



## **DECENTRALIZATION, POLITICS AND URBAN DEVELOPMENT IN SIERRA LEONE: RESOLVING THE IMPASSE BETWEEN THE FREETOWN CITY COUNCIL AND THE CENTRAL GOVERNMENT**

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In the last few months, Sierra Leoneans across the globe have been inundated by probably one of the longest running *we say-they say* between the Freetown City Council (FCC) and the Ministry of Local Government and Rural Development (MLGRD). This stalemate, which could have been prevented, has cost the state millions of Leones in lost revenue. Thousands of livelihoods have been put on the edge and thousands more at risk of losing their meagre support through the Council. It has also brought the Council's work to an almost abrupt halt, and exposed the systemic frailties of our governance architecture. There seems to be no near end in sight. So, as governance and accountability actors, we are worried that if urgent action is not taken, the limited progress being made at strengthening local governance may soon disappear.

This piece seeks to appeal to common sense and promote effective relations between central and local government actors. Any development-loving and politically progressive Sierra Leonean should be concerned by the way central government, through the MLGRD, is currently exerting its influence over the Freetown City Council, especially in the implementation of the recently announced property tax regime. We are concerned not just by the unnecessary delays caused by the Ministry's unhelpful stance, but by the risks such approach by the central government poses to other local councils across the country. We view the current delays by the MLGRD to allow the continuation of the revised property tax regime in Freetown as an anathema to effective and unencumbered decentralization in Sierra Leone. It also seems contrary to the importance placed on local development by President Bio's administration and unhelpful in the government's achievement of targets set in the Medium Term National Development Plan. We therefore feel obliged, as governance and accountability actors, to demand for a practical intervention to bring an urgent end to this preventable and unnecessary situation.



## **The heart of the matter**

Both the Local Government Act 2004 and its related policy seek to strengthen service delivery at the smallest unit of governance through local councils. In fact, the Act provides that local councils as the highest political authority within a locality. This is why every government that truly cares about service delivery at the lowest level should within the framework of the law, focus on strengthening – rather than – weakening the powers of Councils. We are heartened to note that administrative, political and fiscal decentralization have emerged as high developmental priorities for President Bio's government. This has been exemplified in a number of ongoing reform efforts being led by the Ministry of Local Government, such as the review of the Decentralization Policy among others. The President's reform efforts and interest in advancing decentralization and local development are also evidenced in the timely and regular disbursements of budgetary support from central government to all the local council authorities across the country. We commend these strides and we believe they ought to be the norm.

However, we are also aware that in many other cases there has been a mismatch between reform rhetoric and government's real commitment to decentralization. Our observations and engagements in local governance and development also show that political gerrymandering has been effectively used in perpetuating existing challenges and limiting the ability of local authorities to address both current and future developmental, as well as specific social and economic challenges. This has had huge implications for efficient and transformational urban governance, and by extension, the ability of authorities to prepare for and adapt to socio-economic and political changes. The current tension between the FCC and the MLGRD, in relation to the revised property tax regime is one case in point.

There has been a lot of hum and haw around the new FCC property tax rate reform since it was introduced. As civil society actors, we are well aware that a lot has already been theorised about the possible benefits of the upgraded tax regime. We are also aware that concerns have been raised about the timing and economic impacts a new tax burden will have on residents of Freetown. But we strongly believe that factors completely unrelated to the social and economic arguments advanced by some government officials are impeding progress. We are baffled by the fact that an initiative that some have described as a game-changing enterprise to advancing fiscal autonomy for local authorities in Sierra Leone, especially the Freetown City Council, has instead attracted such frustration and pushback. For us, the heart of the matter is people's livelihoods, the health of the residents of Freetown and the life of our budding democracy. We also believe this is a disincentive for other councils who might want to embark on similar progressive undertakings. In a bid to fully grasp the scale of the impact of the Ministry's delay to allow the FCC to proceed with the new tax regime, we investigated what the current situation is with regards to affected Council functions and found that

- I. Markets are no longer being fumigated on a monthly basis. The work has been discontinued as the contractor cannot be paid



- II. The Traders Council Marshalls who were working alongside the Met Police to support the regular pushback of street traders have been forced to discontinue because apparently the FCC cannot cover their payments under the terms of their MOU.
- III. We learnt that public toilet cesspits have not been emptied because the vacuum truck contractors which are owned and operators by private operators have not been paid. This poses serious health risks to Freetown residents at a time of the ongoing COVID-19 pandemic.
- IV. Importantly, it is public knowledge that FCC staff have not been paid for the months of June and July further leading to discouragement and low morale.

