

## **Addressing Corruption and Implementing Reconstruction in Post-War Sierra Leone: Institutional and Procedural Dimensions**

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The world has seen an increase in the number of armed conflicts since the collapse of the Berlin Wall. The majority are intra-state conflicts where civilians, especially women and children, are the main victims. These conflicts have been brutal and destructive both to the physical infrastructure of communities and countries, and to the psychological lives of the affected populations. Millions of people are uprooted from their homes and forced into overcrowded refugee camps or hostile neighbouring countries. Families and communities become separated. Children lose valuable school years and can become prostitutes or child soldiers. These children end up with no moral values, not knowing anything other than violence after years of conflict in their lives. Neighbouring countries, hosts to large numbers of refugees, are also seriously affected.

Sierra Leone suffered for almost twelve years during one of Africa's most brutal and destructive intra-state conflicts. More than 200,000 of its population of just over four million were killed, and hundreds of thousands were dislocated into urban towns and neighbouring countries. The conflict, however, will be most remembered for the thousands of amputated citizens, tens of thousands of child soldiers committing some of the worst atrocities, thousands of young girls taken as sex slaves and gang raped and the use of Sierra Leonean resources, particularly diamonds, to support and fuel the conflict. The conflict was declared over in January 2002 after the intervention of tens of thousands of West African and 17, 500 UN peacekeepers together with nearly 3000 British Royal Marines.

This paper addresses efforts to reconstruct post-civil war Sierra Leone. It pays particular attention to the innovative institutional and procedural dimensions adopted to ensure that reconstruction was effective and corruption limited.

### **Unique Tasks and Circumstances of Post-War Reconstruction**

In the last decade the international community has struggled tremendously with the challenges of laying the groundwork for sustainable peace, sometimes forgetting that countries emerging from conflicts do so under differing and unique conditions. No two countries are the same. It has now also been realized and accepted that the challenges faced by countries emerging from conflict in Africa, such as Sierra Leone, the Democratic Republic of Congo, Liberia and Angola, are completely different from those faced by Europe after the Second World War.

Post-conflict reconstruction assistance has become multi-dimensional in recent years. It has gone beyond merely supporting the rebuilding of physical infrastructure, and in many cases now includes humanitarian relief, institution (re)building, technical assistance, elections and the development of democracy, support to local NGOs and civil society, budgetary support, debt relief, disarmament, demobilization and reintegration of ex-combatants, removing landmines and repatriating refugees and the

internally displaced. The standard post-conflict menu has become very daunting. It brings together an unusually wide-ranging group of political, economic and military actors as well as the media. The resources provided by the support of these actors flow through weak institutions and corrupt, inefficient and ineffective government and public service bureaucracies, characterized by a lack of administrative, financial and management skills.

In most cases, especially in Africa, conflicts erupt after long years of one party rule, dictatorship or military government. Countries that have experienced long years of one party rule or dictatorship normally have centralized forms of government, which inevitably leads to the systematic destruction of most of the institutions of governance. Part of the post-conflict reconstruction menu therefore includes rebuilding state machinery to create a functioning state and re-establishing state authority.

Most of the initial democratic structures and institutions of governance, as well as systems created to act as checks and balances, all but disappear in prolonged years of conflict. Countries emerging from conflict today are not only physically devastated but are also politically and economically weak. Political and economic institutions have been destroyed and the social fabric of these societies torn apart. Most of these countries are thus not prepared to deal with the massive and sometimes uncoordinated intervention of many players: donors, tens or hundreds of international NGOs, and thousands of national NGOs and community-based groups. These create enormous problems and provide opportunities for mass corruption. Countries weakened by long years of conflict do not have the time, resources and manpower to put into place mechanisms and procedures for donor and aid coordination. Additionally, all the players involved in the process of reconstruction work separately and do not collectively create uniform and special procurement and disbursement procedures to minimize duplication, waste and, eventually, corruption. Too many bilateral and multilateral agreements not only frustrate good macro-economic management but also open the door to corruption. Within this environment, it has therefore become very easy for corruption, accountability and transparency to take on heightened significance.

