



GOVERNMENT OF SIERRA LEONE

FISCAL STRATEGY STATEMENT (FSS) FOR FY 2022-2024

Submitted by

Dennis K. Vandi

Minister of Finance

**In fulfilment of the requirements of Section 23 of the
Public Financial Management Act 2016 and
Section 40 of the Finance Act 2020**

MINISTRY OF FINANCE

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1 INTRODUCTION

Section 23 (1) of the Public Financial Management Act (PFM Act), 2016 requires the Minister of Finance to prepare an Annual Fiscal Strategy Statement (FSS). Section 23 (1) states: 'Not later than the end of the seventh month of every financial year, the Minister shall, with the approval of Cabinet, prepare and lay before Parliament for its information a Fiscal Strategy Statement'. The Annual FSS specifies the fiscal objectives of Government for a three-year period.

The 2020 Finance Act amended section 23 (1) of the PFM Act, 2016 to allow the Minister of Finance to submit the FSS to Cabinet for approval and lay it before Parliament on the tenth month of every financial year. This was necessitated by the fact that the discussions between the Government of Sierra Leone and the International Monetary Fund (IMF) on the medium-term macroeconomic framework, which underpins the FSS and the Budget for the subsequent year are usually concluded in September of the current year.

In compliance with sections 21 (1) and 23(1) of the PFM Act, 2016, the Minister of Finance had prepared and submitted to Cabinet the first, second and third Fiscal Strategy Statements for the financial years, 2019, 2020 and 2021, which were subsequently laid in Parliament for information. The first FSS was prepared in 2018 for the 2019 financial year and specified the fiscal objectives of Government for five (5) years in alignment with the duration of the first term of the Government consistent with section 21(1) of the PFM Act, 2016. The second and third Fiscal Strategy Statements were prepared in 2019 and 2020 specifying the macroeconomic and fiscal forecast for the next three years as required under section 23 (1). This FSS, which is the fourth in the series, specifies the fiscal objectives of Government for the next three years (2022-2024) in fulfilment of the requirements of section 23 (1) of the PFM Act, 2016.

Consistent with section 23 (1) (a) to (k), of the PFM Act, 2016, the 2022 FSS is organized as follows: Following the introduction (section 1), Section 2 presents the broad fiscal strategy and objectives of Government for the period 2022-2024. Section 3 provides an overview of global economic developments in 2021 and recent domestic macroeconomic developments (2019-2021). Section 4 delves into the medium-term macroeconomic outlook (2022-2024) and underlying assumptions. Section 5 provides a review of recent fiscal developments, 2019- 2020 and the first half of 2021 and Government's medium-term fiscal forecasts and assumptions as well as the measures to achieve the revenue and expenditures projections therein. Section 6 presents the Medium-term Expenditure Framework and the Public Investment Programme (PIP), with details of the non-salary, non-interest recurrent and domestic capital expenditure allocations for MDAs for 2022-2024. Section 7 presents the Fiscal Risk Statement, with analysis on the macroeconomic and other risks that are likely to derail the attainment of the fiscal objectives specified in the FSS. This section also discusses mitigating measures for the identified risks.

2 FISCAL STRATEGY AND OBJECTIVES

Government's fiscal objectives for the medium-term (2022-2024) remained broadly the same as specified in its first Fiscal Strategy Statement (2019-2021). In this context, the key objective of Government's fiscal policy in the medium-term is to achieve fiscal and debt sustainability. This is consistent with the principles of Responsible Fiscal Management as specified in section 2 (2) of the PFM Act, 2016, which includes the following:

- Achieve and maintain prudent levels of public debt so as not to impose an inequitable burden on future generations;
- Achieve and maintain an appropriate balance between revenue and expenditures of the general Government;
- Formulate and implement fiscal policies to maintain macroeconomic stability;
- Provide timely, reliable and adequate information to the public on fiscal objectives, data, and risks to ensure transparency in budgetary and financial management of the general Government; and
- Manage prudently the fiscal risks faced by Government.

To achieve fiscal and debt sustainability in recent years, Government pursued fiscal consolidation with emphasis on domestic revenue mobilization and prudent expenditure management, with the aim of restoring macroeconomic stability. These efforts yielded positive fiscal outcomes. Domestic revenue increased to 13.7 percent in 2018 and further to 14.6 percent of GDP in 2019 from 12.3 percent in 2017. At the same time, Government expenditures decreased to 21.1 percent of GDP in 2019 from 23.5 percent of GDP in 2017. As a result, the overall budget deficit, including grants narrowed to 3.1 percent of GDP in 2019 from 8.8 percent of GDP in 2017. The basic primary deficit, the key indicator of fiscal sustainability, narrowed to 0.8 percent of GDP in 2019 from 4.5 percent of GDP in 2017. However, public debt increased slightly to 71.8 percent of GDP in 2019 from 69.7 percent of GDP in 2017. While domestic debt declined slightly to 27.6 percent of GDP in 2019 from 28.0 percent of GDP in 2017, external debt increased to 44.2 percent of GDP from 41.7 percent over the same period.

However, the outbreak of the Corona Virus Disease (COVID-19) in early 2020 and measures implemented globally and domestically to contain the spread of the disease constrained economic activities in 2021. Consequently, the Sierra Leone economy contracted by 2.2 percent in 2020 from a positive growth rate of 5.5 percent in 2019. Domestic revenue dropped to 13.3 percent of GDP in 2020 from 14.6 percent in 2019 owing to the contraction of economic activities, weak tax compliance and tax deferrals granted by the National Revenue Authority (NRA) to businesses to help them cope with the adverse impact of the disease on their operations. At the same time, total Government expenditure increased to 24.9 percent of GDP in 2020. Consequently, the overall budget deficit, including grants, widened to 5.6 percent of GDP from 3.1 percent of GDP in 2019. Public debt declined to 71.3 percent of GDP, reflecting the slight decline in domestic debt to 25.7 percent of GDP. External debt increased to 48.0 percent of GDP in 2020 from 45.8 percent of GDP in 2019.

Against this backdrop and consistent with the principles of responsible fiscal management, Government will seek to achieve the following fiscal targets during (2022-24) in order to restore fiscal and debt sustainability, thereby safeguard macroeconomic stability: The key medium-term fiscal objectives of Government are as follows:

1. To reduce the overall budget deficit, including grants to not more than 3.0 percent of GDP. To this end, Government will sustain and deepen its fiscal consolidation agenda by:
 - (i) intensifying domestic revenue collection. The detailed revenue enhancing measures are described in section 5.2.3 and 5.2.4 of this FSS;

- (ii) prudently managing public expenditures by rationalizing expenditures and strengthening controls. The detailed expenditure management measures are described in section 6.3 of this FSS.
- (iii) prudently managing public debt to ensure debt sustainability;

Government's original target was to increase domestic revenue collection to 20 percent of GDP by 2023. Government was on track in achieving this target as domestic revenue collection improved from 12.3 percent in 2017 to 13.7 percent in 2018 and further to 14.6 percent in 2019. Domestic revenue was projected to increase further to 14.8 percent in 2020. However, the depressed economic activities due to COVID-19 eroded the tax base and weakened tax compliance resulting in the drop in domestic revenue to 13.3 percent of GDP in 2020. Recognizing the lingering impact of COVID-19 and associated uncertainty, domestic revenue is projected to increase to 14.2 percent of GDP in 2022 and gradually to 14.7 percent of GDP in 2024.