In our view, the heart of the matter transcends brinkmanship and political show. We believe that the lives and livelihoods of thousands of Freetown residents as well as the development and transformation of the city should not be hinged on the ongoing political entanglement between central and local government authorities.

Sadly, our investigation showed that the current standoff in respect of the revised property tax is a tip of the iceberg. We also discovered that a Freetown City Council project that seeks to provide, among other things, dozens of 10,000 litre tanks with straightforward rainwater harvesting systems to provide urgently needed water in informal settlements has reportedly been stopped by the Minister of Water Resources on the grounds that the FCC does not have a mandate to supply water. This could result in the FCC missing the opportunity to harvest rainwater during this rainy season, thereby depriving vulnerable communities of much needed water. That would be so unfortunate.

In addition, the FCC transfer station project has been halted for almost 4 months now in the same manner that the FCC controlled parking zone project has been halted for nearly 6 months now. As if that is not sad enough, the repair of the sewage overflow on the King Jimmy Bridge has also been halted.

### **Due Process or political gerrymandering?**

The reason that has been publicly put forward by the MLGRD for essentially blocking the FCC's property tax review is that the FCC initiated the reform in the absence of a ministry-led guideline. The Ministry therefore instructed the FCC to put on hold the collection of property tax in Freetown until a guideline for the process is developed, validated and finalised by all stakeholders. This, according to correspondences publicly shared, is to ensure that the FCC follows due processes. No specific timeline has been proposed by the Ministry.

As good governance and accountability advocates, we are in full support of the development of the guidelines. In fact, we believe it should be expedited in the earliest possible time as it will serve as a benchmark for institutional strengthening. But we do not believe the guideline should be used as an excuse to prevent what is otherwise a lawful, fair and probably one of the most ambitious and progressive income generating initiative by any local authority in the country's history.



We believe both processes can be undertaken simultaneously. The guideline is and should not be the barrier to progress and local development. In fact, using it as such is against the spirit and intent of decentralization and urban development. We know the Ministry understands the possible benefits of such reforms which have been well posited, but do not seem to know why they remain unconvinced by the FCC's argument to proceed with the new tax regime. We are aware that a similar tax is being implemented by a number of other councils. We question when the government intends to pursue a genuine institutional-building strategy and approach that will involve real devolution of political and administrative prerogative? Why should a lawful measure that seeks to create a fair and balanced property tax regime in the city be paused with no clear timeline for when it should resume? The current stalemate will only dash 15 years of advocacy and capacity building investment by democracy actors towards the Councils.

### **The appeal**

We are mindful of the political differences between the central government and the political leadership of the FCC but for decentralisation to succeed the relationship between the state and local authorities is critical. We would like to urgently appeal to the influence holders, especially the MLGRD, to consider allowing the FCC to resume the collection of property tax under the new regime. We know that government has transferred to FCC the 2020 First Quarter allocation of its budget. Of the Le2.1bn transferred, our investigation shows that only Le211M is not tied or restricted, and is therefore available to FCC for use to support the expenditure earlier mentioned. The rest of the allocation is to cover approved budgets for devolved functions such health posts, hospitals, district health management teams, libraries, youth, sports etc. As the Ministry is fully aware, when considered in whole, the FCC's monthly staff cost alone is around Le630M.

We are therefore appealing that the MLGRD under the current dispensation to bring an end to the suspension of the FCC's new tax regime to allow them become fiscally independent and less reliant on central government budgetary support. We also request that the MLGRD as the supervisory ministry work with the other ministries outlined for the resumption of the FCC projects on hold. Some of these projects are funded by donors and have specific timelines.

To the FCC, and especially Her Worship the Mayor of Freetown, we would like to urge that you work very closely with the relevant Ministries, Departments and Agencies (MDA) to ensure that everyone feels part of the transformation process. Consideration should also be given to income levels by implementing a Progressive taxation system, where people with lower income levels can pay a lower percentage. Sensitization of the Freetown residents on the new tax system is of utmost importance and the setting up of a Property Tax Help desk for further questions and clarifications on the rate categories. Consultation should therefore not be tokenistic. It should go beyond sending letters or having singular meetings with the relevant authorities. The FCC should not be seen to be operating in isolation of Central government. We urge that going forward, teamwork should not just be in prints but in actions and must be seen to be done in goodwill.