

UNBLOCKING RESULTS

CASE STUDY

The Africa Governance Initiative in Sierra Leone

Rebecca Simson

May 2013



Centre for Aid
& Public
Expenditure

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Contents

	Executive summary	4
1.	Introduction	6
2.	Political context and service delivery constraints	7
2.1	Political settlement	7
2.2	Degree of policy and institutional coherence	8
2.3	Extent of effective top-down performance discipline or bottom-up accountability mechanisms	8
2.4	Enabling environment for locally anchored problem solving and collective action	8
3.	Intervention design	10
3.1.	Activities	10
3.2.	Theory of change	11
3.3.	How the engagement has worked	12
3.4.	Implementation approach	14
3.5.	Challenges	15
4.	Lessons and conclusions	17
	References	19
	Appendix 1: Interviewees	20

Executive summary

Sierra Leone's post-war governments have found it difficult to demonstrate tangible development progress to the country's citizens. Despite a decade of peace and economic recovery, basic services and infrastructure have not improved at the pace that many anticipated. A new government was voted into office in 2007, in part because of public dissatisfaction with the previous government's failure to deliver public goods and services (Robinson, 2008; Wyrod, 2008). Since then, President Ernest Bai Koroma has demonstrated some improvements in basic service provision, particularly in energy, agriculture, infrastructure and health care. Yet entrenched implementation problems continue to hamper the pace and breadth of delivery progress.

Sierra Leone's delivery challenges appear to be rooted in governance problems. Drawing on a classification of common governance constraints and incentive problems developed by Booth (2010) and Wild et al. (2012), Sierra Leone's government exhibits typical symptoms of policy and institutional incoherence, weak performance discipline and limited collective action and local problem solving. These governance constraints tend to weaken service delivery performance. Policy and institutional incoherence is exemplified by the number of institutions with overlapping mandates, confusion within government about roles and responsibilities and a failure to prioritise and sequence reforms effectively, resulting in thinly spread human and financial resources and many uncompleted reforms. Second, appointments are often patronage based which, coupled with low pay and poor oversight, fosters a civil service culture that does not encourage strong performance. Lastly, high aid dependency and the plethora of donor-supported governance reforms have yielded a preference for 'best practice' solutions that are often poorly tailored to the Sierra Leonean context.

The Africa Governance Initiative (AGI) has been supporting the Office of the President and specific line ministries in Sierra Leone since 2008 to address governance constraints to public service delivery. AGI was established by former UK Prime Minister Tony Blair in 2007, and became an independent charity in late 2009, with a mandate to support leaders in Africa to bridge. The implementation gap between vision and delivery through capacity and systems building (Blair, 2010). The organisation combines high-level advice, provided by Mr Blair to presidents in Africa, with teams of long-term advisors embedded in beneficiary governments.

Complementing its support to the ministries of health, agriculture, trade and energy, core to AGI's programme in Sierra Leone is advisory and capacity building support to the Strategy and Policy Unit (SPU) in the Office of the President. Established in 2008 and financed by the UN Development Programme (UNDP), the European Union (EU) and the UK Department for International Development (DFID), the SPU acts as a delivery vehicle that works to increase the pace and quality of implementation of government programmes. With embedded AGI advisor support, the SPU has been working with line ministries and agencies to prioritise core deliverables, support implementation processes, monitor performance and hold managers to account.

This intervention appears to be having positive effects on the government's ability to deliver services and infrastructure. Since 2008, the government has made notable gains on a number of high-profile development priorities, such as electricity provision, introduction of free health care, distribution of agricultural inputs and construction of roads. AGI has aided the delivery process by working with the SPU to create a forum that brings senior government officials together before the president or chief of staff to identify and resolve bottlenecks to service delivery. In this way, the SPU uses the president's convening

power to improve collaboration within and between government agencies and to discipline ministers and civil servants who fail to perform. In parallel, AGI advisors have worked with line ministries to improve the ability of ministers and senior civil servants to focus on delivery objectives, by creating private offices for the ministers, improving diary management and introducing systems for tracking progress and following up on actions.

However, AGI's approach reinforces a highly centralised system of governance that relies on the personal drive of the president to deliver goods and services. By supporting a vertical delivery chain rather than strengthening government-wide governance systems, it runs the risk of increasing the government's reliance on discretionary solutions that bypass formal rules and discredit broader institutional reform efforts. Yet, given that the government of Sierra Leone has to date shown little political appetite to deliver government-wide institutional reform (Brown et al., 2006; Srivastava and Larizza, 2012), these risks associated with the AGI model may be worth taking. The approach rests on the theory that delivering politically strategic public goods drives institutional change, rather than institutional change driving delivery performance.

1

Introduction

This case study forms a part of a larger Overseas Development Institute (ODI) research project on aid and governance constraints, the findings of which are summarised in the report, 'Unblocking results: using aid to address governance constraints in public service delivery'. It is one among four case studies of aid packages (covering Sierra Leone, Tanzania and Uganda) that appear to have been effective in addressing governance constraints to service delivery.