Government's medium-term objective is to contain expenditures at 21-22 percent of GDP. Government expenditure is projected to drop to 23.1 percent of GDP in 2021 from 24.9 percent of GDP in 2020 and to average 21 percent of GDP during 2022 to 2024. As part of efforts to contain overall expenditures, a sub fiscal objective is to keep the wage bill at the sustainable level of 6.0 percent of GDP in the medium-term. Government remains committed to continue to implement reforms to improve the integrity and sustainability of the payroll. The wage reforms are articulated in section 6.3 of the FSS. The wage bill declined to 6.3 percent of GDP in 2018 from 6.9 percent in 2017 but rose to 7.0 percent of GDP in 2019 and 7.9 percent of GDP in 2020. The increase in the wage bill reflects the integration of the payroll of the tertiary educational institutions and sub-vented agencies into the automated and centralized government payroll. The Wage bill is projected to decline to 6.9 percent of GDP in 2022; 6.3 percent of GDP in 2023 and further down to 6.1 percent of GDP in 2024.

2. Another key fiscal objective of Government is to attain debt sustainability by ensuring that total public debt does not exceed 70 percent of GDP consistent with the convergence criteria under the ECOWAS single currency. However, total public debt increased slightly to 71.8 percent of GDP in 2019 from 69.7 percent in 2018 but declined to 71.3 percent of GDP in 2020, though remain above the sustainable threshold of 70 percent of GDP. This was due mainly to increased disbursement of foreign loans to support project implementation as well as the disbursement of emergency financial assistance by the IMF under the Rapid Credit Facility (RCF) to mitigate the impact of COVID-19 on the fiscal and external accounts. Total public debt is projected to decline to 70.2 percent of GDP in 2023. To this end, Government will prioritize concessional loans and rely more on grant financing of projects. Government will also explore the possibility of using non-debt creating financing options such as Public-Private Partnerships (PPPs) while taking note of the associated contingent liabilities. Government is also implementing the updated Medium-term Debt Management Strategy developed jointly with the IMF and the World Bank.

3 RECENT ECONOMIC TRENDS

3.1 Global Economic Developments and Outlook and Risks

Global growth momentum continues to strengthen, underpinned by continuous policy support, mass vaccinations and the relaxation of pandemic-related restrictions- mostly in developed and some emerging economies. These efforts have helped to improve prospects of a strong rebound in economic activities in 2021, as reflected in the latest IMF projections of 6.0 percent, up from the 5.0 percent in January.

Nonetheless, the continuous spread of the virus in other parts of the world, the emergence of new variants, stalled vaccination efforts in developing and emerging market economies, and the narrowing policy space continues to cloud efforts of fighting the pandemic and thereby creating uncertainties which could undermine the global recovery efforts. Although, near-term pandemic-related risk remain elevated, the global economy is still projected to grow at a robust clip of about 4.4 percent in 2022. The outlook depends not just on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis.

In the US, the unprecedented fiscal and monetary support, combined with the receding COVID-19 case numbers, has provided a substantial boost to activity in the near-term. Growth in 2021 is expected to be around 7.0 percent, the fastest pace in a generation, with modest risks to the upside. This strong economic performance is projected to continue into 2022, with growth of around 5.0 percent.

In continental Europe, economic activities have picked-up faster than predicted, reflecting the opening up of international trade, supply chain corridors and the faltering return of services-particularly tourism. Economic growth in the region is now projected to expand by 4.4 percent in 2021, moderating slightly to 3.8 percent in 2022, from a sharp slump of -6.6 in 2020.

The Chinese economy continues its recovery from the pandemic, helped by strong containment effort, swift policy actions to mitigate the impact of the crisis, combined with strong rebound in pandemic-related exports. GDP growth is projected to expand by 7.9 percent in 2021 from 1.9 percent in 2020, as economic activity continues to normalize and domestic outbreaks remain under control.

In Sub-Saharan Africa, recent surge in the virus across the region, low policy space to support crisis response and recovery and low rates of vaccination continue to weigh heavily on economic performance, despite soaring global sentiments and rising commodity prices. As a result, economies in the region are projected to grow by 3.4 percent in 2021 from -1.9 percent in 2020, weaker than the 6.0 percent for the rest of the world. The growth trajectory in 2022 will continue to depend on the evolution of the pandemic, policy space and enhanced development assistance.

In developed economies, inflation has increased notably and will likely remain elevated in coming months before moderating. Inflation is being temporarily boosted by base effects, as the sharp pandemic-related price declines from last spring drop out of the 12-month calculation. In addition, strong demand in sectors where production bottlenecks or other supply constraints have limited production has led to especially rapid price increases for some goods and services, which should partially reverse as the effects of the bottlenecks unwind. Prices for services that were hard hit by the pandemic have also jumped in recent months as demand for these services has surged with the relaxation of restriction of individual movement and business. In emerging and developing countries, domestic prices continue to be dominated by supply-side constraints, including rising shipping cost, supply chain bottlenecks, soaring commodity prices, but as economies open up or impose targeted restrictions, demand considerations are also growing.

The recovery in commodity prices that started in the later part of 2020, seems to be strengthening and prices are projected to remain high in the short-run, as economies around the world continue to open up. Energy prices surge in June, rising 9.4 percent. This follows a 7.9 percent increase in May. Non-energy prices eased 1.4 percent in June, after rising 6.5 percent in May. Metals and minerals were down 1.2 percent. Precious metals fall by 1.1 percent.

3.2 Domestic Macroeconomic Developments, 2018-2020

3.2.1 Economic growth

The economy recovered strongly at 5.5 percent in 2019 following subdued growth at 3.5 percent in 2018. The positive outcome in 2019 was underpinned by the recovery of key economic activities especially the resumption of iron ore mining, increased output of diamond, rutile and bauxite and strong growth in the agriculture, manufacturing and services sectors.

The outbreak of the COVID-19 and the restrictive measures adopted to contain the spread of the disease weakened economic activities.

As a result, the economy contracted by 2.2 percent in 2020. Trade, Tourism and Travel were the hardest hit sub-sectors resulting in the contraction in the services sector. Mining, manufacturing, construction and Agriculture also slowed down significantly. The economy is expected to recover in 2021 though uncertainties loom as COVID-19 lingers on.

3.2.2 Consumer prices

Inflationary pressures moderated but remained in double digits at 13.9 percent at end 2019 from 14.2 percent at end 2018. Inflation continued the downward trend falling to 10.5 percent in 2020 and further down to 10.2 percent in June 2021. Increased food production, tight monetary policy stance and sustained fiscal consolidation drive combined with the relative stability in the exchange rate accounted for the moderation in inflationary pressures.

3.2.3 Government Fiscal Operations

The intensification of domestic revenue mobilization efforts resulted to an improvement in domestic revenue collection to 13.7 percent in 2018 and further to 14.6 percent of GDP in 2019 after stagnating at 12.3 percent in 2016 and 2017. However, the depressed economic activities following the outbreak of COVID 19 resulted in a fall in revenues to 13.3 percent of GDP in 2020. At the same time, expenditures, which averaged 21.3 percent of GDP in 2018 and 2019, increased to 24.9 percent in 2020 on account of COVID 19 related spending.

