-presidential system will be important. There was no sense from interviewees that this area is a priority for the new government in the country, but addressing the complete reshuffling of personnel and structure of the State House with each new administration will be key to tackling the lack of institutionalisation of better coordination practices.

Two areas are particularly pertinent in Sierra Leone from the standpoint of their conflict legacies and the risks associated with conflict relapses in the absence of reform. In the security sector, reform of the police force is an area which should be prioritised, particularly given the potential risks associated with the politicisation of the force. While reviewing pay scales will be an important step to tackle ongoing corruption, more important is a rigorous oversight mechanism for hiring practices to ensure that particular divisions are not allowed to become ethnically and regionally aligned to the party in power. Similarly, local governance is highly politically sensitive, but requires considerably more investment to deliver on essential public services such as health and education. Pushing for the institutionalisation of genuinely local decision-making alongside larger budget provision will be an important factor in addressing a key conflict legacy in the country – the absence of the state, particularly in rural areas or those non-aligned with the ruling party.

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Annex I List of Interviewees

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Abibatu Kamara Deputy Director, Development Aid Coordinating Office

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Diplomatic Source, High Commission

Annex J Quantitative Framework and Assumptions

Core Government Functions	COFOG Objective	COFOG Group	COFOG Classes	Appropriate COFOG Descriptors	General Assumptions
Executive Coordination at the Centre of Government	General Public Services	Executive & legislative organs, financial & fiscal affairs, external affairs	Executive & legislative organs	Office of the chief executive at all levels of government - office of the monarch, governor-general, president, prime minister, governor, mayor, etc; administrative and political staffs attached to chief executive offices; physical amenities provided to the chief executive, and their aides; permanent or ad hoc commissions and committees created by or acting on behalf of the chief executive	Excluding chief executives of sub-national government. When delivery units relevant to other Core Functions fall under the chief executive, they are reallocated to the respective spending aggregate.
Public Finance: Revenue & Expenditure Management	General Public Services	Executive & legislative organs, financial & fiscal affairs, external affairs	Financial & fiscal affairs	Administration of financial and fiscal affairs and services; management of public funds and public debt; operation of taxation schemes; operation of the treasury or ministry of finance, the budget office, the inland revenue agency, the customs authorities, the accounting and auditing services; production and dissemination of general information, technical documentation and statistics on financial and fiscal affairs and services. Includes: financial and fiscal affairs and services at all levels of government	Excluding Subnational Levels of Government. Excluding Aid Management Unit/Coordination Mechanism.
	General Public Services	General Services	Overall planning & statistical services	Administration and operation of overall economic and social planning services and of overall statistical services, including formulation, coordination and monitoring of overall economic and social plans and programs and of overall statistical plans and programs. Excludes: economic and social planning services and statistical services connected with a specific function (classified according to function)	Excluding the NSO. Excluding Aid Management Unit/Coordination Mechanism.

Country Specific Assumptions	Aligned MDAs (including expenditure codes)	Aligned OECD-DAC AID Codes	Outcome Indicators	Notes - Internal Expenditure	Notes - Aid
<p>PSRU expenditure was subtracted from the Office of the President and assigned to core function "Government Employment & Public Administration".</p> <p>Due to data limitations, external expenditure is presented as an aggregate of i) Executive Coordination at the Centre of Government & ii) Government Employment & Public Administration.</p>	<p>106 - Ministry of Presidential Affairs/Office of the Chief of Staff</p> <p>110 - Office of the President</p> <p>112 - Office of the Vice President</p> <p>117 - Cabinet Secretariat</p>	<p>15110 - Public sector policy and administrative management</p>		<p>Cabinet Secretariat Functions: "Organizing the business of the Cabinet and coordinating and supervising administrative and professional heads of Ministries, Departments and Agencies (MDAs); strengthening coordination and collaborative networks both locally and internationally, in being more proactive in supporting the activities of MDAs; commitment to efficient and effective service delivery to our clients and stakeholders."</p> <p>Miscellaneous Services appears to include expenditure of the secretary to the President that is unrelated to executive coordination (e.g. improving road network 2012)</p>	<p>15110 includes i) General Personnel Services and ii) Executive Office.</p>
<p>Internal and External Expenditure on the core function "Aid Management, Financing & Donor Relations" is reported as part of PFM due to data limitations.</p>	<p>121 - Auditor General's Department</p> <p>129 - Ministry of Finance/Ministry of Finance & Economic Dev</p> <p>130 - Customs and Excise Department/NRA</p> <p>131 - Income Tax Department/Revenue Appellate Board</p> <p>132 - Accountant General's Department</p> <p>142 - National Public Procurement Authority</p>	<p>15111 - Public Financial Management</p> <p>15114 - Domestic Revenue Mobilization</p>	<p>CPIA</p> <p>CPIA quality of budgetary and financial management rating</p> <p>PEFA</p> <p>Revenue</p> <p>20. Accounting for revenue</p> <p>3. Revenue outturn</p> <p>Expenditure</p> <p>16. Medium-term perspective in expenditure budgeting</p> <p>17. Budget preparation process</p> <p>11. Public investment management</p> <p>Budget Execution</p> <p>1. Aggregate expenditure outturn</p> <p>23. Payroll controls</p> <p>25. Internal controls on nonsalary expenditure</p> <p>24. Procurement</p> <p>29. Annual financial reports</p> <p>26. Internal audit</p> <p>30. External audit</p>	<p>Finance and Development and Economic Planning were separate institutions between 2002 and 2007 when they were merged into a single Ministry.</p> <p>The NRA was set up in 2002 but its expenditures continued to be coded under the Customs and Excise Department and Income Tax Department for a number of years.</p>	<p>15111 - Public Financial Management includes Debt and Aid management</p>
	<p>125 - Ministry of Development & Economic Planning</p>				