In addressing the challenges of today's post-war reconstruction efforts, most donors tend to compare the successful experience of rebuilding Europe after the Second World War with the failures of Africa. This is most unfortunate as the experiences are completely different. First, contemporary African conflicts are mostly intra-state and are precipitated by long years of centralized power, bad governance, massive corruption and the marginalization of the majority of the population, a combination that leads to collapsed states. Second, European reconstruction was assisted by one donor, the United States with its Marshall Plan, which made it easier for incoming resources to be monitored and controlled. In most countries emerging from war today, especially in Africa, the work of numerous bilateral and multilateral actors can be unrelated and uncoordinated. Finally, by the time of the Second World War and even afterwards, certain European countries had democratic systems with experienced, strong and tested institutions and professional bureaucracies through which the single donor support was channelled. They were able to plan and execute projects in a reasonably transparent and politically acceptable fashion, and in a way that quickly produced sustainable results. In countries such as Britain, post-war reconstruction rested on already existing structures of democratic governance, law and market mechanisms. Most post-conflict

countries today have weak government structures and institutions with very little, if any, technical experience and expertise in coordinating, monitoring and implementing donor funded projects. In some cases, for example Liberia after the election of Charles Taylor, government structures and institutions were so weak that donors had to literally take over the reconstruction process. In the case of post-civil war Sierra Leone, new institutions and structures had to be created that were completely separate from the public service to exclusively handle the reconstruction process.

## **Conflict and Decline in Sierra Leone**

Sierra Leone is a small West African country endowed with substantial mineral, marine and natural resources that, properly utilized, could have provided its four to five million citizens with one of the highest standards of living in the world. Because of more than four decades of over-centralized power, institutionalised corruption, mismanagement of resources and the marginalization of a large proportion of its population from the decision-making process, this potentially rich country not only became extremely poor but literally ceased to function. It became what is referred to as a 'failed state'.

The country experienced the highest child mortality rate in the world. More women died at childbirth than anywhere in the world. Life expectancy fell as low as thirty-seven years. Despite being the first country in sub-Saharan Africa with a university and schools for both boys and girls, the literacy rate fell as low as fifteen per cent, the highest in the world. By 1991, when civil war broke out, corruption had become so massive and institutionalised that the state had ceased to function and perform even its most basic functions.

Most of the institutions that could have acted as checks and balances had been systematically and skilfully dismantled or destroyed. Parliament became a rubber stamp and the public service was politicised. Civil society and opposition party leaders were arrested, detained and killed, or left the country. The judiciary lost its independence and was compromised. A once proud, well-trained, disciplined and efficient police force and army were reduced to armed gangs and robbers. The university was closed down forcibly. Teachers went unpaid for nearly a year. They stopped teaching in schools and introduced private lessons in their homes. Parents who wanted their children to be educated were obliged to pay extra fees for these lessons. Those who could not afford private lessons saw their children's future stolen right in front of their eyes. Children going to school at the beginning of term had to buy their own chairs and desks. All these factors led to the collapse of the public educational system. Local commercial banks ran out of local currency because the country could not raise the foreign exchange needed to print its own currency. Petrol queues lasted for weeks and fuel prices rocketed, which had a snowball effect on the prices of all essential items. In turn, this meant that a decent standard of living was beyond the reach of ordinary citizens. Prisoners died in prison for petty crimes before their cases were heard. Some were released because they had served more than the required number of years for the crimes committed. Those who could pay bribed themselves out of prison. Those who stayed in prison died from starvation, their food rations stolen or taken away by prison officers. Even the agencies that were expected to maintain law and order were not spared. The police had to be paid to investigate a crime or prosecute

criminals. Citizens would rather 'bribe a magistrate than hire a lawyer'. The state had almost been corrupted out of existence. Massive corruption sent thousands of educated and professional Sierra Leoneans away from the country to Europe, the United States and other, better-managed African countries.

In addition to the atrocities and destruction committed by the rebels, twelve years of civil war in Sierra Leone brought international criminal syndicates into our already corrupt society in pursuit of diamonds. The arrival of these syndicates fuelled, prolonged and intensified the war. Diamonds were exchanged for arms and ammunition, leading to what became known as 'blood' or 'conflict' diamonds. It took a global campaign by regional and global agencies, donors, international and national NGOs, and Sierra Leonean civil society to bring an end to the war in Sierra Leone and create sanctions against blood diamonds.

## **The Challenge of Reconstruction**

Reconstructing post-conflict Sierra Leone was a huge challenge: we had to rebuild an entire state. First, we realized that reconstruction had to deal with much more than just physical infrastructure and include the institutional reconstruction of the police, army, judiciary, public service and parliament. In assessing the institutions and structures that were needed for a functioning state, it was discovered that we did not meet the requirements of the standard post-conflict menu. Old systems had to be overhauled. Some old structures and institutions had to be reformed and, in some extreme cases, new ones created. We had massive bilateral donor support from the British government, who signed a ten-year memorandum of understanding and support with the government of Sierra Leone. There were other bilateral donors, including various European governments, the United States, Japan and China, and multilateral donors included the World Bank, UNDP, IMF, EU, African Development Bank and the Islamic Development Bank.