The development community has long recognised that weak governance and incentive problems hinder the delivery of broad-based public services in developing countries (Collier, 2007; Keefer and Khemani, 2003; World Bank, 2004), and the past decade has seen a growth in research that seeks to understand and diagnose the nature of these governance problems. In particular, this research builds on earlier ODI research by Booth (2010) and Wild et al. (2012) that categorises typical blockages and incentive problems to service delivery and shows that a number of common constraints underlie much of the variation in service delivery performance in developing countries.

However, there is little evidence on whether and how well aid can help address these governance constraints. Research that does exist tends to focus on the impact of specific types of accountability structures on service delivery, rather than the design and delivery features of aid programmes necessary to address such constraints. This research project begins to address this gap in the literature by studying the interaction between constraints and aid packages in particular country contexts. The research is exploratory and the findings should be treated as preliminary. It does not aim to evaluate the programmes against their stated objectives, nor measure their impact. Rather, it considers whether the aid packages appear to have addressed the governance constraints and, if so, what has enabled this in practice.

The case studies were selected after a set of interviews with governance specialists from a range of donor agencies who were asked to name projects they thought had been particularly effective in addressing common governance constraints. The long list of projects was narrowed down after a desk review of the available project documents and an assessment of their relevance.

The Africa Governance Initiative (AGI) was chosen because it has an intervention logic that focuses explicitly on harnessing and working with the political grain. AGI's country programmes have taken quite different forms in different countries. This case study focuses on AGI's support to the Strategy and Policy Unit (SPU) in Sierra Leone because it provides a particularly interesting example of how an external actor has worked to facilitate collective action in a political environment where this does not come naturally.

The paper is organised as follows. Section 2 describes the pre-intervention context that AGI's support responded to, outlining the governance challenges that appeared to be hampering the delivery of services in Sierra Leone before AGI's intervention. Section 3 describes the intervention and the theory of change, and how the intervention interacted with and addressed the context and challenges. Section 4 concludes and discusses broader lessons for aid design.

2

Political context and service delivery constraints

Sierra Leone endured a civil war from 1991 to 2002 that is widely attributed to poor governance, high inequality and a severe economic decline in the 1980s (TRC, 2004). The country emerged from this decade-long war as one of the poorest and least developed in the world (UNDP, 2011). The Sierra Leone People's Party (SLPP) won the first post-war election in 2002 and oversaw the consolidation of peace and stability and a successful drawdown of the UN peacekeeping force. In 2007, Sierra Leone saw a peaceful transition of power from the SLPP, which lost a closely contested election to the All People's Congress (APC). The APC had previously ruled the country as a one-party state from 1967 to 1992. APC President Ernest Bai Koroma comes from a private sector background and has vowed to run the country like a business concern.

Despite the notable achievement of consolidating peace and transferring power peacefully, Sierra Leone's development progress since the end of the civil war has been slower than many observers had hoped. Many of the governance challenges facing the country in the run-up to the civil war have persisted in the post-war period. Sierra Leone scores particularly poorly on measures of government effectiveness, falling in the bottom 10 percentile rank against this Worldwide Governance Indicator (World Bank, 2012b). Sierra Leone's revenue to gross domestic product (GDP) ratio, a commonly used measure of 'the social contract' between state and citizens, is well below average for low-income countries at 13% (World Bank, 2011).

However, since 2007, political space and the will to deliver public goods appear to have been growing.

The SLPP's defeat in 2007 is regarded as a result in part of its failure to deliver public goods and services, particularly in the capital, where there is a considerable concentration of swing voters who are more likely to vote on the basis of performance (Robinson, 2008; Wyrod, 2008). This nascent delivery drive, however, is hampered by weak implementation capacity across the civil service.

Drawing on the classification of common governance constraints and incentive problems developed by Wild et al. (2012), the causes of Sierra Leone's weak service delivery performance appear to be rooted in a weak political settlement, policy and institutional incoherence, poor performance discipline and the lack of an enabling environment for locally anchored problem solving. These blockages to service delivery are discussed below in turn.

2.1 Political settlement

Sierra Leone's poor governance is commonly attributed to a fragile political settlement that rests on political leaders' ability to placate elite coalitions and the patronage networks these elites command (Brown et al., 2006; Robinson, 2008; Srivastava and Larizza, 2012). This system is reinforced by strong ethnic and regional dimensions to party politics, which heightens incentives to target services to particular groups or regions. Sierra Leone saw a strong north-south divide in the 2007 and 2012 elections and, after its 2007 victory, the APC primarily appointed northerners to government positions (ICG, 2008).

This weak political settlement inhibits broad-based development. It results in a preference for the supply of private rather than public goods, which gives politicians the power to bestow such goods on particular individuals or groups; and a purposely discretionary and disorganised public sector, which fosters a reliance on personal relations and informal networks. This creates opportunities for the ‘trading of favours’ at all levels of society. As these informal networks and personal exchanges are the main means by which people gain power and wealth, they are enforced not only from above but also from below, as people see them as the main means of advancing economically and politically (Brown et al., 2006, Keefer and Khemani, 2003; Robinson, 2008). Because of the need to negotiate between elite coalitions, the government has limited room for manoeuvre, and trust within the political elite is weak. Furthermore, decision-making power is highly centralised (Robinson, 2008).

