

SIERRA LEONE

UNITARY COUNTRY

BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: LOW INCOME

LOCAL CURRENCY: LEONE (SLL)

POPULATION AND GEOGRAPHY

Area: 71 740 km²
Population: 7.557 million inhabitants (2017), an increase of 2.3 % per year (2010-2015)
Density: 105 inhabitants / km²
Urban population: 41.6% of national population (2017)
Urban population growth: 3.1 % (2017 vs 2016)
Capital city: Freetown (15% of national population)

ECONOMIC DATA

GDP: 11.5 billion (current PPP international dollars), i.e. 3 949 dollars per inhabitant (2017)
Real GDP growth: 4.2% (2017 vs 2016)
Unemployment rate: 4.4% (2017)
Foreign direct investment, net inflows (FDI): 560 (BoP, current USD millions, 2017)
Gross Fixed Capital Formation (GFCF): 18.5% of GDP (2017)
HDI: 0.419 (low) rank 184 (2017)
Poverty rate: 52.2% (2011)

MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

Sierra Leone is a unitary constitutional republic with a unicameral parliamentary system. According to the 1991 Constitution, the president is both the head of state and the head of government, who appoints a cabinet with the approval of the Members of Parliament (MPs). When appointed, MPs are not allowed to hold office concurrently. The president is elected through universal suffrage for a maximum of two consecutive five-year terms. Legislative power is vested in the Parliament. The parliament has 124 members serving for five-year mandates. Of these, 112 are elected under the first-past-the-post system, and the remaining 12 MPs are paramount chiefs, elected by an electoral college of chiefdom councillors.

The 1991 Constitution makes no provision for local governments, which were abolished between 1972-2004. In 2004, the country embarked on a countrywide decentralisation program, and the Local Government Act (LGA 2004) was approved, encouraged by international donors engaged in post-conflict governance, which re-created local councils. The regulation acknowledged the 'dual system' of local councils and chiefdom councils, and included transitional provisions (2004-2008) on decentralization and chiefdoms towards the amalgamation of subnational levels and devolution of functions. However, structural ambiguities have led to tensions between the two bodies and challenges to the process of decentralization. Since 2010, Sierra Leone's National Decentralisation Policy acknowledged that the constitution should be revised to reflect the goals of decentralisation and devolution. However, in 2011, the government reinstated the position of district officer as the national government principal representative to enhance the national government's relationship with traditional authorities (chiefdom councils, which increased from 149 to 190) and the co-ordination of non-devolved functions of other ministries at district level. In 2016, the Constitutional Review Committee recommended the inclusion of a Local Government Chapter.

Under the LGA 2004, a Decentralisation Secretariat in the Ministry of Local Government and Rural Development (MLGRD) has been granted responsibility for implementing decentralisation reforms. The Local Government Service Commission (LGSC) was also established as a separate body in charge of supporting local governments with human resources. A Local Government Finance Department was created within the Ministry of Finance to manage transfers and accountability. Lastly, an Inter-Ministerial Committee (IMC) on Decentralisation has been formally established as the highest national political body in this domain, chaired by the vice-president of Sierra Leone and including four representatives of local councils (usually mayors). It arbitrates between local councils and provincial administrations, ministries, departments and governmental agencies.

TERRITORIAL ORGANISATION

2018	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	15 district councils 7 city councils			
	Average municipal size: 343 636 inhabitants			
	22			22

OVERALL DESCRIPTION. Sierra Leone acknowledges a single tier of local self-government, the district. Since 2018, there are 22 local councils, including 15 district councils and 7 city councils. In terms of administrative organization, the country is divided into 3 provinces (the Northern, Southern, and Eastern Provinces) and a region known as the Western Area. Local councils' boundaries are delimited within provinces. The 190 chiefdoms are the lowest administrative level. According to the regulation, chiefdoms are subordinated to local councils. Local elections are held every 4 years (the last one was in March 2018). According to CGLF, however, the next local elections will not take place before 2024.

