Harnessing Natural Resources for Community Development in Post-war Sierra Leone? The Case of the Diamond Area Community Development Fund
1. Introduction

The West African country of Sierra Leone has frequently been at the centre of debates concerning the resource curse. Fuelled by diamonds and corruption, the country’s brutal civil war of the 1990s focused international attention on the processes of illicit diamond mining and trading, and demonstrated how ‘the paradox of plenty’ can lead to destruction and poverty. Although some observers argue that the country’s rich alluvial diamond deposits could potentially serve as a catalyst for economic growth and poverty alleviation, others question such an assumption. A number of critics have warned that in the case of Sierra Leone, an incompatible combination of weak institutions and resource abundance means that diamonds will always be a ‘double edged sword’.

A great deal of academic attention has focused on the political economy of Sierra Leone’s decade-long war and, in particular, on the role of diamonds in fuelling what some regard as a “greed-based” insurgency and others regard as a “grievance-based” rebellion. The causes of the country’s protracted conflict were complex, but despite controversy about the specific causes of the war, there appears to be consensus that diamonds were a central feature of the conflict, principally because the ‘lootability’ of the resource allowed the various fighting factions to fund their warring activities. It has been argued that weak institutions, poor governance, over-centralization, and the development of a marginalized youth ‘underclass’ were prime factors in creating the preconditions for war. The final report of the Sierra Leone Truth and Reconciliation Commission broadly endorses this position, blaming “the political elite of successive regimes in the post-independence era” for the country’s descent into chaos and destruction. The “greed, corruption and nepotism” of this group, the report argues, deprived the nation of its dignity, undermined the rule of law, and reduced the people to a state of poverty. Youths in particular “lost all sense of hope for the future” (Truth and Reconciliation Commission, 2004: para. 95–97).

In this context, the networks of power associated with diamond mining have played a key role in shaping rural politics and identity in Sierra Leone, especially relationships between youth and the so-called ‘gerontocracy’. In particular, in diamondiferous regions of the country, the power and privilege that chiefs possess have been strengthened by their patrimonial relationships with politicians and by their strong brokerage role in the artisanal diamond industry, where they have been central to maintaining the “tributor-supporter” system of mining governance (Zack-Williams, 1995). Critics have suggested that these conditions provide little opportunity for rural subjects to participate in local decision making about resources or to make meaningful choices in their lives. On this basis, it has been argued that many Sierra Leoneans who were forced to endure years of injustice and oppression under a rural gerontocracy joined the rebel Revolutionary United Front during the war in order to exact revenge on the rural elite and sever their ties to customary obligations (e.g. see Richards, 2005).

It is against this backdrop that this paper examines the role of alluvial diamond mining in post-conflict Sierra Leone, and explores the extent to which diamonds might contribute to future development. Although recent post-war diamond sector reforms have aimed to strengthen institutional arrangements to ensure that more benefits accrue to producing communities, the sector continues to be affected by a multiplicity of governance-related challenges. Specifically, the analysis in this paper focuses on one particular initiative of the central government – the Diamond Area Community Development Fund (DACDF) – as a potential mechanism for strengthening citizen participation in decision making over natural resource management. One of the major goals of the DACDF is to redress unequal power relationships within the diamond industry and to make local decision making about diamond resources more equitable. But as will be shown, the DACDF has largely failed to address many of the underlying power issues that shape decision-making at the local level. The endurance of pre-war patrimonial relationships continues to subvert fair access to, and control of, the nation’s diamond resources and threatens prospects for peace-building and post-conflict reconstruction. Although the Sierra Leone Ministry of Mineral Resources has
developed a new set of procedures and guidelines to address the shortcomings of the DACDF, it remains unclear whether these guidelines will address the fundamental issue: namely, how community members participate in decision making about resources.

2. Community-led development and the DACDF
The DACDF was formally approved by Sierra Leone’s Ministry of Mineral Resources in December 2001, as part of a broader reform program for the diamond sector initiated after the end of the civil war. The DACDF is funded by a small portion of the government’s 3 percent diamond export tax (amounting to 0.75 percent of the total export value), which is put into a community fund to support small-scale community-managed development projects in diamondiferous regions. To further strengthen social and infrastructural development, donors have been asked to match funding to the DACDF, although the likelihood of follow-through on this arrangement remains unclear (Temple, 2005).