2.2 Degree of policy and institutional coherence

Under the current status quo in Sierra Leone, actors within the government system benefit from discretionary powers, disorder and control of information, which fosters a high degree of policy and institutional incoherence. This in turn undermines accountability and contributes to waste and inaction (Tavakoli et al., 2012). Brown et al. (2006) found that donor efforts to promote functional reviews of ministries and agencies in the post-war era had largely been thwarted by interest groups that stood to lose from a change to the status quo. Another telling sign of policy incoherence is Sierra Leone’s weak budget credibility, which suggests a disconnect between stated objectives and actual implementation. In 2007, for instance, 92% of all budget heads deviated from their allocated budget by more than 5%, and transfers to local councils were only 40% of the budgeted amount (World Bank, 2010).

Furthermore, policy and institutional incoherence in Sierra Leone has been exacerbated by a lack of donor discipline. This has manifested in donor willingness, at the request of government, to support an array of competing agencies with overlapping mandates, which increases the competition between different reform agendas. For instance, the World Bank identifies nine different

actors or institutions associated with public sector reform in Sierra Leone with several parallel reporting lines to the president (Srivastava and Larizza, 2012).

2.3 Extent of effective top-down performance discipline or bottom-up accountability mechanisms

Patronage-based appointments, coupled with low pay, poor oversight and lack of performance appraisals, foster a civil service culture that is antithetical to strong performance. The lack of performance incentives creates an environment that tolerates poor performance and does not encourage good performance (Srivastava and Larizza, 2012). A telling sign of the lack of accountability in the public service generally is the high levels of staff absenteeism. A school survey from 2006 found that 3% of schools were closed on inspection and 22% of teachers were absent. Among the teachers present, only 45% were in classrooms teaching (IGC, 2011). Among the absent staff who had been issued warnings by their head teachers, none had been fired.

2.4 Enabling environment for locally anchored problem solving and collective action

High aid dependency and the plethora of donor-supported governance reforms have yielded a preference on the part of both donors and government for ‘best practice’ solutions, regardless of their suitability to the local context. This lack of enabling environment for locally anchored problem solving has resulted in widespread ‘isomorphic mimicry’: efforts to establish structures that look like Western-style institutions in order to gain external legitimacy, regardless of whether they perform the functions that such institutions are designed to serve (Andrews et al., 2012). There is often a disjuncture between the effort devoted to developing ambitious policy documents and

laws and the slow pace of implementing them. For instance, the Ministry of Agriculture, Forestry and Food Security (MAFFS) invested heavily in a 20-year National Sustainable Agriculture Development Plan, with little ability to operationalise it. The public sector reform agenda is another case in point: despite the establishment, with donor support, of four new institutions in the post-war era to oversee various aspects of this reform agenda and the production of a wide array of new assessments and policies, public sector reform in Sierra Leone has been largely unsuccessful (Srivastava and Larizza, 2012).

Weak trust also appears to be undermining the ability of government staff to work together and find common solutions to problems. One former government employee recalls the difficulty of instituting regular meetings in the ministry where he worked, as the permanent secretary preferred to deal with his staff individually in order to retain a monopoly on information.¹

1. Interview with former government advisor, London, November 2012.

Intervention design

The governance constraints discussed above help account for Sierra Leone's slow and uneven development progress. However, in recent years there appears to have been a growing political drive to deliver on some service goals. This section looks at how the Office of the President, with AGI support, has worked to promote this delivery drive.

3.1 Activities

3.1.1 The Strategy and Policy Unit

In 2008, the newly elected President of Sierra Leone, Ernest Bai Koroma, established the SPU with funding from the UN Development Programme (UNDP), to strengthen policy analysis and coordination, provide implementation support, monitor and evaluate government performance and hold ministry staff to account for it. Although formally a government institution, the SPU is primarily donor funded, and SPU staff, many of whom are recruited from the diaspora, academia and the private sector, hold consultancy contracts that currently allow them to be paid above the civil service pay scale.²

In its first year of implementation, the SPU registered some successes, but it was also clear that its wide mandate and flat structure – with a number of senior, high-paid advisors with direct reporting lines to the president – was limiting its achievements (ACET, 2010). While the SPU's policy advice had not obtained much traction with the president and cabinet, some of the advisors were successfully using their position at the centre of government to support the delivery of politically strategic programmes.

Of particular note was the successful completion of the Bumbuna hydroelectric dam in 2009, a construction project that had been underway since the 1970s. One of the SPU advisors, Professor Victor Strasser-King, helped drive this project to

completion (Friedman, 2011). He used his position within the SPU to galvanise strong presidential backing for the project and worked systematically to monitor project progress and resolve the remaining implementation problems, not shying away from bringing the president's weight to bear on it as and when needed.