These developments resulted in significant reduction in the overall budget deficit during 2018 and 2019. The deficit, including grants, declined to 3.1 percent of GDP in 2019 from 5.6 percent in 2018. The deficit however, increased to 5.6 percent reflecting the drop in revenues in the midst of higher COVID 19 related expenditures. The overall budget deficit excluding grants increased to 10.7 percent of GDP in 2020. Including grants, the deficit declined to 5.6 percent in 2019 from 7.7 percent in 2018.

Reflecting this development, the overall budget deficit including grants declined from 5.6 percent of GDP in 2018 to 3.1 percent of GDP in 2019, but increased to the 2018 level in 2020.

3.2.4 Money supply

Money supply expanded during 2018, 2019 and 2020 reflecting the growth in both Net Foreign Assets (NFA) and Net Domestic Assets of the banking system. Broad money grew by 14.5 percent in 2018, 14.3 percent in 2019 and 38.2 percent in 2020.

Bank credit to the private sector increased by 30.6 percent in 2018 but slowed down by 22.9 percent in 2019 and further by 4.9 percent in 2020. Credit to the private sector continued the slowdown to 4.9

percent in 2020. However, credit to the private sector expanded by 8.9 percent in the first quarter of 2021 resulting from the special credit facility rolled-out by the Bank of Sierra Leone in 2020.

3.2.5 External Trade

Total exports receipts increased by 4.4 percent to US\$ 667.1 million in 2019 from US\$ 639.2 million in 2018 mainly on account of higher diamond exports. However, exports receipts contracted by 36.5 percent to US\$ 423.9 million in 2020 underpinned by the complete shutdown of the iron ore mines as well as the difficulty in shipping diamonds due to the disruptions caused by COVID-19.

The value of total imports grew by 0.6 percent from US\$ 1.2 billion in 2018 to US\$ 1.4 billion in 2019, but slowed down to US\$ 1.2 billion in 2020.

Current Account

The current account deficit widened from 18.6 percent of GDP in 2018 to 22.3 percent of GDP in 2019. The current account narrowed to 16.7 percent of GDP in 2020 resulting from increased inflows of official transfers.

Overall Balance Payments

The overall balance of payments recorded a surplus of US\$21.2 million (0.5 percent of GDP) in 2019 from a deficit of US\$ 23.7 million (-0.6 percent of GDP) in 2018. The surplus reduced to US\$ 4.5 million (0.1 percent of GDP) in 2020.

3.2.6 Gross foreign exchange reserves

Gross foreign reserves increased to US\$ 507 million (3.9 months of imports) in 2019 from US\$ 481 million (3.2 months of imports) in 2018. Reserves further increased to US\$ 677 million (4.7 months of imports) in 2020. The increase in reserves was mainly due to higher donor disbursements in support of the fight against COVID 19.

3.2.7 Public Debt

Public debt increased from 69.1 percent of GDP in 2018 to 71.8 percent of GDP in 2019. The stock of outstanding total public debt (external plus domestic) stood at Le30.71 trillion, representing 73.7 percent of GDP at end 2020. This included the stock of verified domestic supplier's arrears which are estimated at 2.51 trillion. Excluding arrears, the total stock of public debt is estimated at 68.2 percent of GDP at end-December 2020. Government, in collaboration with the International Monetary Fund (IMF), has developed an Arrears Clearance Strategy and Principles (ACS&P) 2020-2025, which is being implemented and the arrears situation has shown improvement in 2020.

External debt amounted to US\$ 1.96 billion in 2020, accounting for 66.4 percent of total public debt and 48 percent of GDP. This includes US\$ 1.54 billion owned to multilateral creditors; US\$ 241.1 million owned to bilateral creditors and US\$ 179.4 million owned to external commercial creditors. External debt increased by 19.0 percent in 2020 mainly driven by exceptional disbursement of US\$143 million from the International Monetary Fund under the Rapid Credit Facility (RCF) and various other disbursements, including disbursement from the World Bank, OPEC Fund for International Development and others in respect of the various budgetary supports to reduce the negative impact of the Covid-19 pandemic. External debt increased from 41.2 percent of GDP in 2018 to 44.2 percent of GDP in 2019.

Domestic debt amounted to Le 10.65 trillion accounting for 34 percent of total public debt and 25 percent of GDP. Domestic debt increased by 9.6 percent in 2020, which is due to the insurance of marketable securities especially the 365-day T-bills, to support budget execution. In terms of GDP, domestic debt declined marginally from 27.9 percent in 2018 to 29.6 percent in 2019.

4.1 Gross Domestic Product

As the COVID-19 pandemic continues to rattle the global economy, the outlook of Sierra Leone's economy remains highly uncertain. The medium-term outlook would be largely determined by the trend and ultimate containment of the pandemic. In particular, the availability and effectiveness of vaccines to contain existing and potential new variants of the disease would be critical to support global economic activities and hence the domestic economy.

Despite the uncertainty, the domestic economy is projected to recover during 2021 and the medium term. The economy is projected to grow by 5.9 percent in 2022, 4.4 percent in 2023 and 4.9 percent in 2024. Box I outlines further assumptions underlying the medium-term growth prospects.

Table 4.1: Sectoral Growth

	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
	IMF					SLMWG				
Real GDP	-2.2	3.2	5.9	4.4	4.9	-1.9	2.7	3.7	4.4	5.5
Agriculture, Forestry and Fishing	1.6	2.6	4.1	4.1	4.2	2.1	3.0	4.1	4.2	4.4
Crops	2.1	2.9	4.5	4.5	4.6	2.5	3.5	4.7	4.7	5.0
Livestock	0.2	2.0	2.0	2.0	2.2	1.0	2.0	3.0	3.0	3.0
Forestry	0.8	1.5	2.0	2.0	2.2	1.0	1.5	2.0	2.0	2.3
Fishery	0.2	1.5	3.0	3.0	3.0	1.0	2.0	2.5	3.0	3.0
Industry	-7.1	2.7	27.0	6.0	9.9	-10.1	18.0	4.2	10.4	11.9
Mining and Quarrying	-0.1	4.8	50.2	8.0	12.4	-14.7	32.9	4.4	15.4	17.3
Iron ore	-100.0	..	450.0	4.5	4.3	-100	-	31.06	24.33	2.39
Other mining	-8.7	-9.9	-14.9	11.7	20.4	-34.3	- 3.7	- 63.6	-	- 0.0
Manufacturing and Handicrafts	-6.7	1.0	3.0	3.0	6.0	- 6.9	1.1	3.0	3.0	3.0
Electricity and Water Supply	3.6	2.0	3.4	3.4	5.1	4.2	4.5	4.5	5.0	5.0
Construction	4.6	0.0	3.1	3.1	6.0	-5.0	5.0	5.0	5.0	5.0
Services	-5.6	2.3	3.5	4.3	4.4	- 6.5	2.8	4.1	4.4	5.0
Trade and Tourism	-29.6	8.0	6.0	4.5	4.0	-38.0	5.0	4.0	4.0	5.0
Transport, Storage and Communication	2.6	2.0	3.5	5.0	5.0	- 1.5	1.3	3.5	3.8	5.0
Finance, Insurance and Real Estate	2.2	2.0	3.0	3.0	3.0	1.0	2.0	3.0	4.0	5.0
Government Services	-0.5	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Other Services	0.0	0.0	3.3	3.8	4.3	2.1	2	3	4	5
Imputed Financial Charges	1.8	1.8	1.8	1.8	1.8	2.3	2.3	2.3	2.3	2.3
Indirect taxes	-1.8	3.8	3.8	3.8	3.8	2.3	2.3	2.3	2.3	5.0

Source: IMF and Sierra Leone Macro-Fiscal Working Group (SLMWG)

4.2 Inflation

Inflationary pressures are projected to continue the downward trend over the medium term supported by investment in agriculture that is expected to boost domestic food production and consequently dampen food inflation. The year-on-year inflation is projected to decline from 13.9 percent at end 2021 to 10.8 percent at end 2023 and to single digit of 9.8 percent in 2024.