Under the DACDF, an unprecedented amount of diamond revenue has been returned to diamond-mining communities. The first tranche was made for January through June of 2001, and disbursements were made every six months thereafter until the end of 2006. The fund has accumulated more than $4.25 million in revenue, of which $3.5 million had been disbursed to diamondiferous communities by the end of 2006 (Temple, 2008). Much evidence suggests that some chiefdoms and local councils have used the fund wisely, financing local infrastructure, education, health services, and vocational-skills training centers (Temple, 2005). A considerable number of constraints, however—particularly in the early days of the initiative—have made it a challenge to implement the goals of the fund.

Concerns about the DACDF focus primarily on three areas: effective use of funds, transparency and accountability in the use of funds, and citizen participation in decision making. Chiefdoms benefit from the DACDF in accordance with the number of mining licenses issued and the value of the diamonds recovered from their territory. In 2002, a series of ad hoc reports revealed that a number of chiefdoms were not making competent decisions about the use of the fund (see Temple, 2005). Consequently, in 2003, the DACDF Coalition—a body which consists of representatives from the Ministry of Mineral Resources, the Ministry of Local Government, national and international NGOs, the Anti-Corruption Commission, and the Miners’ Union—was set up to ensure that the fund was used more effectively.

Evidence suggests that since its creation, the coalition has helped chiefs improve their accountability for funds and their responsiveness to community interests. However, the government’s High Level Diamond Steering Committee (HLDSC) raised concerns about the misuse of the DACDF, which eventually led to the suspension of disbursements after the July–December 2006 tranche was released (MMR, 2009). Some of the primary concerns involved a continuing lack of transparency in the use of the fund; poor community awareness of the fund and its intended uses; and poor local participation in decision making about the use of the fund. These observations echoed the findings of a January 2003 study carried out by Search for Common Ground (SFCG), an NGO that assessed the status of DACDF projects undertaken in five chiefdoms and explored the levels of community participation in each project (SFCG, 2003). Like the HLDSC, SFCG raised a number of concerns about transparency, accountability, and community involvement in decision making—in particular, consultations with youth and women. The project report notes that

cheques [from the DACDF] were received, but in most cases however, the signatories to the accounts were the Paramount Chief and his/her cronies (wife, District Officers and Treasury Clerks). The withdrawal of the funds as well as its use was questionable as community people were not represented in the process. The people knew about the fund but nothing about subsequent actions as they were not part of the process (SFCG, 2003: 5).

In order to ensure that decision making about DACDF projects was carried out more equitably and accountably, a number of civil society organizations—including the National
Advocacy Coalition on Extractives, an alliance of eighteen national and international NGOs whose work focuses on the extractive industries – lobbied for the creation of chiefdom development committees (CDCs). To ensure representation of a broad range of community interests, each CDC was to be composed of a wide cross-section of elected chiefdom residents. Reports suggest, however, that the CDCs have more often been composed entirely of members of the rural elite, such as section chiefs – stifling the notion of local ownership of the fund and further alienating many stakeholders, such as women and youth (Temple, 2005). The situation is described by the Director of the NGO GTZ in Kono District:

The chief appoints the members of the CDC, and they are basically his group of “yes men.” The committee’s loyalty must be directed towards the chief, there is an understanding that the members will be given instructions on what to do, and that they will dance to the chief’s tune. But it is not supposed to be like that . . . [the committee] should be made up of people who are elected because they are reliable, hardworking, truthful and willing to represent the community’s affairs honestly (Moiwo, 2008).

A 2006 study carried out in nineteen diamond-producing communities by the Network Movement for Justice and Development (NMJD) reports that local governance factors have greatly inhibited transparency and accountability (NMJD, 2006). The study goes on to note that a “consistent trend of poor participation by grassroots stakeholders in project decision-making” explains why most DACDF projects are concentrated around chiefdoms or district headquarters towns (2006: 11). With few exceptions, the report continues, the single most important implication of poor participation is that the majority of local people do not readily identify with DACDF projects.