After an external review of the Office of the President and the SPU in 2010, the president decided to reorganise the unit and make changes within his office to improve its delivery capacity. He created the post of chief of staff, to sit directly under the president and tasked with overseeing the implementation of the President's Agenda for Change and taking over some of the daily coordination of government. He also restructured the SPU to enable it to operate as a cohesive team. It is now led by a director, former advisor Professor Strasser-King, who manages a small group of around five advisors, with a group of around 12 analysts reporting to the advisors to conduct the day-to-day liaising with line ministries. Although the SPU retains its policy advisory mandate, in practice its primary focus is to provide implementation support to line ministries, advise the president on blockages to delivery and manage performance contracts with ministries and agencies.

3.1.2 The role of the Africa Governance Initiative

AGI launched its project in Sierra Leone in October 2008 with the explicit aim of strengthening the government's capacity to deliver. Tony Blair and former UK Secretary of State for Health Alan Milburn provide

2. In 2010, the European Union (EU) and the UK Department for International Development (DFID) also began funding the SPU. Donor funds are intended to be provided on a gradually diminishing basis, so that the government incrementally absorbs more of the costs. The government also intends to reform the government pay scale so it can accommodate high-skilled staff such as those in the SPU.

high-level leadership and policy advice, while a team of long-term advisors embedded in the Office of the President, the SPU, the ministries of health, agriculture, trade and energy and private sector development agencies work to build skills and management systems that will speed up the pace of delivery.³ AGI's advisors are primarily from a civil service, consulting or private sector background, and are hired for their management and delivery capabilities more than for their sector-specific knowledge. Their terms of reference focus on improving management functions, ranging from managing ministers' private offices and diaries, meeting protocols and completing action logs to internal reporting, coordination, planning and performance monitoring – all centred around enabling the delivery of the ministry's top priorities.

AGI advisors within the SPU worked with Professor Strasser-King during his time as an advisor and helped him develop management tools and systems for the energy portfolio. In 2009-2010, with discussions about the SPU's future on the table, AGI advised on the unit's restructuring, helping develop the operational plan and assisting with recruitment. Tony Blair and Alan Milburn, who visit Sierra Leone approximately twice a year to meet and advise the president and other ministers, used their high-level access to encourage the president to use the SPU more effectively as a delivery unit and suggested identifying a set of presidential 'flagship' programmes, which would receive targeted support.

In late 2010, three flagships were identified: the free healthcare initiative, the agriculture smallholder commercialisation programme and private sector development; in 2011, roads, energy and water resources were added. The flagship programmes are supported through a process, designed with AGI help, called the stocktake. These regular meetings between the senior management of line ministries and the president or chief of staff are used to review programme progress against the annual plan, identify bottlenecks and devise solutions to these. In preparation for the stocktakes, ministries and SPU analysts review and update a programme tracker, marking tasks as on or off track. They then hold an internal 'pre-stocktake' to prepare the senior management team for the meeting with the president. After the completion of a stocktake, a memo is drafted for the president with the agreed actions. Attendance at the meetings varies according to the items on the agenda; other agencies may be called in if their cooperation is

needed to resolve implementation challenges.

AGI's model of embedded advisors across the reporting chain of government, a 'vertically integrated' approach, has allowed it to promote and encourage the stocktake process across the different levels of government involved in implementation. In 2010, AGI placed advisors in the Office of the Chief of Staff, the SPU and key line ministries, while Tony Blair and Alan Milburn continued to advise the president and particular ministers.

3.2 Theory of change

Underlying the AGI approach are two complementary theories about how its support brings about change at the political and implementation levels.

3.2.1 The political level

At the political level, the theory of change holds that supporting the president to deliver on election promises will increase the returns to reform and can shift political incentives in favour of broad-based service delivery. One of the causes of political market imperfections that result in the undersupply of public goods is, according to Keefer and Khemani (2003), that political promises are not credible. This lack of trust discourages voters from voting on the basis of delivery promises and instead encourages patronage-based voting.

AGI's work with the SPU and the Office of the President supports the president to articulate a set of developmental priorities (flagship programmes), devise systems that enable the state to deliver on those priorities (the SPU-led stocktake process) and hold those responsible to account for performance. It is hoped that this selective attention to and support for specific delivery objectives will gradually create pressures to devise more sustainable delivery solutions with positive spillovers for the government machinery as a whole. Furthermore, by working 'with the grain' and finding ways to deliver within a dysfunctional system, the target agencies lead by example and show that tangible gains can be achieved. This reduces the wider excuses for inaction and builds more internal and external pressure on ministries to deliver.

3. Advisor composition has changed over time. Advisors were withdrawn from education and energy in 2009 and then re-entered in energy in 2012.

The implication of this change theory is that delivery performance precedes institutional reform. It is through a circuitous process of focusing on particular political priorities that incentives are generated for actors within the system to identify and attempt to resolve those governance challenges that impinge on delivery. Thus governance reforms are driven by immediate and tangible delivery objectives rather than their broader, but politically far less tangible, value to overall government efficiency.

3.2.2 The implementation level

At the implementation level, two main incentive problems hinder performance in Sierra Leone. First, a lack of accountability for results means government officials have an incentive to maintain the status quo. Bringing top-down performance discipline to the system, as the SPU has done by leveraging the president's praise and reprove, helps shift this incentive scale.