PROVINCES. The provinces are divided into districts, which are further divided into chiefdoms. The Western Area is governed by a rural council and a city council for Freetown, the country's capital.

MUNICIPALITIES. Before their de-activation in 1972, several acts established the typology of Sierra Leone's local councils, which included Urban District, District, Town, Township and City Council. Even with the de-activation of local governments, however, town councils remained de facto in place. In 2004, local councils were re-established. In 2006, through the Statutory Instrument, the status of the towns and Freetown was converted into city/municipal

status. This innovation was included in the LGA through a 2017 amendment. Besides, several localities in Sierra Leone are designated as towns. Those refer, generally, to larger settlements within districts, and do not correspond to electoral wards.

Since 2008, mayors (city council) and chairpersons (district council) are elected head of the local council by universal direct suffrage. Deputy mayors are indirectly elected by local councilors, who in turn are elected by universal suffrage in each ward. Nationally, there are 446 wards, according to a 2017 amendment to the Wards (Boundary Delimitation) Regulations. All district and city councils include paramount chief councilors, selected by the paramount chiefs of the district. In addition, paramount chiefs are members of the ward committees of the local council in their chiefdom. In 2017, the Provinces (Administration Divisions) Order led to a de-amalgamation process and the increase from 145 to 190 chiefdom councils.

INTER-MUNICIPAL COOPERATION. The LGA 2004 also reactivated the Provincial Coordination Committees. This body is responsible for coordinating the activities of local councils in each province. The mayor and chairperson of each local council in the province are part of the committee with right to vote; local council chief administrators also participate, ensuring that local councils collaborate in the execution of joint programs in which they have an interest, and reviewing and coordinating the provision of public services in the province.

SUBNATIONAL GOVERNMENT RESPONSIBILITIES

As an enforcement of the LGA 2004, the Local Government (Assumption of Functions) Regulation (Statutory Instrument No. 13 of November 2004) aimed at guiding the devolution of 80 policy functions to local councils until 2008. According to the national government, in 2008, about half of these functions were devolved and the process has even been sped up since 2009. In 2010, the National Decentralization Policy set to December 2016 a deadline for full devolution of functional responsibilities and management of local human resources. Under this devolution framework, responsibility for many basic social services has been transferred to local councils. Chiefdom councils can collect revenue on behalf of the national government, but have no functional responsibility (2009 Chieftaincy Act). The recent Ebola epidemic (2014-2016), however, disrupted the process at all levels. Priorities shifted towards containment. Recently, some city councils have established a police force and outsourced specific basic services, in particular waste collection/disposal ones.

MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

MUNICIPAL LEVEL	
1. General public services	Civil status register, civil marriage, registration of births and death; Cadastrars and maintenance of customary law (in areas with a paramount chieftaincy system)
2. Public order and safety	Fire protection (shared with national government) and basic firefighting; Civil protection (exclusively the local government probation services)
3. Economic affairs/transport	Censuring of canoes; Establishment and management of fish ponds; Agricultural extension services (crop and animal); Maintenance of roads and urban road infrastructure (shared with national government)
4. Environmental protection	Sanitation and solid waste management
5. Housing and community amenities	Water management
6. Health	Primary and secondary health (health service delivery, health promotion, drug control and prevention); Hospital (including procurement of drugs for both peripheral health units and district hospitals – shared with national government); Health protection (including education on environmental, fire prevention and public health issues, access to safe drinking water and food quality and safety)
7. Recreation, culture & religion	Maintenance and management of cultural (museums, libraries); Sport and leisure facilities
8. Education	Primary education (schooling) and secondary education (shared with national government)
9. Social protection	Childcare and family welfare services

SUBNATIONAL GOVERNMENT FINANCE

Scope of fiscal data: local council.	SNA 1993	Availability of fiscal data: Low	Quality/reliability of fiscal data : Low
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GENERAL INTRODUCTION. In Sierra Leone, the fiscal decentralization framework (LGA 2004) does not grant a specific share of national revenues to local governments, however it mandates that devolved functions (Statutory Instrument n°13) shall be adequately funded. According to the World Bank, the total amount of transfers to local government has increased in the period of devolution (2005-2009) but they remained underfunded. In addition, national governments also centralized local wages expenditures and most of sectoral infrastructure. These are identifiable in the national budget and financial accounts presented to the Parliament.