4.3 Money Supply

The main objectives of monetary policy will remain price and financial sector stability. Accordingly, the BSL will continue to use Open Market Operations and other indirect policies instruments to achieve the objective of price stability. Broad money growth will decline from 14.0 percent at end 2021 to 11.8 percent at end 2024.

4.4 Exports

Export growth are projected to be strong over the medium term largely reflecting the re-commencement and ramp up of i) iron ore exports; ii) higher export of other minerals; and increased export from agribusinesses. Export will recover by 63.9 percent in 2021 and average almost 14.5 percent during 2022 and 2024.

4.5 Imports

Imports will expand based on the need to support domestic production. Imports will recover by 6.9 percent in 2021 and subsequently moderate to average 3.1 percent during 2022 and 2024.

4.6 Current Account

The current account deficit (including official transfers) is expected to narrow from 15.6 percent in 2021 to 12.4 percent in 2024 due to increased export of minerals and agricultural output supported by donor inflows in support of Government's development programmes.

4.7 Balance of Payments

The overall Balance of Payments deficit will improve from 3.2 percent in 2021 to 0.1 percent in 2024 on account of increased FDI inflows resulting from improved and stable macroeconomic and business environment.

4.8 Exchange rate

The exchange rate will remain market determined to assist in mitigating the negative impact of external shocks on the economy. The Bank of Sierra Leone will also maintain adequate reserve coverage and will intervene in the market only to smoothen out excess volatility in the exchange rate.

4.9 Public Debt

The medium-term debt policy will focus on ensuring debt sustainability in spite of shocks including those emanating from the COVID 19. Accordingly, Government will implement measures to ensure that the debt situation does not worsen by increasing domestic revenue mobilization; and prioritizing highly concessional loans. Public debt will decline from 72.9 percent of GDP in 2021 to 70.2 percent of GDP in 2023 and decline further to 67.8 percent of GDP in 2024.

4.10 Gross International Reserves

The Bank of Sierra Leone will continue to maintain a healthy reserves position in order to continue to stabilize the exchange rate. This would be achieved through exports diversification to increase forex inflows and build reserves. Gross foreign reserves is projected to average three months of import cover over the medium term.

Table 4.2: Medium-Term Macroeconomic Forecasts

National account and Prices	2021	2022	2023	2024
Growth	Annual % change, unless otherwise indicated			
GDP at constant prices	3.2	5.9	4.4	4.9
GDP excluding iron ore	2.6	3.1	4.4	4.9
GDP excluding mining	2.5	3.9	4.1	4.3
Inflation				
Consumer prices (end of period)	13.9	12	10.8	9.8
Consumer prices (annual average)	10.7	13	11.4	10.3
Money, Credit & reserves				
Domestic credit to the private sector	15.6	19.9	17.5	14.7
Broad Money	14.0	6.6	11.5	11.8
Reserve Money	7.6	1.4	11.5	11.8
External Sector				
Export of goods	63.9	14.6	17.2	11.6
Import of goods	6.9	3.2	2.5	3.5
	% of GDP unless otherwise indicated			
Current Account Balance				
Including official grants	-15.6	-15.9	-13.6	12.4
Excluding official grants	-19	-18.4	-16.6	15.4
Overall Balance of Payments	-3.2	-2.8	-1.1	-0.1
Fiscal Sector				
Government Income	19.3	18.7	18.7	19.2
<i>Domestic Revenue</i>	14.1	14.2	14.3	14.7
<i>Grants</i>	4.5	4.1	4.4	4.5
Total expenditure	23.1	21.5	20.8	20.3
Overall fiscal balance				
(including grants)	-3.8	-2.8	-2.1	-1.1
(excluding grants)	-8.3	-6.9	-6.5	-5.6

Outstanding debt (domestic and external)	72.9	73.4	70.2	67.8
Memorandum Items				
Gross international reserves (including swaps)	652	532	470	430
<i>(in months of imports)</i>	4.3	3.4	2.9	2.5
Nominal GDP excluding iron ore (\$ m)	4,302	4,267	4,338	4478
Nominal GDP (Le bn)	47,583	56,316	64,966	74,646
Nominal GDP Excl Iron ore (Le bn)	47,055	53,823	62,080	71,223
Exchange Rate Le/US dollar (EOP)	11,745	13,483	15,141	16,670

Source: Sierra Leonean Authorities and Fund Staff Estimates and Projections

Box 4.: Medium-Term Macroeconomic Forecasts Assumptions

Economic growth: Economic recovery in the medium-term hinges on the duration, spread and severity of COVID 19. Growth is expected to be driven by the 'policy shift' in agricultural sector resumption of iron ore mining at Marampa Mines, and the recovery of the services sector especially tourism, manufacturing and construction sectors, combined with increased investment in infrastructure, as well as implementation of reforms to improve the business climate and governance.

Inflation: Consumer price inflation will trend downwards over the medium term mainly predicated on i) stable exchange rate; ii) higher domestic food production; iii) the Bank of Sierra Leone's proactive monetary policy stance; and iv) supported by Governments fiscal consolidation efforts.

Exports: are forecasted to increase over the medium term in line with the recovery of the global economy which will have positive effect on the demand for exports including iron ore and other minerals.

Imports: will grow in line with the recovery of the economy, which will increase the demand for capital and intermediate goods.

Current Account Balance: The current account deficit will improve largely reflecting increased export (agricultural and mining products) resulting in improvement in the trade deficit and higher official and private transfers.

Balance of Payments: Inflows of Foreign Direct Investments resulting from stable macroeconomic and business climate will help improve the overall Balance of Payments.

Gross foreign exchange reserves: are projected to increase as exports, Foreign Direct Investment as well as donor disbursements contribute to support a healthy gross foreign reserves position over the medium term.

Exchange rate: The Exchange rate will continue to remain market determined and changes would reflect differential between domestic and the foreign inflation.

5 FISCAL POLICY

5.1 Recent Fiscal Developments 2019 – 2020 and First Half of 2021

Total revenue and grants increased to Le6.66 trillion (17.7 percent of GDP) in 2019 from Le5.10 trillion (15.8 percent of GDP) in 2018. In 2020, total revenue and grants increased to Le7.81 trillion (19.0 percent of GDP) largely due to sharp increase in official grants. Total expenditure and net lending averaged 21.2 percent of GDP during 2018 and 2019. Expenditures increased to 24.9 percent of GDP in 2020.

