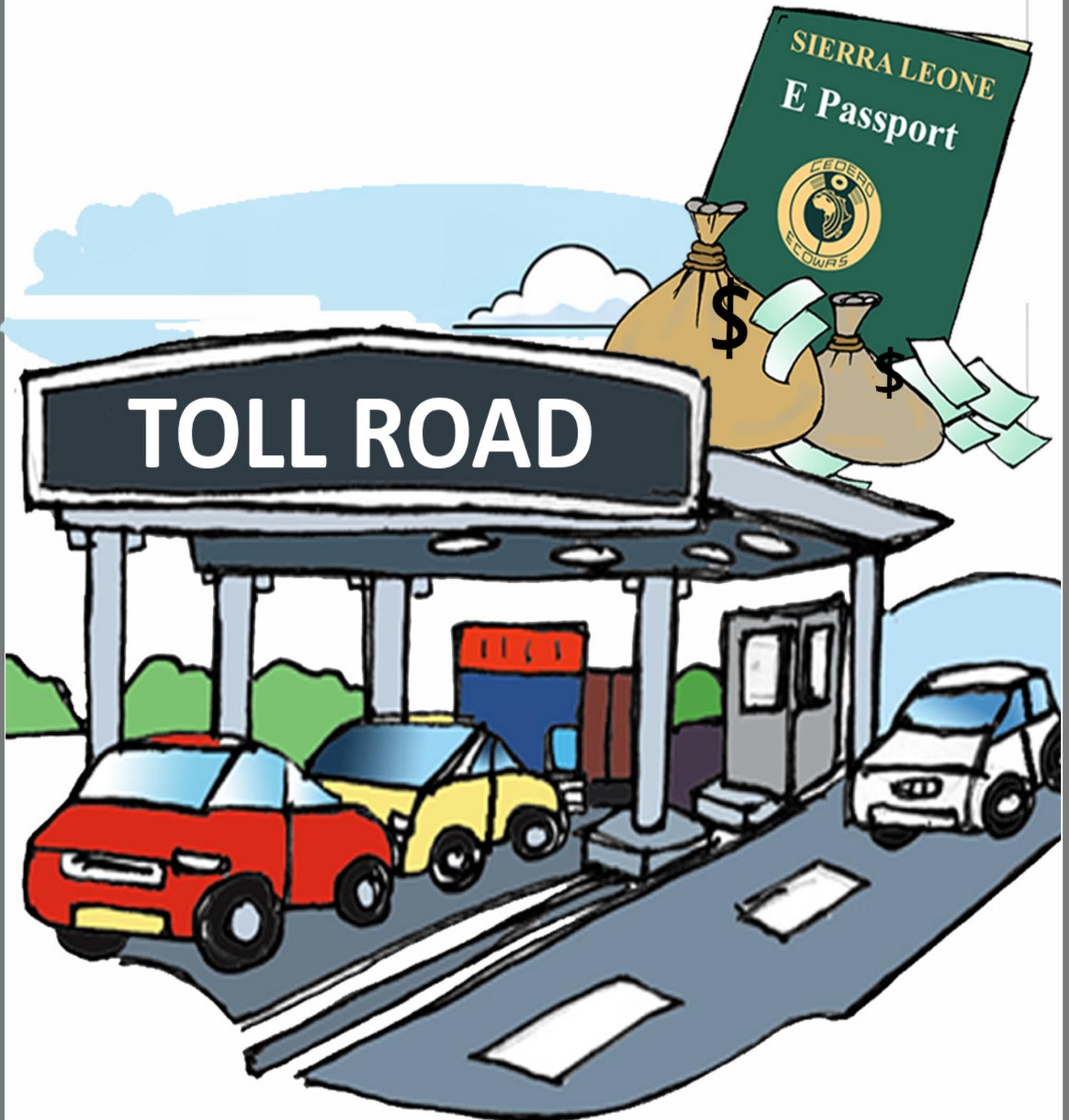


# 'Di Hade Pa Di Case'

## Politics and Revenue Failures in Sierra Leone





## **'Di hade` pa di case'<sup>2</sup>: Politics and Revenue Failures in Sierra Leone**

### **1. Overview**

There have been several explanations over the years for the acute and widespread poverty that appears to plague Sierra Leone, with systemic corruption, political instability and ethno-regional politics often cited<sup>3</sup> as key drivers. What is often missing, however, is a nuanced critical understanding that vital revenue sources awarded to businesses managing large state contracts constitute a stranglehold on a government's budget. Understanding the dynamics around public procurement, especially largescale revenue contracts will help explain how and why a resource-rich nation like Sierra Leone remains poor. Against this backdrop, the collapse of state-owned enterprises, and the persistence of opaque mining agreements that translate into little to no revenue for Sierra Leone are a natural outcome when governance focuses on the few at the expense of many.

The central question asked by this paper is this: why are government officials so willing to break their own rules in awarding contracts that primarily favour business elites and not the citizens? Drawing on data from approximately 3,400<sup>4</sup> state contracts and interviews with current and former public officials under both the Sierra Leone People's Party (SLPP) and the All People's Congress (APC), IGR shows that the state often derives little or no benefit from major contracts because of deliberate strategies employed by business elites to control economic institutions.