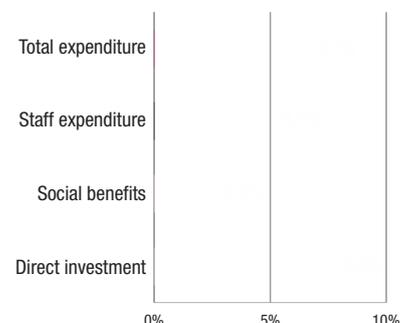
Local councils have financial autonomy to levy taxes and fees. However, power has been challenged by unclear assignment of responsibility with chiefdoms. Local council's financial accounts 2016 are not available (PEFA 2018).

SIERRA LEONE

UNITARY COUNTRY

SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

	DOLLARS PPP / INH.	% GDP	% SNG EXPENDITURE	% GENERAL GOVERNMENT EXPENDITURE (SAME EXPENDITURE CATEGORY)
Total expenditure				
Incl. current expenditure				
Staff expenditure				
Intermediate consumption				
Social expenditure				
Subsidies and current transfers				
Financial charges				
Others				
Incl. capital expenditure				
Capital transfers				
Direct investment (or GFCF)				



EXPENDITURE. A 2013 Urban Institute study analyzing the role of the local public sector in achieving sustainable development, based on local councils' and national government budgets, stress that 46.3% of total public expenditure in Sierra Leone are dedicated to support the delivery of "local" services. This percentage includes expenditures made at the local level by sectoral ministries. It is relatively significant compared to the situation in other African countries developing economies. According to CLGF, in 2014, local councils accounted for 1.5% of general governments expenditures. Mayors and chairpersons' salary are included in national budget.

DIRECT INVESTMENT. No investment responsibility is currently de facto devolved to local councils. See below – Grants and subsidies

SUBNATIONAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION – COFOG

According to the aforementioned 2013 study, the share of public expenditure on education is 14.6%. It includes primary and secondary education which are shared responsibilities of local councils and national government. But only about 9.3% of spending is done by Local Councils, mostly for recurrent operation and maintenance. Based on the 2016 national budget, "education" remains the larger sector of transferred funds to local governments for devolved functions. The second sector is health care services. The third sector is agriculture and food security services.



SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY

	DOLLARS PPP / INH.	% GDP	% GENERAL GOVERNMENT REVENUE (SAME REVENUE CATEGORY)	% SNG REVENUE
Total revenue				
Tax revenue				~60%
Grants and subsidies	6.27	0.4%		~40%
Tariffs and fees				~20%
Property income				~10%
Other revenues				~10%

OVERALL DESCRIPTION. There are three main sources of revenue for local councils: own revenue collection, grants for devolved functions, and transfers for services delegated from Government ministries. According to the LGA 2004 (sub section 4 of section 45) local councils are granted authority to collect local taxes; property rates; licenses; fees and charges; a share of mining revenues; interests and dividends. Local councils are highly dependent on national government grants for devolved functions. There are also several challenges related to transparency issues and backlog in expenditure accounting.

Although information is lacking for 2016, profiles and assessment made until 2013 stress the lack of institution capacity to mobilize revenue at the local level, with wide disparities between district councils and city councils.