In short, while some chiefdoms have demonstrated the capacity to use the DACDF effectively, many have not. A recent article by Paul Jackson highlights the continuing misuse of the fund: “There is no accountability mechanism for ensuring that this cash is used for development, and it is extremely common to hear that local people complain of the chief’s abuse of the system in pocketing this money” (2007: 100). The report produced by NMJD argues that because the CDCs have handled the funds at the local level, without any reporting mechanisms or systematic oversight from the Ministry of Mineral Resources, local abuses of power have flourished (NMJD, 2006). One solution, the report suggests, is to establish a technical team with experience and skills in participatory community programming. The team could provide technical assistance to strengthen community capacity and ensure that the CDC represents a genuine cross-section of the community; help communities identify their needs; and review proposals for development projects.

That such a team could successfully circumvent the hierarchical power structures within Sierra Leonian society and facilitate more equitable community participation remains unlikely, however. These power structures are deeply entrenched; in fact, a number of observers have pointed out that since the end of the war, power imbalances have continued to fuel a rift between youths and chiefs in the countryside. Moreover, Williams adds that uncritical acceptance of the notion that “the community” is where development should take place runs the risk of depoliticizing development – that is, directing attention away from the wider power relationships within which local development occurs (2004: 562).

3. Current Status and Future Prospects

While unequal power relationships have always been prevalent in rural communities in Sierra Leone, a recurrent issue in the history of diamond-mining regions, particularly in Kono District, has been tension between two groups: elites seeking greater control over diamond production, and indigenous communities seeking to maximize their own returns from the industry and to defend their putative rights and entitlements (Fanthorpe and Maconachie, 2010). At various points in history, from the colonial era to the present, the government has become involved in mediating these relationships, and diamonds have been an important strategic resource in such efforts. Since the end of the war, however, as mining has shifted
toward more capital-intensive modes of extraction and has become increasingly attractive to larger companies that plan to pursue mechanized production, tensions between elites, local communities, and the government have reportedly become exacerbated. These tensions appear to extend to the CDCs, and have provoked significant controversy. Although the CDC is intended as a mechanism to allow participation on the part of a wide range of community stakeholders – including marginalized groups, such as women and youth – the reality is that the same powerful elites control decision making in the group.

Recognizing that the DACDF was not producing the intended development results, the Ministry of Mineral Resources froze the fund at the end of 2006; nevertheless, revenue allocations have continued to accrue, and four undisbursed deposits had accumulated by the end of 2008. In August 2008, with the hope of addressing many of the shortcomings previously noted, the Ministry of Mineral Resources developed a new set of procedures and guidelines. The new system features rigorous monitoring and an extensive paper trail: communities are now required to elect chiefdom project committees, which then submit a project proposal form for approval to a local review committee made up of the district administrator, the provincial administrator, and the government mines engineer, from the Ministry of Mineral Resources. If the local review committee accepts the community proposal, the work is put out to bid to local contractors in the chiefdom; this phase is followed by monitoring and evaluation to ensure that the funds are being spent properly.

The strict new monitoring procedures are intended to improve the use and management of the fund and to increase accountability. But the underlying issue of how community members participate in decision making remains largely unaddressed. Whether communication between the CDCs and the community will improve, allowing for greater transparency in the selection of projects, the hiring of contractors, and payments to suppliers, remains to be seen.

4. Lessons Learned
A number of useful lessons have emerged about two matters: a) the administration of the fund and b) the involvement of local communities in the fund’s management.

a). Administration of the Fund
The first disbursements from the DACDF were made directly to the paramount chiefs by the central government in the form of a cheque, which was often presented publicly in the local Court Barrie (the community town hall), with the entire community present. There was little effort to prepare the community for the arrival of the disbursements or to explain the origins of the revenue; a number of chiefs, as well as community members, were confused about the intended use of the fund. During these initial years, accountability was poor, and many chiefs were unable to explain how their DACDF allocations had been spent.