Annex J Quantitative Framework and Assumptions

Core Government Functions	COFOG Objective	COFOG Group	COFOG Classes	Appropriate COFOG Descriptors	General Assumptions
Government Employment & Public Administration	General Public Services	General Services	General personnel services	Administration and operation of general personnel services, including development and implementation of general personnel policies and procedures covering selection, promotion, rating methods, the description, evaluation and classification of jobs, the administration of civil service regulations and similar matters. Excludes: personnel administration and services connected with a specific function (classified according to function).	
Security Sector	Defense	Military defense	Military defense	Administration of military defense affairs and services; operation of land, sea, air and space defense forces; operation of engineering, transport, communication, intelligence, personnel and other non-combat defense forces; operation or support of reserve and auxiliary forces of the defense establishment. Includes: offices of military attachés stationed abroad; field hospitals. Excludes: military aid missions (70230); base hospitals (7073); military schools and colleges where curricula resemble those of civilian institutions even though attendance may be limited to military personnel and their families (7091), (7092), (7093) or (7094); pension schemes for military personnel (7102)	
	Defense	Foreign military aid	Foreign military aid	Administration of military aid and operation of military aid missions accredited to foreign governments or attached to international military organizations or alliances; military aid in the form of grants (in cash or in kind), loans (regardless of interest charged) or loans of equipment; contributions to international peacekeeping forces including the assignment of manpower.	

Country Specific Assumptions	Aligned MDAs (including expenditure codes)	Aligned OECD-DAC AID Codes	Outcome Indicators	Notes - Internal Expenditure	Notes - Aid
<p>PSRU expenditure was subtracted from the Office of the President and assigned to core function "Government Employment & Public Administration".</p> <p>Due to data limitations, external expenditure is presented as an aggregate of i) Executive Coordination at the Centre of Government; ii) Government Employment & Public Administration.</p>	<p>122 - Establishment Secretary's Office/HRMO 123 - Public Service Commission 1102 - Public Sector Reform Unit</p>	<p>15110 - Public sector policy and administrative management</p>	<p>CPIA Quality of public administration rating</p> <p>PEFA 23. Payroll controls 23.1 Integration of payroll and personnel records 23.2 Management of payroll changes 23.3 Internal control of payroll 23.4 Payroll audit</p>	<p>HRMO: To formulate and advise Government on human resource policies and also manage and develop the workforce of the Sierra Leone Civil Service for efficient and effective service delivery. It replaced the Establishment Secretary's Office which had been in existence since 1961.</p> <p>The policy objective of the reformed Public Service Commission within the framework of the Public Sector Reform Programme and the 'AGENDA FOR PROSPERITY' is to implement an open, competitive, and merit-based recruitment of competent personnel into the Civil Service and ensures the development and enforcement of ethical standards that ensure professional and merit-based progression of Civil Servants.</p> <p>PSRU: In charge of the Public Sector Reform Programme (2009-15) which incorporates a Civil Service Reform framework. The overall goal of the Programme is to improve public sector productivity and service delivery to all levels of society, consistent with the developmental priorities articulated in the Government's Agenda for Prosperity (Pillar 7-Governance).</p>	<p>15110 includes i) General Personnel Services and ii) Executive Office..</p>
<p>201 - Ministry of Defence 202 - Defence Expenditure 209 - Central Intelligence & Security Unit</p>	<p>15210 - Security system management and reform 15240 - Reintegration and SALW control 15261 - Child soldiers (prevention and demobilisation) 15230 - Participation in international peacekeeping operations</p>	<p>Fragile State Index Security Apparatus External Intervention</p>			