TAX REVENUE. There are three legislations that regulate tax collection. Following the de-activation of local councils in 1972, the Local Taxes Act of 1975 stated that they should be collected by “local authority”, often Chiefdom councils, while the national government would determine tax precept. The LGA 2004 re-establishes that local councils have the autonomy to set local tax rates and the chiefdom councils are supposed to collect them, and remit them to local councils, hence the complexity of the relationship between the two entities. Moreover, the LGA 2004 does not repeal the Local Taxes Act. Chiefdoms actually gained more fiscal powers to collect revenues on behalf of national governments (2009 Chieftaincy Act, later enshrined in the Chiefdom and Traditional Administration Policy of 2011). This results in a blurry fiscal framework, particularly in district councils where the power of chiefdoms councilors is higher and they are better able to influence their share of tax collection.

Local taxes are from five primary sources: the local (poll) tax, market dues, property taxes, business licenses, and other fines and levies. Part of this funding comes through earmarked, and formula based, transfers from the central government. In 2017, local councils were required to implement the Property Cadaster system to facilitate the collection of Property Tax. This aims at gradually reducing their reliance on central government transfers.

GRANTS AND SUBSIDIES. According to the LGA 2004, annual transfers to local councils must be equitable and fair. In compliance with the requirements of the law, 26 transfer formulae for horizontal distribution make up a complex transfer system based on local council expenditure needs, availability of infrastructure and revenue raising ability.

There are three main categories of grants to local councils provided by the Government of Sierra Leone and identifiable in the national budget: Transfers to local councils (i.e., Administrative Grants and Grant for Devolved Functions), Local Government Development Grant, and Grants from the Decentralized Service Delivery. In 2016, the total transfer allocations to local councils amounted to SLL 98 463 million (or \$ 46 393 865 PPP). This was 12 million less than in 2015. In 2017, the unaudited final accounts indicated a total of SLL 55 859 million (or \$23 401 341 PPP).

The **Administrative grant** component has increased since 2015. It include councilors’ sitting fees and allowances, salary grants for core staff of local councils and support to Ward Committees.

Grants for Devolved Functions (Section 46 sub section 2 of the LGA 2004) are earmarked grants for each devolved function. It forms the bulk of total resources available to local councils for operation and maintenance as well as participation to development plans.

The **Local Government Development Grant** provides funds for councils to undertake development projects. Created in 2004, it is financed by national government and development partners and supports local council’s participation in National Strategies such as the Agenda for Change, or the Sustainable Development Goals. Local council are competent to select which projects to fund in a given year. In 2016, SLL 4 892 million (or \$ 2.3 million PPP) were budgeted.

OTHER REVENUES. The Local Government Act 2004 gives both the local councils and the chiefdom councils powers to collect fees and charges, which include services provided by the local council (including waste collection; transportation) and market fees. In addition, local councils can also raise revenue from economic activities such as fishery, timber, revenues from mining and extraction of sand (or other building materials) in their jurisdiction. Formally, local councils can receive interest and dividend income but this is not the case in practice.

■ SUBNATIONAL GOVERNMENT FISCAL RULES AND DEBT

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
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Total outstanding debt

Financial debt*

* Currency and deposits, loans and bonds

FISCAL RULES. No information available.

DEBT. The two ministries responsible for Finance (in particular the Local Governments Finance Department) and Local Governments must provide authorization (policy guidelines) and guarantees for local councils to take on debts. This is a possible and allowed, but has never happened in practice. No data are available on debt.



Lead responsible: UCLG
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www.sng-wofi.org

Socio-economic indicators: World Bank // UNDP // UN Desa // ILO.

Fiscal data:

Other sources of information: Cities Alliance and UCLGA (2018) Assessing the Institutional Environment of Local Governments in Africa // PEFA Assessment Report of Sierra Leone (2018) // CLGF (2017) Country Profile Sierra Leone // Andrew Nickson & Joel Cutting (2016) The role of decentralisation in post-conflict reconstruction in Sierra Leone, Third World Thematics, A TWQ Journal.