Reflecting this development, the overall budget deficit including grants declined from 5.6 percent of GDP in 2018 to 3.1 percent of GDP in 2019, but increased to the 2018 level in 2020.

5.1.1 Domestic Revenue Performance 2019-2020

Domestic revenue amounted to Le 5.42 trillion (14.6 percent of GDP) in 2019 compared to Le 4.43 trillion (13.7 percent of GDP) in 2018. Of this amount, Income Tax amounted to Le1.85 trillion; Goods and Services tax (GST), Le 1.03 trillion; Customs and Excise, Le1.33 trillion. Non-tax revenue amounted to Le 1.2 trillion; of which collections from the Treasury Single Account (TSA) Agencies amounted to Le354.6 billion and royalty on timber exports amounted to Le222.6 billion. The increase in domestic revenue collections was as a result of administrative reforms, including extensive taxpayer education; the enhanced tracking system of payments including the Treasury Single Account (TSA); improved tax compliance; and the continued rationalization of tax and duty waivers, continued application of the liberalized fuel pricing mechanism that was introduced last year.

However, the contraction in economic activities due to the disruptions caused by COVID-19 adversely affected domestic revenue collection in 2020. Domestic revenue dropped to 13.3 percent of GDP, which was lower than the original target of 14.9 percent of GDP but higher than the revised target of 13.1 percent of GDP for 2020. In absolute terms, domestic revenue recorded a shortfall of about Le1.10 trillion (US\$100 million) due to depressed economic activities, weak tax compliance as well as tax deferrals granted by the National Revenue Authority to businesses to help them cope with the impact of COVID-19 on their operations.

5.1.2 Grants 2019-2020

Total grants received in 2019 amounted to Le 1.25 trillion (3.3 percent of GDP), which was 83.5 percent higher than the Le 680.3 billion (2.1 percent of GDP) received in 2018. Of the amount received, programme grants, mainly external budgetary support, amounted to Le 744.9 billion (2.0 percent of GDP). Project grants amounted to Le 497.2 billion (1.2 percent of GDP). Grants accounted for 18.7 percent of total budgetary receipts in 2019 compared to 13.3 percent in 2018.

Total Grants received in 2020 amounted to Le2.12 trillion nearly double the amount received in 2019. Of this, programme grants amounted to Le1.75 trillion and project grants amounted to Le 596.8 billion. Of the programme grants, debt relief (CCRT) and external budget support amounted to Le185.5 billion and Le1.52 trillion, respectively. Of the total budget supports received, the African Development Bank disbursed USD\$25.5 million: European Union (EU) USD\$29.1 million and World Bank USD\$101.6 million.

5.1.3 Total Expenditures and Net Lending 2019-2020

Total expenditure and net lending amounted to Le7.81 trillion (21.1 percent of GDP) in 2019 11.9 percent higher in absolute terms than the Le 6.92 trillion (21.4 percent of GDP) spent in 2018. Of this,

recurrent expenditure amounted to Le 5.65 trillion (15.3 percent of GDP). Wages and Salaries amounted to Le 2.58 trillion (7.0 percent of GDP) in 2019 compared to Le2.06 trillion (6.3 percent of GDP) in 2018. Goods and services amounted to Le1.18 trillion while Subsidies and Transfers amounted to 912 billion. Total interest payments amounted to Le986 billion (2.7 percent of GDP) in 2019 compared to Le812 billion in 2019. Capital expenditures amounted to Le2.1 trillion (5.6 percent of GDP) in 2019. Domestic capital spending increased to Le964 billion (2.6 percent of GDP) in 2019 from Le674 billion (2.1 percent of GDP) in 2018.

Government expenditures increased sharply to 24.9 percent of GDP in 2020 mainly due to the implementation of the economic and health response programmes to contain the spread of COVID-19 and mitigate the impact of the disease on the population. The wage bill increased to Le3.26 trillion (7.9 percent of GDP) in 2020, from Le2.58 trillion (7.0 percent of GDP) in 2019. Goods and Services expenditure amounted to Le1.42 trillion (3.4 percent of GDP) compared to the programmed revised target of Le1.032 trillion (2.5 percent of GDP). Total subsidies and transfers amounted to Le1.17 trillion (2.8 percent of GDP) compared to Le 1.29 trillion (3.1 percent of GDP) in the revised budget, giving an underspending of Le 83.6 billion. Total interest payments amounted to Le1.21 trillion (2.9 percent GDP) in 2020 and was within the revised budget of Le1.26 trillion (3.1 percent of GDP). Total capital expenditures amounted to Le3.03 trillion (7.4% of GDP), below the revised budget of Le3.40 trillion mainly due to lower-than-budgeted spending on domestic funded capital projects.

5.1.4 Budget Deficit and Financing 2019-2020

The overall deficit (including grants), on a commitment basis, narrowed to 3.1 percent of GDP in 2019 from 5.6 percent of GDP in 2018. The overall balance (excluding grants) narrowed significantly to 6.5 percent of GDP in 2019 from 7.7 percent of GDP in 2018. However, basic primary deficit widened to 0.8 percent of GDP in 2019 from 0.5 percent in 2018. The budget deficit was financed mainly using both domestic and foreign resources.

In 2020, the overall balance (including grants), on commitment basis, increased to 5.6 percent of GDP. Excluding grants, the overall balance **widened** to 10.6 percent of GDP. The basic primary balance also widened to 4.1 percent of GDP. Financing of the deficit was done mainly using both domestic and external resources.

5.1.5 Fiscal Performance First Half 2021

Total revenue and grants

Total revenue and grants collected from January - June 2021 amounted to Le3.96 trillion (8.4 percent of GDP), compared to a budgeted amount of Le 3.87 trillion (8.1 percent of GDP), reflecting the additional resources from development partners to support the fight against COVID 19.

Total domestic revenues collected amounted to Le3.32 trillion compared to a budgeted amount of Le3.26 trillion, exceeding the budgeted amount by Le63.0 billion. Collections from Income Taxes were Le1.23 trillion, exceeding the target by Le16.03 billion. Goods and Services Tax was above target by Le463 million with total collections of Le609.23 billion. Collections from Customs and Excise duties amounted to Le664.95 billion compared to a budgeted amount of Le715.06 billion thereby recording a shortfall by Le50.10 billion, mainly due to shortfall in petroleum excise duties as the pump price was kept unchanged to cushion the impact of COVID-19 on the population. Mining royalties and licenses amounted to Le139.47 billion compared to a budget of Le143.84 billion. Revenues collected from Other Government Departments including TSA Agencies amounted to Le574.7 billion, exceeding the budgeted amount by Le60.21 billion. Road User Charges and Vehicle Licenses amounted to Le103.84 billion compared to a budgeted amount of Le63 billion target, recording an excess of about Le40.84 billion.

Grants

Total Grants received in the first half of 2021 amounted to Le632.45 billion against a budget of Le612.18 billion. Of this, programme grants amounted to Le270.13 billion and project grants amounted to Le362.32 billion. Of the programme grants, external budget support disbursed by the World Bank amounted to Le270.13 billion.