Annex J Quantitative Framework and Assumptions

Core Government Functions	COFOG Objective	COFOG Group	COFOG Classes	Appropriate COFOG Descriptors	General Assumptions
	Public Order & Safety	Police services	Police services	Administration of police affairs and services, including alien registration, issuing work and travel documents to immigrants, maintenance of arrest records and statistics related to police work, road traffic regulation and control, prevention of smuggling and control of offshore and ocean fishing; operation of regular and auxiliary police forces, of port, border and coast guards, and of other special police forces maintained by public authorities; operation of police laboratories; operation or support of police training programs. Includes: traffic wardens. Excludes: police colleges offering general education in addition to police training (7091), (7092), (7093) or (7094).	
	Public Order & Safety	Prisons	Prisons	Administration, operation or support of prisons and other places for the detention or rehabilitation of criminals such as prison farms, workhouses, reformatories, borstals, asylums for the criminally insane, etc.	
	Public Order & Safety	Law Courts	Law Courts	Administration, operation or support of civil and criminal law courts and the judicial system, including enforcement of fines and legal settlements imposed by the courts and operation of parole and probation systems; legal representation and advice on behalf of government or on behalf of others provided by government in cash or in services. Includes: administrative tribunals, ombudsmen and the like. Excludes: prison administration (70340).	
Local Governance		No corresponding Objective/Group/Class/Descriptor			Spending by MDA responsible for sub-national governments and the subnational governments themselves.
Aid Management, Financing & Donor Relations		No corresponding Objective/Group/Class/Descriptor			Spending by Aid Management Unit/Coordination Mechanism

Country Specific Assumptions	Aligned MDAs (including expenditure codes)	Aligned OECD-DAC AID Codes	Outcome Indicators	Notes - Internal Expenditure	Notes - Aid
	1082 - Small Arms Commission 111 - Immigration Department 211 - Immigration Department 126 - Independent Police Complaints Board 205 - Ministry of Internal Affairs 206 - Police 210 - National Security Adviser's Office (ONS)	15130 - Legal and judicial development 15220 - Civilian peace-building, conflict prevention and resolution 15250 - Removal of land mines and explosive remnants of war		The Sierra Leone National Commission on Small Arms was established by an Act of Parliament in 2010 to Control the proliferation, illicit possession and use of Small Arms and Light Weapons in Sierra Leone.	
	207 - Prisons Department			The Sierra Leone National Commission on Small Arms was established by an Act of Parliament in 2010 to Control the proliferation, illicit possession and use of Small Arms and Light Weapons in Sierra Leone.	
	118 - Supreme Court 119 - Court of Appeal 120 - High Court 124 - Law Officers' Department 1252 - Local Courts 143 - Justice and Legal Service Commission			The Chief Justice and Judges of the Superior Court are appointed by the President of Sierra Leone acting on the advice of the Judicial and Legal Service Commission subject to the approval of Parliament. The office of the Attorney General and Minister of Justice constitutes on a broader basis two main divisions namely: the Law Officers' Department as the professional wing and the Administrative wing that provides Management support services to all divisions and in the regional offices.	
	107 - Ministry of Local Government & Community Development 701 - Grants to Local Councils	15112 - Decentralisation and support to subnational government	PEFA 7. Transfers to subnational governments 7.1 System for allocating transfers 7.2 Timeliness of information on transfers		
Internal and External Expenditure on the core function "Aid Management, Financing & Donor Relations" is reported as part of PFM due to data limitations.		15111 - Public Financial Management	PEFA D-1 Predictability of Direct Budget Support (N/A 2018) D-3 Proportion of aid that is managed by use of national procedures (N/A 2018) Aid Composition % of Budget Support over Total Disbursements		15111 - Public Financial Management includes Debt and Aid management