Second, collective action challenges reduce the incentives to deliver as they limit the ability of individual reformist leaders to affect change, while they increase opportunities to shift blame and thereby find excuses for non-performance. Through the AGI-supported stocktake process, all actors critical to the success of a programme are brought to the table (before the president or chief of staff) to agree on solutions to bottlenecks and remove excuses for lack of action. This process of collectively identifying blockages and agreeing on solutions ensures that the solution is locally anchored rather than externally imposed, which increases the likelihood of follow-through (Andrews et al., 2012; Booth, 2012). Furthermore, the regularity of the stocktakes contributes to tight feedback loops that enable actors to notice the progress being made and adapt their strategies as needed (Andrews et al., 2012).

3.3 How the engagement has worked

This section considers whether AGI's intervention through supporting the SPU appears relevant to addressing common governance constraints associated with poor service delivery outcomes.

3.3.1 Political settlement

In the run-up to the 2012 presidential elections, the APC focused its political rhetoric on its development record, and the presidential flagship programmes became points of discussion in the media (Bangura, 2012). The president's own speeches frequently focused on progress under the flagship programmes, highlighting achievements such as the increase in energy generation capacity from 15 megawatts in 2007 to 90 megawatts in 2012; rehabilitation of 1,200 km of feeder roads; rehabilitation of six major trunk roads; the introduction of free health care; and construction of 200 agricultural business centres where farmers receive inputs (Koroma, 2012a; 2012b). Articles both positive and critical of his time in office have debated his achievements on electricity provision, health and agriculture.⁴ This may suggest that politicians in Sierra Leone perceive higher returns to a political discourse focused on public service delivery. The high rate of urbanisation may also be contributing to a more vibrant debate about development (Bangura, 2012; Marks, 2012).

3.3.2 Degree of policy and institutional coherence

AGI's support focuses on improving *de facto* institutional coherence rather than the *de jure* legal and policy framework. At the national level, AGI's support to the identification of presidential flagship programmes has helped the president articulate a clear delivery agenda for his time in office and prioritise the use of staff time and financial resources for its achievement. This helps correct for an overloaded poverty reduction strategy, which covers a broad array of priorities that makes it difficult to implement.

At the sectoral level, by working with line ministries and other agencies to set annual performance targets and hold ministers accountable for them, the SPU and AGI are helping promote a shared vision and greater clarity among senior managers about their main delivery priorities.

In the agriculture sector for instance, as we have seen, MAFFS' 20-year National Sustainable Agriculture Development Plan lacked a strong implementation focus. AGI encouraged MAFFS to identify a distinct priority delivery programme, and

4. See for instance: Adekulay, 2012; Baimba Sesay, 2012; Gbarie, 2010; Lansana, 2012.

MAFFS decided on the smallholder commercialisation programme as its main priority and supported it to build structures for its implementation. AGI advisors helped MAFFS develop a detailed compact spelling out precise roles and responsibilities in the programme's delivery and encouraging donors to provide funding for its implementation.

In the roads sector, a first set of city roads was constructed without coordination between road contractors and water and electricity providers, resulting in damage to water pipes and electricity wires. The government has recently embarked on a new roads project; this time, the SPU has been asked to coordinate dialogue between the contractor and the utility companies to avoid disruptions to utilities.⁵

However, the SPU's strong focus on rapid delivery often runs counter to broader government reform efforts and may in some cases have undermined cross-government policy coherence. For instance, the stocktake process has at times resulted in a presidential order to release a container from the port or funds from the Ministry of Finance and Economic Development (MOFED). This provides a short-term fix but does not resolve the underlying systemic problem and may weaken the credibility of the formal process.

3.3.3 Extent of effective top-down performance discipline or bottom-up accountability mechanisms

The stocktake process appears to be strengthening top-down performance discipline. Using the president's backing as stick and carrot, performance contracts and the stocktake process bring senior management within ministries together to set priorities. The stocktake then brings all relevant partners to the table to broker solutions to particular delivery bottlenecks, often with the president in the role of arbitrator. Anecdotal evidence suggests the president's personal involvement in the process is a powerful performance incentive. Ministers fear humiliation in front of the president while being incentivised to engage in the process because it affords them highly coveted face-time with the president.⁶ In one case, the president dismissed a minister after a stocktake session revealed his lack of performance; the dismissal letter was drafted as the stocktake process proceeded and the minister returned from State House to find a dismissal letter on his office desk.⁷ However, people close

to the process acknowledge that the president's threats and sanctions are not applied consistently. While he can afford to remove or reshuffle some ministers on account of poor performance, others are too politically important to be unseated.⁸

With regard to bottom-up accountability, AGI's model aims to support the long rather than the short route of accountability (World Bank, 2004), by working to increase the returns to programme delivery and citizens' incentives to vote on the basis of performance.