Expenditure Performance

Total expenditure and net lending amounted to Le6.07 trillion or 12.7% of GDP compared to a budgeted amount of Le 5.71 trillion or 12 percent of GDP, resulting in an over spending by 360.35 billion.

Recurrent expenditure comprising wages and salaries, non-salary, non-interest payment and interest payments for January to June 2021 amounted to Le4.195 trillion or 8.8 percent of GDP compared to the budget target of Le3.99 trillion or 8.4 percent of GDP. This implies that total recurrent expenditure was above the budgeted amount by Le210.21 billion due to overspending in non-salary, non-interest categories of the recurrent expenditure.

Total wage bill was Le1.84 trillion compared to a budgeted amount of Le1.843 trillion, recording an under expenditure of Le2.58 billion. The main reasons for the improved management of the payroll were due to the stringent enforcement of payroll reforms introduced in recent years. The policy of not adding new employee to the payroll without a valid BBAN, NASSIT and NIN continued in 2021. Regular payroll auditing and monitoring also contributed to the improved execution of wage bill.

Non-salary non-interest recurrent expenditures amounted to Le1.64 trillion compared to the budgeted amount of Le1.417 trillion representing an overrun of about Le220.78 billion. Goods and Services expenditure amounted to Le870.38 billion compared to a budgeted amount of Le733.16 billion resulting in an overrun of about Le137.20 billion. Expenditures on Subsidies and Transfers amounted to Le767.65 billion, above the budget by Le83.58 billion.

Interest payments on both external and domestic loans amounted to Le716.55 billion compared to the budget amount of Le724.53 billion.

Total capital expenditures amounted to Le1.875 trillion or 3.9 percent of GDP and was above the budget by Le150.14 billion. Of this, domestic capital expenditure amounted to Le1.02 trillion or 2.1 percent of GDP and foreign capital expenditure amounted to Le852.18 billion or 1.8 percent of GDP.

Fiscal Deficit and Financing

The overall fiscal deficit including grants amounted to Le2.16 trillion or 4.5 percent of GDP. The deficit was financed through borrowing from domestic and external sources. Foreign financing amounted to Le348.98 billion or 0.7 percent of GDP which includes foreign borrowing and loans amounting to Le489.86 billion less external debt amortization of Le140.88 billion. Domestic financing amounted to Le1.29 trillion. Of this, Bank financing amounted to Le1.02 trillion (Central Bank Le499.45 billion and Commercial Banks Le521.66 billion). Government repaid the non-bank financial institutions an amount of Le317 billion.

5.2 Medium-Term Fiscal Forecasts, 2021 – 2024

The negative impact of COVID 19 on domestic revenue mobilization has been significant and the downturn in revenue collection during 2020 continues in 2021 and likely to linger on over the medium

term depending on how soon the outbreak comes to an end. Government has put in place various measures to enhance revenue mobilization and to promote the fiscal consolidation efforts (section 5.3.4). These measures are expected to have critical impacts in the medium term and ensure that the recovery from the downturn is accelerated.

5.2.1 Revenue projections (2021-2024)

Domestic revenues are projected at Le 6.64 trillion (14.1 percent of GDP) during 2021 and expected to increase to Le 7.64 trillion (14.2 percent of GDP) in 2022. Domestic revenue is projected to further increase to Le 8.89 trillion (14.3 percent of GDP) in 2023 and Le 10.48 trillion (14.7 percent of GDP) in 2024.

Income taxes will amount to Le 2.33 trillion (5.0 percent of GDP) in 2021; Le 2.71 trillion (5.0 percent of GDP) in 2022; Le 3.18 trillion (5.1 percent of GDP) in 2023 and Le 3.74 trillion (5.3 percent of GDP) in 2024. Of the total income taxes, corporate taxes are projected to increase to Le 327 billion (0.7 percent of GDP) in 2021; Le 805 billion (1.5 percent of GDP) in 2022; Le 945 billion (1.5 percent of GDP) in 2023 and Le 1.14 trillion (1.6 percent of GDP) in 2024. **Personal Income taxes** will amount to Le 2.01 trillion (4.3 percent of GDP) in 2021; Le 1.90 trillion (3.5 percent of GDP) in 2022; Le 2.23 trillion (3.6 percent of GDP) in 2023 and Le 2.69 trillion (6.0 percent of GDP) in 2024.

Goods and services tax will raise Le 1.22 trillion (2.6 percent of GDP) in 2021; Le 1.46 trillion (2.7 percent of GDP) in 2022; Le 1.68 trillion (2.7 percent of GDP) in 2023; and Le 2.00 trillion in 2024.

Import duties is expected to increase from Le 766 billion (1.6 percent of GDP) in 2021 to Le 902 billion (1.7 percent of GDP) in 2022; Le 1.04 trillion (1.7 percent of GDP) in 2023; and Le 1.28 trillion (1.8 percent of GDP) in 2024.

Excises are projected to increase from Le 663 billion (1.4 percent of GDP) in 2021 to Le 787 billion (1.5 percent of GDP) in 2022; Le 916 billion (1.5 percent of GDP) in 2023; and Le 1.05 trillion (1.7 percent of GDP) in 2024.

Mining and licenses will decline from Le 473 billion (1.0 percent of GDP) in 2021 to 375 billion (0.7 percent of GDP) in 2022 mainly reflecting the potential closure of the rutile mines; but are subsequently projected to increase to Le 491 billion (0.8 percent of GDP) in 2023 and Le 633 billion (1.0 percent of GDP).

Non-tax revenues are projected at Le 955 billion (2.0 percent of GDP) in 2021; Le 1.26 trillion (2.3 percent of GDP) in 2022; Le 1.41 trillion (2.3 percent of GDP) in 2023; and Le 1.54 billion (2.2 percent of GDP).

Table 5.1: Domestic Revenue Projections (2021-2024 (Le billion))

Domestic Revenue (Le billion)	2021	2022	2023	2024
Domestic Revenue	6,642	7,637	8,885	10,481
Income Tax	2,334	2,709	3,176	3,744
Corporate Tax:	327	805	945	1,135
Personal Income Tax:	2007	1,904	2,231	2,609
Goods and Services Tax (GST)	1,224	1,464	1,679	2,004
Customs and Excise Department	1,429	1,689	1,955	2,329
Import Duties	766	902	1,039	1,277
Excises	663	787	916	1,052
Mining and Licenses	472	375	491	633
Other Taxes	114	144	183	186
Non-Tax	955	1,258	1,409	1,541
Other Capital Transfers from BSL (CCRT debt Relief)	335	213	-	0
Non- Iron Ore GDP	47,055	53,823	62,080	71,223

Source: MoF, NRA and IMF staff projections

Table 5.2: Domestic Revenue Projections (% of GDP)

	2021	2022	2023	2024
Domestic Revenue	14.1	14.2	14.3	14.7
Income Tax	5.0	5.0	5.1	5.3
Corporate Tax:	1.4	1.5	1.5	1.8
Personal Income Tax:	4.3	3.5	3.6	3.7
Goods and Services Tax (GST)	2.6	2.7	2.7	2.8
Customs and Excises	3.0	3.1	3.1	3.3
Import Duties	1.6	1.7	1.7	1.8
Excises	1.4	1.5	1.5	1.7
Mining and Licenses	1.0	0.7	0.8	0.9
Other Taxes	0.2	0.3	0.3	0.3
Non-Tax	2.0	2.3	2.3	2.2
Other, Capital Transfers from BSL (CCRT debt Relief)	0.7	0.4	-	-

Source: MoF, NRA and IMF staff projections

Box 5.1: Assumptions Underlying the Medium-Term Projections

Corporate Tax: - based on the growth rate of nominal GDP excluding iron ore and agricultural nominal GDP (because corporate taxes are hardly paid in the agricultural and iron ore sector) with an estimated buoyancy of 1.23. **Efficiency gains** in 2022 and 2023 are based on full year of operations of the Integrated Tax Administration System (ITAS); enhanced audit and data analytics capacity; implementation of transfer pricing legislation; increased taxpayer registration arising from block registration of business and rented property.