Second, the issue of corruption had to be dealt with. Massive corruption was one of the causes of this bitter conflict. For Sierra Leone not to revert back to war, we had to deal with institutionalised corruption. In addition, the fact that the entire government machinery had ceased to function for more than a decade meant opportunities had been created for things to be done in unaccountable and non-transparent ways. This had to be stopped and the right systems and procedures put in place.

Finally, long years of war and the absence of government control in large parts of the country meant alternative systems of governance had been established in certain areas. The rebels had created their own systems of government and had even replaced traditional community leaders. They created their own tax system, police system and many other structures and institutions, and did so even in Kamajor areas that were meant to be pro-government. The official government of Sierra Leone only had control of the capital city and its environs. Right from the beginning, therefore, part of the reconstruction process included the re-establishment of government authority across the country. Buildings had to be put up and personnel had to be recruited, trained and deployed.

The creation of a large UN peacekeeping force and the presence of hundreds of British Rapid Response Royal Marines provided the country with security forces at a very critical time. The British government took the lead in the reconstruction of most of the institutions of democracy and governance: reform of the public service, police, military, legal system, judiciary and the economy. The disarmament, demobilization and reintegration of ex-combatants and the country's reconstruction, rehabilitation and resettlement process was led by the World Bank and supported by other partners. UNDP led the National Recovery process.

New structures and institutions like the National Security Agency, the Anti-Corruption Commission and the Ombudsman Office were created and supported by the British government. Expatriate staff were recruited to provide the required leadership or technical support to some of these institutions. British heads of the police and Accounting General Office were appointed. Many British military officers were appointed as technical advisors to the Sierra Leonean army. British intelligence officers were recruited to provide initial capacity and set up the National Security Agency's office. A British three star general was appointed Military Advisor to the President. The number two in the Anti-Corruption Commission was a British national.

Dealing with the emergency and humanitarian crisis was the biggest task we faced during and after the war, and this involved rebuilding the physical, social and financial structures of the entire country, bringing back and resettling refugees, and returning internally displaced to their communities of origin. To address these problems and manage the process, the National Commission for Reconstruction, Resettlement and Rehabilitation was created with support and assistance from the World Bank. After three years in operation its name and mandate was changed to the National Commission for Social Action (NACSA – see below). This transformation from an ordinary commission to a social fund was intended to consolidate peace, bridge the gap between relief and development, and establish an institution that would become the driving force of development. The NACSA, unlike its earlier incarnation, deals directly with communities, focusing more on community participation and ownership, using specialist NGOs to provide substantial capacity building for communities.

### ***The National Commission for Social Action***

*Its Board of Directors consists of seven people, representing the government, donors and civil society, who meet twice a year and are responsible for approving annual programmes and reviewing reports. The government appoints and pays a Commissioner, a deputy Commissioner, an Executive Director and administrative staff. Led by the World Bank, donors drew up the terms of reference, advertised, and with support from civil society and government, hired the technical team that has been running the programs and projects of the Commission from national to field level. This team forms the core of the Commission staff. Their contracts are on an annual basis, renewable after performance evaluations. Their salaries are substantially higher than normal Sierra Leonean salaries and are not taxable.*

*An independent Financial and Management Procurement Unit (FMPU) created. Advertised internationally and selected through international tender bidding, the FMPU is managed by PricewaterhouseCoopers. The financial administration and procurement process had to be given to an international firm for two reasons: to overcome the lack of capacity in the country, and to ensure probity and credibility with the international donor community. The FMPU handles all resources dealing with financial transactions, procurement, disbursement etc. The Commission approves contracts, authorizes payments and supervises the progress of the work or*

## **Implementation Procedures**

A consultative forum was created for all stakeholders involved in the humanitarian and relief phase as well as post-war reconstruction. This became a clearing-house of who does what, when, how and where. It included the government, line ministries, national NGOs, civil society, police, military, humanitarian agencies, UN, World Bank and bilateral donors. It coordinated NGO activities, heard reports on health, education, water, sanitation, agriculture etc, and identified the purpose, coverage and depth of assistance needed across the country. Civil society groups were given the opportunity to ask questions, raise concerns and seek answers. This process was replicated at the district level in interagency meetings. The NACSA Commissioner chaired meetings at the national level attended by the heads of all organisations operating in Sierra Leone. The Resident Coordinators of the Commission chaired district level meetings, which were also attended by district heads of agencies. These meetings helped avoid duplication of efforts and control wastage. It met once a week early in the emergency phase. This rate was reduced to once every fortnight when the situation improved and it now meets once a month.