Nor was there sufficient transparency or accountability at the central government level, where the DACDF revenues were collected and controlled. Even today, there is concern about the lack of transparency within the central government, where large amounts of diamond revenue continue to accrue. Such concerns echo a 2007 Human Development Report undertaken by the United Nations Development Programme, which points to accountability, transparency, and corruption as the key challenges of post-conflict governance (UNDP, 2007). For decentralized resource management to be effective, there must be a clear line of accountability, both at the local and at the central government level. As Ribot (2002) has pointed out in other contexts, decentralization is more successful if there is a strong and accountable central government to guide and oversee it.

At the time the DACDF was initially proposed, in 2001, the Local Government Act had not been ratified; thus, the local councils, which were reinstated by the act and are now beneficiaries of the DACDF (receiving 20 percent of the disbursements for development projects), were not initially involved in the fund’s implementation. Although it could be argued that the addition of another layer of governance, in the form of the local councils, should improve accountability and fund management, the reinstatement of the councils may actually have caused further conflict and confusion, which could have had an impact on the
rational use of funds. In November 2008, a joint Ministry of Mineral Resources and local government “road show” was used to introduce the new DACDF guidelines to communities, chiefs, and district officials in all diamondiferous regions. Reports from the Ministry of Mineral Resources indicate that the amendments for the proposed use of the fund were the most contentious aspect of the guidelines. Historically, a portion of the DACDF had been used to pay administrative salaries (e.g., in the chiefdom administration, district councils, and town councils), but this is not permitted under the new regulations – a change that has been met with some resistance from those who had previously received part of their compensation through the DACDF.

b). Community Involvement in Decision Making
Invitations to participate in formally defined decision-making initiatives – such as the DACDF – do not always yield results that are consonant with idealized notions of democratic space. Consequently, one of the most important lessons is that citizen engagement is always mediated by existing power relationships, including the modes of influence that participants exercise. As Cornwall rightly suggests, community participation may best be treated as a “situated practice” – one that is shaped and defined by political, social, cultural, and historical determinants (2002: 51).

On a positive note, Brown et al. (2006) argue that for all the destruction and disruption caused by Sierra Leone’s civil war, its resolution may have opened up new spaces for participation that could potentially change social rules and institutional practices. On the other hand, they also note that in many respects, Sierra Leonean society and politics have proven to be much less malleable than many observers had initially assumed. They suggest that many of the patrimonial institutions and practices that shaped natural resource access during the pre-conflict era may have been preserved, and in some cases even strengthened, in the post-conflict period. In such situations, where prewar power structures continue to endure, Cleaver warns that there is a danger of participation being based on “over-optimistic notions of agency . . . combined with romantic ideas about groups and institutions” (2004: 271) In the case of Sierra Leone, the exercise of agency and citizenship rights is embedded in social relations that are defined by a highly unequal distribution of power and located within a complex web of micro-politics.

5. Conclusion
While this paper focuses on just one initiative, the DACDF, the implications for future natural resource management and development in the diamond-bearing regions of Sierra Leone are far broader. Security concerns remain high in diamondiferous areas, where large numbers of uneducated, unemployed, and potentially volatile youth have little ability to make meaningful choices in their lives. The legacy of economic oppression and political exclusion from public decision making continues to be a source of considerable concern: history has shown that identity- and interest-based inclusion in public decision making can fragment communities and ignite conflict (Ribot, 2004), and a number of observers have warned that in the case of Sierra Leone, limiting or shutting down spaces of public participation risks recreating the inequalities that led to the country’s protracted civil war (Hanlon, 2005). Thus, if the government has indeed given priority to the sustainable development of mineral resources as a key part of its reconstruction program, while at the same time recognizing the need for increased public participation in resource governance, it must rethink how its policies and programs are playing out in practice. Even where citizens are invited to participate in intentionally designed institutional spaces, local actors’ full and fair participation in the decision-making process cannot be assumed.

In the diamondiferous regions of Sierra Leone, unequal power relationships continue to shape resource use, livelihood options, participation in decision making, and development outcomes. Ultimately, these enduring political and economic struggles over resource access and control remain the greatest threats to the potential benefits of diamond-sector reforms, and to Sierra Leone’s postwar transition to sustainable peace.
References


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