Personal Income Tax: Baseline forecast based primarily on the growth rate of non-iron ore nominal GDP and partly on official imports (which are subject to withholding income tax for importers without standard books of account). Government PAYE is forecast separately based on a historic effective tax rate applied to the government wage bill net of pensions and social security contributions. **Efficiency gains** would result from i) full year of operations of ITAS; ii) enhanced audit and data analytics capacity; iii) increased taxpayer registration; iv) increased compliance of professionals through the Domestic Tax Preparers Scheme; v) strategy for identifying and taxing High Net Worth Individuals (HNWIs); and vi) increased compliance of small and medium-sized enterprises.

Domestic GST: based on the growth rate of household consumption with an estimated buoyancy of 1.04 (checked against historical trend). **Efficiency gains** based on full year of operations of the ITAS; full year of operations of the Electronic Cash Registers (ECRs); enhanced audit and data analytics capacity.

Import GST: based on an effective tax rate of 7.71% against forecast official imports net of rice, machinery and petroleum products. Calculation of the effective tax rate excluded 2020 as an outlier year with an unusually low effective tax rate compared with the historical trend. **Efficiency gains** are based on i) global economic recovery supporting international trade flows; ii) activation of the valuation module in ASYCUDA World; iii) reduction in the non-dutiable import ratio following implementation of duty and tax exemption law.

Import Duties: based on an effective tax rate of 4.41% (checked against historical trend) against forecast official imports. Calculation of the effective tax rate excluded 2020 as an outlier year with an unusually low effective tax rate compared with the historical trend. **Efficiency gains are** based on the following assumptions: i) global economic recovery supporting international trade flows; ii) activation of the valuation module in ASYCUDA World; iii) reduction in the non-dutiable import ratio following implementation of duty and tax exemption law.

Petroleum Excise: based on the projected petroleum uplift volumes and full pass-through petroleum pricing formula.

Import Excise: based on an effective tax rate of 28% against forecast imports of beverages and tobacco. **Efficiency** based on the full year of implementation of Excise Stamp Duty regime (to start in 2022).

Mines Department: Mining royalties and licences are based on the project economics from the various mining companies as provided by the National Minerals Agency (NMA). **Losses likely** as a result of the notice given by Sierra Rutile of its intention to suspend operations on 19th November 2021 and limited operation from May to November 2021. Losses for 2021 could be around Le 23.3 billion in 2021 and Le 50 billion in 2022 (based on the current rutile projections from the NRA).

Other Non-Tax Revenue Department

Royalty and Licences on Fisheries: based on the forecast growth rate of the fisheries sector nominal GDP. **Efficiency** gains in 2022 and 2023 are based on i) full year of application of the 2020 fee structure; ii) automated monitoring of fishing vessels on the high seas;

Timber royalty: forecast based on the growth rate of nominal GDP

But that there will be no ban on timber export in the course of the year. **Losses likely** as a result of the announced suspension of timber transport from 1 June to 31 October 2021. Losses are estimated at Le87 bn in 2021.

Parastatal Dividends: based on: i) US\$ 5 million of Bollore concession fees; ii) dividends from Rokel Commercial Bank and Sierra Leone Commercial Bank; iii) Effective monitoring of the collection from of cargo-tracking fees;

Other MDAs revenue: based on real GDP growth.

RUC based on projected petroleum uplift volumes from the PRA and RUC charges.

5.2.2 Grants

Grants are projected to increase from Le 2.1 trillion (4.5 percent of GDP) in 2021 to Le 2.22 trillion (4.1 percent of GDP) in 2022 as the current surge in donor support for the fight against COVID 19 slows down. However, grants are expected to increase to Le 2.73 trillion (4.4 percent of GDP) in 2023; and Le 3,195 billion (4.5 percent of GDP) in 2024. Of the total grants, budget support will fall from 2.4 percent of GDP in 2021 to 1.5 percent of GDP in 2022 and subsequently increase to average 2.1 percent of GDP in 2023-24. Project grants are projected to increase from 2.0 percent of GDP in 2021 to 2.6 percent of GDP in 2022 but will fall to 2.3 percent of GDP in 2023 and 2.4 percent of GDP in 2024.

Table 5.2: Grants

	2021	2022	2023	2024
Grants (Le bn)	2,099	2,217	2,731	3195
Budget Support	1,138	820	1,288	1451
Project Grants	960	1,396	1,443	1743
	% of GDP			
Grants	4.5	4.1	4.4	4.5
Budget Support	2.4	1.5	2.1	2.0
Project Grants	2.0	2.6	2.3	2.4

Source: Sierra Leonean Authorities and Fund Staff Estimates and Projections.

5.2.3 Revenue Measures for FY 2021

Tax Policy Measures Implemented in FY 2021

In the fiscal year 2021, Government implemented the following tax policy measures to achieve the set domestic revenue target for the period:

- i. Sought Cabinet approval for the tax exemptions policy, which seeks to reduce leakages in the administration of duty and tax waivers through providing guidelines and a coherent approach for granting exemptions to beneficiaries, consistent with the country's development objectives and international obligations;
- ii. Enacted the Transfer Pricing (Income Tax) Regulations, 2021 in order to strengthen the productivity of income taxation from multinationals by ensuring that terms and conditions of related parties' transactions are not materially different if such transactions were would have made by unrelated parties. The main goal of these regulations is to prevent profit shifting and base erosion of our taxes;
- iii. Enacted the Electronic Cash Register (ECR) Regulations, 2021 to give effect and direction to the implementation of the ECR. This will help to improve the country's GST compliance rate by automating the printing of GST receipts and transmitting real time transaction information directly to the NRA to allow it to monitor compliance;
- iv. Enacted a new NRA Act, 2021, which is fundamental to strengthening the governance of the Revenue Authority, addressing emerging challenges in tax administration and aligning the provisions of the Act to international best practices. This seeks to provide among others, clarity on the supervisory and oversight functions of the Ministry of Finance over the Authority, which is key for policy direction;
- v. Strengthened the capacity of tax policy development in the Ministry of Finance.