Technical committees for each of the sectors were created for quality control, to agree on standards and design, and to ensure that the right types of materials were used. Staff take part in desk reviews, field appraisals, environmental impact assessment and general inspection. These are ad hoc committees put together only when required. They are a back-up to the Commission's in-house technical expertise, hired and paid for by the World Bank. The line ministries had been asked earlier in the process to submit standard required structures and designs for classrooms, health clinics, local courts and

markets etc. Each structure reconstructed by contractors or implementing partners had to meet these accepted and standardized conditions agreed earlier on; the technical committees were created to ensure this was done.

Participatory methodology in project identification was introduced early in the process. Implementing partners, as well as NGOs, were requested to sit down with communities and identify priority needs, calculate the total cost of the projects and agree on a community contribution. This has now been changed to direct community financing: resources are given directly to the communities after they have identified their needs and written a proposal requesting funding for a special project. The community then appoints a project management committee with a chairman and opens an account with a nearby local bank (which have been opened across the country in response to this requirement). The committee chairman and traditional leaders, especially Paramount chiefs, cannot be signatories to the account. The project committee only lasts the lifetime of the project. The resources for each project are provided on a tranche basis. The first tranche is thirty per cent of total cost and can only be released when the community contribution is given. Subsequent reimbursement is only provided on the basis of receipts, with confirmation of approval provided by the FMPU and verification by community and Commission field staff.

Appraisal Committees comprising the NACSA, district recovery committees, line ministries, local government, NGOs, and other civil society actors are now being set up to look at the appropriateness of projects in addressing the needs of the community. The Appraisal Committees also assess whether the proposed project addresses poverty alleviation and environmental impact. Approval of projects below Le25 million (US \$10,500) takes place at the regional level by the Appraisal Committees. Any amount above this - to a maximum of US \$75,000 - has to be approved at the national level by a committee chaired by the Deputy Commissioner, comprising the Ministry of Development, local government, sectoral ministries and the FMPU. Any amount over US \$75,000 also needs World Bank approval.

At the launch of the project the entire community must be informed of the total cost and the breakdown provided. The project's management committee must meet regularly and minutes of meetings must be sent to the community field staff of the NACSA, which monitors the progress of the projects.

The NACSA created an internal Monitoring and Evaluation Unit that deals with physical checks on the projects, and verifies whether indicators stated on the project proposal are being met. This is normally followed by a line ministry evaluation visit for final inspection of the finished projects. After completing a project, the implementing partner or the contractor submits a project completion form that must be counter-signed by the community and sent to the NACSA, with a final financial report to the FMPU before closure of the project is authorized. Communities appoint their own contractors.

A National Recovery Strategy paper for Sierra Leone was prepared in 2001 with UNDP support. This provided an in-depth assessment of the total recovery needs of the entire country in all sectors. A National Recovery Committee was created, chaired by the Vice-President with representatives from all the ministries and heads of UN agencies involved in the reconstruction process as well as the NACSA Commissioner.

They meet regularly to determine the progress of post-war recovery. A National Recovery Technical Committee was also created for the implementation process, and is chaired by the NACSA Commissioner and the Minister of Development. Recovery Committees have been created at district levels to guide, assist and address the recovery and reconstruction needs of each of the twelve administrative districts of Sierra Leone. They are also part of the Appraisal Committees at district and regional levels.

Under the National Commission for Reconstruction, Resettlement and Rehabilitation, community projects were identified, discussed and agreed by NGOs and communities. The Commission also had field staff across the country as well as various project managers in all twelve districts. Proposals were then submitted by NGOs on behalf of the communities. After processing the proposal, the Commission would give approval and resources were provided directly to the NGO and, in some cases, a contractor. There were instances when some of these projects were not discussed and approved by the communities or even implemented by NGOs. This led to the creation of thousands of local NGOs. Various corrupt practices were discovered and the implementation strategy was then changed to direct community financing.