3.3.4 Enabling environment for locally anchored problem solving and collective action

The stocktake process quickly revealed that many of the government's delivery problems were a result of poor inter-agency communication and collaboration. While each flagship programme rests with one particular agency, other agencies may be asked to join the stocktake meetings if their cooperation is critical to advancing the programme. Between stocktake meetings, SPU advisors and analysts spend considerable time brokering agreements between agencies that can release implementation constraints.

For instance, MAFFS provides seasonally critical inputs to farmers; it found its progress hampered by late releases of funds by MOFED. As a result, MOFED was asked to attend the agriculture stocktake sessions regularly, and the president has requested the prioritisation of releases for time-sensitive agricultural inputs. Similarly, the stocktake process helped bring the National Roads Authority and MAFFS together to ensure that the location of new or rehabilitated feeder roads to serve agricultural production needs. Another example relates to the health sector, where late release of funds from MOFED in June 2011 prevented the purchase of emergency drugs for the free health care initiative. Through the stocktake process, the president requested MOFED release the needed funds (Aghulas Applied Knowledge, 2012).

5. Interview with senior SPU official, Freetown, 12 September 2012.

6. Interviews with mid-ranking government officials, Freetown, 19-20 September 2012.

7. Confirmed by two separate interviews, one with a senior government official, Freetown, 12 September 2012, and one with a mid-ranking government official, Freetown, 19 September 2012.

8. Interview with AGI advisor, Freetown, 11 September 2012.

The SPU has managed to transform an initially adversarial relationship with many ministries, which at first distrusted a unit they saw as judging their performance, into a collaborative one. The SPU is increasingly seen as a partner that can help ministries deliver their projects more quickly by working across government to resolve collective action challenges.⁹

It appears that external advisors can play an important role in relieving intra-governmental communication constraints. One challenge in Sierra Leone is the lack of communication both between and within ministries. One interviewee believed AGI advisors proved helpful in forcing these conversations. As outsiders, they were viewed as neutral and therefore able to cajole and encourage government officials to cooperate. In one instance, AGI was able to convince the private sector development team to establish a regular meeting – a task that none of the three agencies the committee comprised was willing to prioritise.¹⁰

There is some evidence to suggest that the benefits of the stocktake process are recognised and that the government is able and willing to run it without AGI's participation. Three stocktake sessions proceeded in AGI's absence when the team was absent from Sierra Leone in August 2012.

Furthermore, the stocktake process appears to be yielding 'second-best' but politically feasible solutions to delivery problems. As described above, many of the solutions work their way around the public sector dysfunctions, rather than tackling them head-on. In some nascent cases, it does appear that these stop-gap solutions are with time evolving into more formalised ways of doing business. As discussed, a major challenge across sectors has been the unpredictability of releases from MOFED. To overcome these problems, MOFED has been regularly called in to attend the monthly stocktakes to resolve financing constraints. However, recognising that this issue kept recurring, the government has now established a high-level Finance Committee, which meets regularly to prioritise releases. The president has set out a priority list, with flagship programmes among the first in line to receive releases during periods where cash is being rationed. While this is a far cry from the best practice public financial management solution, it may well be a useful interim step that helps systematise cash releases and introduce better

resource prioritisation through the backdoor until sufficient pressure builds for a more comprehensive approach.

For the flagship programmes, the monthly stocktake process and performance-tracking tool provide tight feedback loops on performance that allow stakeholders both to feel progress is being made and to correct the course when actions appear to be ineffective.

3.4 Implementation approach

3.4.1 Mechanism

AGI's support combines twice-yearly high-level leadership and policy advice visits by Tony Blair and Alan Milburn with long-term embedded technical assistance at the centre of government and in key ministries. The Sierra Leone programme has cost approximately £1.6 million per year.

3.4.2 Origin

The programme originated through discussions between President Ernest Koroma and Tony Blair (initiated by then-Foreign Minister Zainab Bangura), and a subsequent request from President Koroma for support. The Office of Tony Blair conducted a scoping exercise between February and July 2008 and began deploying advisors in October 2008. Initially, the organisation had planned for a nine-month intervention, but it soon became apparent that a longer time horizon would be needed in order to support and entrench new management practices.

3.4.3 Process features

Capacity-building mandate

AGI has a clear capacity-building mandate, and hires staff who can help develop or strengthen general management systems and procedures rather than bring particular sector expertise. Their logical frameworks and targets are designed with capacity building in mind rather than its own programme delivery. AGI advisors feel that the

9. Interview with senior government official, Freetown, 20 September 2012.

10. Interview with former government advisor, London, November 2012.

organisation encourages a disciplined approach to engaging with the government by limiting the extent to which it steps in to replace government officials when processes move slowly, and instead stand by to mentor government officials and allow mistakes to be made.

Reactive and flexible approach

AGI's programme of support has proved quite flexible, enabling the organisation to respond to new opportunities, redeploy resources and phase out support where it is ineffective. For instance, AGI deployed an advisor to the Ministry of Energy and Water Resources (MEWR) in 2009 but phased out this support because there was not enough counterpart commitment to carry forward AGI-supported systems. Following the appointment of a new minister of energy in 2012, AGI again embedded an advisor in the agency.