To illustrate and ground this argument empirically, IGR collected data relating to state contracts issued under two administrations between 2016 and 2023: the Wellington–Masiaka Toll Road concession and the national e-passport contract. This period was selected deliberately because it spans the administrations of both political parties. The toll road contract was negotiated under the APC and they managed the e-passport contract as well. While in opposition, prudent economic management was the key message in the SLPP campaign during the 2018 elections, and there were plans to review the toll road contract. However, after assuming power, they reneged on this campaign promise. Thus, these case studies help illustrate and explain why institutional cultures and practices rarely change in Sierra Leone notwithstanding which political party is in power. The key findings are below.

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<sup>1</sup> Critical Perspectives of Governance is IGR's quarterly publication that investigates governance issues to generate debates among researchers and practitioners. IGR notes that sometimes conventional theory and practice can be ill-suited to the challenges of governance. Please contact [info@igr-sl.org](mailto:info@igr-sl.org) for more information.

<sup>2</sup> A Krio phrase which means the heart of the matter, or the root cause and centre of a problem.

<sup>3</sup> M'Cleod & Ganson, 2018; The underlying causes of fragility and instability in Sierra Leone

<sup>4</sup> IGR is grateful to all current and former officials of the SLPP and APC administrations who took their time to support this work.

## General findings

1. There are ethical public servants and responsible business elites in both the current and past administrations who are actively seeking allies to improve the economy. This report was only possible because of the many current and former public officials who shared candid accounts of their sustained efforts to promote reforms.
2. A machinery for normalizing and legalizing massive loss in public procurement has been institutionalized and can persist even with a change of regime and personnel.
3. The analysis identifies four core strategies. First, business elites invest in controlling decision-making spaces by financing leading candidates across the two dominant political parties, ensuring access to state power regardless of electoral outcomes. Second, some businesses structure deals around offices rather than individuals, allowing extractive arrangements to persist even as personnel and regimes change. Third, businesses take advantage of newly appointed officials, particularly those entering office financially depleted and with limited institutional knowledge, making new regimes especially vulnerable. Finally, business interests exert influence over sections of the media, shaping editorial policy and constraining public scrutiny of controversial contracts.
4. The fact that none of the current crop of presidential aspirants have not adopted a platform on economic governance reforms demonstrates low political will for change.

## Toll road contract

5. The toll road is a lucrative enterprise Sierra Leone can use as a sustainable mechanism for financing major trunk roads.
6. On average USD21m is raised in toll fares every year, which amounts to an estimated USD172m that should have been collected over the last nine years. However, only USD1m has been paid to the GoSL's National Revenue Authority over the same time period. The total amount paid to the contract is undisclosed, and it remains difficult for the GoSL to learn from the toll road project on how to finance the construction and maintenance of the national road network.
7. While the contractor has never made the toll data public, weak oversight from GoSL's Parliament, as well as the Audit Service, has not helped. The Sierra Leone Roads Authority (SLRA) has acknowledged that it has not conducted any vehicle counts since the toll road was constructed.
8. IGR notes that successive Ministers of Works have adopted the same posture in dealing with CRSG – that is, hide all information on toll operations from the public and establish/increase toll fees without any convincing explanation.
9. At a discounted payback period of approximately 10.8 years, the toll road recovers its full investment well before the end of the 27-year BOOT concession.<sup>5</sup> This leaves an estimated 16 years during which revenues accrue entirely to the private operator, despite the absence of unrecovered capital risk.

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<sup>5</sup> BOOT is a standard finance model used by many foreign contractors that stands for build, own, operate, and transfer.

From a public finance and value-for-money perspective, this constitutes a material transfer of surplus revenue from the state to the concessionaire.

10. Because Sierra Leone commuters are painstakingly paying for the toll contract, GoSL and the service provider owe it to the public to make toll revenue data and transactions transparent. If secrecy around the toll road is addressed, GoSL could use the correct information to re-negotiate the contract.

#### E-passport contract

11. About 60,000 to 70,000 passports are printed and sold annually. An estimated \$7m - USD9m is raised through the sale of passports every year. We found no evidence of any royalty payments to the GoSL's consolidated revenue fund.
12. At \$100 to USD180, the Sierra Leone e-passport is one of the most expensive in the West African region. Despite concerns about cost and the loss of state revenue, the e-passport contract has been renewed at least three times without any rebidding or due consideration for value for money.

## Recommendations

1. There is a strong need to rethink the fight against corruption. Rather than focusing on domestic sources, this report shows that international actors are also complicit, with the operations of some international firms deepening institutional weaknesses that contribute to significant illicit financial outflows and massive revenue loss to the state.
2. There is a strong need for deliberate consensus-building among political elites across party lines to revisit loss-making contracts. Sierra Leone should declare it a crime for public officials to knowingly structure agreements that result in systemic financial losses to the state.
3. The fight against corruption should also prioritise fraud prevention rather than reactive enforcement. Institutions such as the Anti-Corruption Commission (ACC) and the National Public Procurement Authority (NPPA) must take concrete steps to enforce full contract transparency.
4. The extractive machinery embedded in public contracting must be dismantled and replaced with open and efficient systems of economic management, otherwise, Sierra Leone will continue to struggle to raise sustainable revenue for public programmes.
5. Given the depth of vested interests in public contracting, civil society organisations and media actors should establish a stronger, coordinated coalition on economic and revenue governance. While networks such as the Budget Advocacy Network (BAN) have advanced expenditure accountability, a broader alliance is required to counterbalance state and business power in revenue-raising sectors.