#### ***Donor Coordination in Sierra Leone***

*Within the last two years donors and the government created a Donor-Government Partnership Development Forum. This has enabled all donors and the government to sit together on a quarterly basis to discuss, assess, coordinate and evaluate donor assistance to Sierra Leone. The forum has provided a framework for aid coordination and created a platform for donors to discuss the needs and requirements of Sierra Leone. Donors can then decide what funding is needed and who gives what, when. It has also enabled donors to create benchmarks for government performance and demand accountability from government on the resources provided by them. Meetings are attended by most government ministers and their top civil servants and chaired by the Vice-President, whose office is having its institutional capacity increased by UNDP to help perform this function in a more effective and efficient way.*

## **Innovations from the Ministry of Finance**

It became an accepted fact that one of the main causes of the brutal conflict that engulfed Sierra Leone was massive corruption. It therefore became an acceptable fact that for the government to be able to rebuild the country, foster reconciliation and ensure a successful transition from war to peace, it had to address the issue of corruption in a very aggressive and direct way. In addition, dealing with long term endemic corruption had become a precondition of both bilateral and multilateral assistance. The British government put enormous pressure on the government of Sierra Leone and supported the establishment of the Anti-Corruption Commission. This has been very limited in its performance because it lacks the capacity to prosecute. It also has very few trained, professional investigators. Police officers from the old corrupt police system had to be co-opted to assist investigations. Cases investigated had to be referred to the Attorney General's office for prosecution. As a result very few cases were prosecuted, which led to frustration both among Sierra Leoneans and the donor community.

The Ministry of Finance, in response to donor pressure, started implementing a public expenditure reform program aimed at improving budget formulation and execution in 2001. A public expenditure tracking system was introduced to track down what government departments have done with regards to budget expenditure. The Ministry used a two-pronged approach to address the problem. First, it started publicizing the government budget across the country, showing what it provided for and what is available for the year, and soliciting public reaction and criticism with regard to budget allocations. Second, budget oversight committees of seven people have been set up in every district of the country with representatives from civil society, especially women and young people. They are being trained in budget analysis, and will liaise with the Ministry of Finance at the national level and track down community expenditures. This information will then be disseminated to the various communities to enable them to be aware of the resources allocated to various sectors and how these should be spent. This will enable communities to monitor expenses and raise questions about projects and programs not undertaken for which resources have been allocated in the national budget. Cabinet has approved the process, and an Act of Parliament was passed to ensure this oversight committee has the necessary legal backing as well as the necessary funding through the government budget. The donor community, especially the British Department for International Development, has been training various civil society groups in budget monitoring and analysis.

The Ministry of Finance has also decided that local communities should be empowered to take ownership of all government procurement and infrastructure development. Every ministry that has a project to implement must have a project oversight committee. The local community for which projects are earmarked must be allowed to award contracts to the contractor of their choice. This is to ensure that they can monitor the projects themselves, know the cost of the projects, verify implementation and evaluate completion.

Ministers were formerly expected to sit with the Ministry of Finance to defend their proposed budgets before the annual budget was decided. This process has been expanded to include other stakeholders from civil society and traditional leaders. They

have been asking ministries and departments how previous allocations were spent, and why specific or additional allocations are required. In this way, the administrative heads of ministries and ministers now have to explain the previous years budget and the required new budget not only to the Ministry of Finance but to various stakeholders as well. This gives an opportunity to civil society to find out where and how previous budgets were spent.

The Ministry of Finance had to be innovative in creating new mechanisms for accountability while traditional systems like the Auditor General's office were being reformed and restructured. The Auditor General's office, which legally is supposed to audit government accounts, has a five-year backlog to work through. Because the entire political and economic system of governance had collapsed, the Ministry has to put in place a new and innovative participatory, transparent and inclusive system to ensure accountability and to reduce or minimize corruption to an acceptable level, taking into consideration our past history of corruption.

## **Conclusion**

The level of corruption in Sierra Leone has increased tremendously because there is too much money going around from too many directions with very little accountability. The government machinery is too weak to monitor the process. A lot of international NGOs have too much support from their home governments, who have insisted that resources can only be given through certain NGOs. The government also doesn't have the political will and judicial capacity to seriously prosecute people. The patronage system that operates in Africa also makes it mandatory for government to give contracts to friends, supporters and relations who have no capacity and cannot deliver services.

However, as a civil society leader in Sierra Leone, I have been privileged to be involved quite extensively in the processes and experiences highlighted above. It has certainly not been foolproof. It has many involved drawbacks, handicaps and constraints. But we see it as a big step for a country that has experienced decades of undemocratic governance and centralized administration, and whose state had ceased to function even before the civil war. We also have quickly realized that civil society needs to equip itself adequately to be able to respond to the new challenges.

What we have succeeded in building, and what we continue to build, has been done through the courageous efforts, dynamism and innovation of the leadership of the Commission created for the reconstruction of our war-torn country, the professional and technical Sierra Leonean staff of the Ministry of Finance and civil society in the country. They have been supported and encouraged by donors, national and international NGOs. As we reform and restructure old democratic institutions of governance, we hope we will be able to take into consideration some of the lessons we have learnt in our transition process.