One of the reasons for AGI's flexibility is that, unlike many traditional technical assistance programmes, its support is not judged strictly against its ability to deliver against predefined outputs. Many traditional technical assistance programmes require an advisor to deliver a particular product in a pre-specified time period, be it a policy document or a project design document, which incentivises the advisor to demonstrate a tangible deliverable regardless of its relevance. AGI accepts that some of its advisors will be more effective than others, in part because of factors outside the organisation's ability to predict and control, and tries to adjust its support continuously to ensure it remains relevant.

Teamwork

AGI deploys a team of advisors to work in a country and the organisation appears to have cemented a strong sense of team spirit and commitment to the goals and values. While it is hard to gauge the impact of this 'soft' skill, it appears that AGI's advisors, along with Mr Blair and Mr Milburn, share a common understanding of their goals, pull in the same direction and collaborate behind the scenes to ensure they send consistent messages to their counterparts in different parts of the government.

Flexible financing arrangements

AGI has enjoyed a large amount of flexibility in its use of donor funds. In the early years, most of its support came from foundations and private donors, which tend to have less stringent frameworks than institutional donors. This enabled it to be reactive

and responsive and deploy advisors rapidly, while retaining a high degree of confidentiality in its relationship with the government. This may also have enabled AGI to play a more overtly political role than institutional actors may have been able to.

3.5 Challenges

AGI's approach to governance reforms in Sierra Leone throws light not only on how new governance thinking can be operationalised, but also on the challenges to operationalising such advice.

The biggest challenge to the AGI model is its explicit focus on strengthening the ability of individual leaders, and their close teams, to get things done. In Sierra Leone, where there are very weakly enforced formal implementation processes, a large amount of day-to-day decision-making power rests in the hands of the president, who arbitrates personally on a wide range of state matters. The president's personal engagement is thus an important determinant of the success of a big programme or reform. AGI's model bolsters rather than challenges this hyper-presidentialism. While working with the grain in this way might be the most promising route to development progress in Sierra Leone, it carries with it some risks. To some degree all donors providing aid to governments face many of these risks, and their realisation does not necessarily mean the aid is failing to achieve its developmental objectives. However, in order to assess whether this approach has the power to resolve or alleviate common governance constraints, it is important to acknowledge its limitations – even where these limitations are applicable to the powers of aid more generally rather than a weakness in the AGI model in particular.

3.5.1 Support for a political agenda

The first challenge related to the risk of explicitly supporting a political agenda. AGI's theory of change rests on the assumption that the political leadership wants to deliver broad-based, developmental goods. The distinction between private and public or developmental goods is a murky one, and if external support is being used purely to maintain the status quo it may be doing little to influence the political calculations of voters and instead reinforce the existing political settlement.

3.5.2 Sustainability

The second challenge relates to the sustainability of the flagship programme model, as the process is highly dependent on the support and personal involvement of the president. The SPU model assumes a principal-agent problem – the president, in his role as principal, cannot control his civil service (agents) given his inability to monitor their performance. Performance contracts, flagship programmes and stocktakes rectify the information asymmetry and enable the president to monitor and sanction his agents. However, the continued delivery of a particular service is dependent on the president's continued interest and oversight. If the president's attention shifts to new priorities, the gains in the first set of priority sectors may erode. In some sectors, it has already proven hard to sustain the president's attention to the stocktake process.

3.5.3 Circumvention of government-wide reforms

Third, in the haste to demonstrate visible progress, the presidential delivery approach may circumvent government-wide processes. The stocktake meetings are frequently used to solve problems by presidential order rather than addressing the underlying system weakness. For instance, at the insistence of the president, MOFED may release funds for agricultural inputs, or the Port Authorities may release a container of medical supplies, but this does not resolve the underlying problems of weak budget execution systems or cumbersome and slow customs procedures at the port. This approach may at times increase the discretion in the system and weaken the credibility of government-wide reform processes.

Srivastava and Larizza (2012), writing about Sierra Leone, argue that bypassing systems and using the president's leverage to advance rapid delivery of particular projects undermines broader public sector reform:

'While this approach might produce short-term gains – in a hyper-presidential system like that of Sierra Leone, decisions made at the level of Presidency do get quickly implemented – over the long-run this further complicates the problem, with the Presidency pushing for "ad-hoc" solutions that often respond to the narrow interests and further 'atomize' the nature of civil service reforms.'

3.5.4 Focus on quick wins

Lastly, the AGI delivery model may shift the president's attention to quick wins that bypass the civil service. Failure to address the broader incentive challenges facing the civil service as a whole (low remuneration, lack of advancement opportunities, few sanctions etc.) may steer the president and the SPU to focus on those deliverables that can be achieved without significant civil service engagement, such as construction projects. This may not be developing the capacity or systems in line ministries for routine service delivery, and with time could turn it into a parallel system with limited engagement with the main government institutions.

There are already some signs that the SPU is substituting for rather than building the capacity of line ministries. In order to gain the trust and cooperation of line ministries, the SPU director has encouraged his staff to move away from an adversarial position and instead developed supportive and cooperative relationships with line ministries.¹¹ SPU advisors and analysts reported spending a considerable amount of time assisting line ministries with trouble shooting, problem solving and acting as go-betweens for different government agencies. By inserting themselves into the delivery process, SPU staff run some risk of creating a parallel structure that bypasses civil servants in line ministries rather than remaining an external catalyst that prods and teaches.

11. Interviews with SPU advisor and SPU analyst, Freetown, 19 September 2012.

4

Lessons and conclusions

AGI's support to the SPU in Sierra Leone appears to have successfully addressed certain common governance challenges to service delivery. In particular, by both leveraging its high-level access in government and providing on-going mentoring and support, AGI has helped prioritise government effort and build systems that allow the president, ministers and senior government officials to have more time to devote to their core delivery objectives. Furthermore, the monthly stocktake process, facilitated by AGI and run by the SPU, appears to be addressing some of the incentive problems and collective action constraints to delivery.

AGI's support to the SPU, however, whilst going with the grain, also risks contributing to Sierra Leone's 'hyper-presidential' system of governance. It is heavily dependent on the personal dedication of the president to moving forward the flagship programmes, and it is therefore likely that progress will slow down when presidential priorities shift. Furthermore, by supporting a top-down delivery system focused strongly on discrete outputs, AGI risks supporting *ad hoc* initiatives that inadvertently bypass and weaken government-wide systems designed to increase predictability and transparency, such as the budget process. This too raises questions about the sustainability of the approach.

Yet, given that the government of Sierra Leone has to date shown little political appetite to deliver government-wide institutional reform (Brown et al., 2006; Srivastava and Larizza, 2012), these risks associated with the AGI model may be worth taking. It is not obvious that there is an alternative approach that would yield a better outcome.

With this caveat, AGI's approach offers some practical lessons about how external actors can engage more effectively to strengthen the delivery of public services in developing countries. In particular, a number of lessons can be drawn out that are relevant to the design of governance programmes.

Working with the grain

Attacking governance constraints that impinge on politically strategic development programmes tends to gain more traction than across-the-board governance reforms with widely dispersed gains. However, finding that grain is not always easy; politicians are unlikely to openly voice opposition to donor-funded programmes. Instead, donors must interpret priorities from action rather than words and recalibrate support as the government reveals its preferences. However, in doing so, donors must weigh the benefits of *ad hoc* delivery-focused solutions to governance problems against the potential costs of increased policy incoherence and greater discretion.

Implementation support versus policy design

AGI's programme has focused successfully on strengthening systems and processes rather than designing new policies or legal frameworks. AGI has taken the approach that it is more valuable to work with an imperfect policy framework and correct it through the course of implementation than get trapped in a spiral of policy and strategy design. Donors have in the past shied away from explicit implementation support, as this is seen to substitute for government capacity, and its benefits are hard to quantify. However, this case study suggests that external actors can usefully contribute to new management practices and ways of doing business by virtue of their outsider status.

Separating technical assistance from development financing

The programme suggests there may be benefits to insulating donor-financed capacity-building initiatives from project financing. Government officials reported more trust in AGI's advice and support because it did not come with any financial support. Advisors often face conflicting incentives when they work to support government priorities and facilitate government-led problem solving, while also balancing corporate pressures to speed up the pace of donor-funded projects.

Explicit capacity-building mandate

Capacity building is difficult to observe externally and difficult to measure. AGI has actively worked to set incentives for its staff that encourage skills transfer and counteract the inevitable pressure to substitute for missing capacity. It has done so by encouraging a capacity-building culture, maintaining internal discipline and designing logical frameworks that measure skills transfer rather than the speed of delivery.

Vertically integrated approach

AGI has derived benefits from supporting a reform initiative at several levels of government simultaneously and promoting strong communication between its advisors to ensure they pull in the same direction.

Same agency both designing and implementing the project

AGI's programme in Sierra Leone was designed by the same people who subsequently implemented it, in contrast with a typical technical assistance programme where a donor agency designs the intervention and then tenders it to a firm or organisation to implement. Because AGI is strongly wedded to its theory of change and vision, its staff have been strongly motivated to make the programme work.

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Appendix 1: Interviewees

Julius Sandy	Head of the Public Sector Reform Unit
Ernest S. A. Surrur	Director General, Human Resource Management Office
Professor Victor Strasser-King	Director, Strategy and Policy Unit
Abdul Sowa	Director of Operations, Office of the President
Dr Sheku Kamara	Advisor, Strategy and Policy Unit
Ndeye Sesay	Analyst, Strategy and Policy Unit
Musa Shiaka	Process Manager, Strategy and Policy Unit
Prince Kamara	Small-Holder Commercialization Project Coordination, MAFFS
Chukwu Emeka Chikezie	Former advisor in the Ministry of Trade and Industry
Malte Gerhold	Team Leader, AGI
Tim Bromfield	Advisor, AGI
Ally Arnall	Advisor, AGI
Paul Skidmore	Former AGI Sierra Leone Team Leader
Peter Grant	Aghulas Applied Knowledge
Mia Seppo	Country Director, UNDP
Bryn Welham	Former Governance Advisor, DFID

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