Revenue Administrative Measures Implemented in Fy2021

Government implemented the following tax administration measures in 2021, to achieve the domestic revenue target for the period:

- i. The NRA implemented the following measures to expand the tax base:
 - Conducted a pilot block registration system in the Western Area which identified unregistered businesses and rented properties as well as verifying those already registered for roll out in the new revenue systems;
 - Identified High Net Worth Individuals, for which a special fiscal regime shall be developed in medium term to appropriately tax them;
 - Undertook data analysis of Freetown City Council property data, thus expanding the rental income taxpayer base;
 - Implemented tourism registration strategy to adequately capture the tourism operators and adequately get them into the tax net;
 - Implemented a flat rate turnover tax regime for the SMEs in an attempt to enhance compliance and enable the use of mobile money payments of their taxes; and
 - Implemented the Domestic Tax Preparer Scheme to support the compliance of small and medium taxpayers through supporting the compliance enhancement of new and existing taxpayers.

- ii. To assist in closing leakages and reducing tax evasion, the Authority undertook the following measures:
- Built capacity of NRA staff in specialised audits of sectors, especially in audit of telecoms;
 - Activated the valuation control module of the ASYCUDA World system with selected commodities as a pilot and enhanced compliance with an international price reference database;
 - Operationalised the full use of the newly constructed cargo inspection facility at the Queen Elizabeth II Quay, making sure that cargoes can be examined during the rains, as the lack of such facility prevent examination under heavy rains;
 - Implemented the Electronic Single Window for the processing of import declarations and duty waiver applications through the E-exemption platform;
- iii. Improved efficiency in revenue mobilisation by piloting the automation and integration of tax processes and transactions with taxpayers through:
- Introduction of the Integrated Tax Administration System (ITAS) ensuring taxpayers in the pilot scheme were able to register using the online portal, file their tax returns online and pay their through taxes using electronic means. This system also enabled online interaction with tax administration in clarifying tax matters and ensuring automated and integrated management of domestic tax processes and transactions;
 - Introduction of Electronic Cash Register (ECR) scheme that ensured electronic recording of sales transactions thus improving reporting and compliance in GST administration;
 - Rolling out the ASYCUDA World to further land borders;
- iv. Conducting research on tax administration best practices with the aim of improving effectiveness and efficiency in tax administration.

5.2.4 Medium Term (2022-2024) Revenue Measures

The objective of the medium term (2022-2024) tax policy is to ensure continued macroeconomic stability and an enriched business environment to support the generation of adequate and predictable domestic revenues for government. To this end, Government will continue to work with stakeholders, including development partners to put together a medium-term strategy that will guide the direction and administration of tax policies for domestic revenue mobilisation.

The thrust of the strategy will complement Government's efforts to increase domestic revenue mobilisation through the widening of the tax base, closing leakages, improving efficiency through automation and integration of tax processes and procedures. Thus, in the short to medium term, Government will implement the following tax policy and tax administration measures to raise the revenue/GDP ratio to comparable regional levels by 2023:

Medium Term (2022-2024) Tax Policy Measures

- i. Implement the Duty Waiver Policy and facilitate the enactment of a tax exemption legislation to reduce leakages in the administration of duty and tax waivers;
- ii. Undertake a stock take and prepare a report on existing income tax exemptions which will also serve as an input to developing the medium-term revenue strategy;
- iii. Revise the Income Tax Act, 2000 to reflect the new realities, especially for issues relating to digital taxation, hence strengthening the productivity of income tax collections;
- iv. Develop a Medium-Term Revenue Mobilisation Strategy;
- v. Legislate the control of tax avoidance and evasion relating to digital taxation and e-commerce;
- vi. Improve Excise Taxation with the revision of the Excise Tax Act, 1982 and the implementation of an excise tax stamp to curb smuggling and tax evasion and thereby broadening the tax base and strengthening border controls.

Medium-term (2022-2024) Revenue Administration Measures

- i. Continue the implementation of an automatic pricing formula for petroleum products;
- ii. Fully roll out the Block Registration System to support compliance of small and medium taxpayers into the tax net through formal registration of businesses;
- iii. Implement strategies to identify and tax High Net Worth Individuals (HNWI) including by completing a legislative review on provisions for taxation of HNWI;
- iv. Continue to strengthen compliance in key sectors, especially the telecom, financial, and extractives;
- v. Implement the Transfer Pricing Regulations to support assessment, tax audit and other revenue administration processes;
- vi. Harmonise the reporting of Local and Central Government revenues, in order to enhance the country's tax effort;
- vii. Enhance the taxation of mobile money payment transactions through mobile payment apps;
- viii. Set up a Tax Database Management System, bearing a central repository/data storehouse and data analytics and data mining;
- ix. Build capacity of NRA staff in specialised audits of sectors, especially transfer pricing audit and audit of the financial sector;
- x. Improving efficiency in revenue mobilisation by completing revenue systems reforms involving the automation and integration of tax processes and transactions with taxpayers through:
 - a. **Full roll out of Integrated Tax administration System (ITAS)** – After implementing the pilot scheme in 2021, in the medium term, the system will be rolled out to remaining taxpayers and new taxpayers registered through the BMS;
 - b. **Full roll out of Electronic Cash Register (ECR)** – after implementing the pilot scheme in 2021, the NRA will roll out the ECR to remaining GST registered taxpayers in the medium term and new taxpayers identified through BMS.
 - c. Integration of the **Customs Electronic Single Window (CESW)** system with other stakeholders at the seaport. The NRA will integrate the system with other stakeholders

at the Quay to ensure a fully integrated customs clearance process and paperless environment in goods processing, issuance of licenses and certificates, manifest processing, terminal delivery order and destination inspection;

d. Fully roll out the Valuation control module of AW – In the medium term, the NRA will extend the pilot implementation of the valuation module that will ensure there is less discretion in the valuation of imported goods at Customs by rolling out to all commodities imported and integrate it with an installed Price Reference database.

- xi. Conducting research on tax administration best practices, aimed at identifying potential areas of modernising tax administration to improve efficiency in revenue administration;
- xii. Build capacity for data analytics and delivery by setting up a centralised data analytics unit within the NRA to focus on data analytics using existing systems and third-party sources that will inform compliance improvement, risk analysis, audit, forecasting and research.

5.2.5 Medium Term Expenditure Projections, 2021-2024

Government expenditures are projected at Le 10.87 trillion (23.1 percent of GDP) in 2021; Le 11.58 trillion (21.5 percent of GDP) in 2022; Le 12.94 trillion (20.8 percent of GDP) in 2023 and Le 14.49 trillion (20.3 billion in 2024).

Recurrent expenditures are expected to amount to Le 7.66 trillion (16.3 percent of GDP) in 2021; Le 7.93 trillion (14.7 percent of GDP) in 2022; Le 8.49 trillion (13.7 percent of GDP) and Le 9.36 billion (13.1 percent of GDP) in 2024.

Wages and Salaries are projected to decline in terms of GDP consistently up 2024 from Le 3.66 trillion (7.8 percent of GDP) in 2022; Le 3.70 billion (6.9 percent of GDP) 2022; Le 3.91 billion (6.3 percent of GDP) in 2023 and Le 4.31 billion (6.1 percent of GDP) in 2024.

Goods and Services expenditures are expected to amount to Le 1.16 billion (2.5 percent of GDP); Le 1.26 trillion (2.3 percent of GDP) in 2022; Le 1.55 billion (2.5 percent of GDP) in 2023 and Le 1.74 billion (2.4 percent of GDP) in 2024.

Subsidies and Transfers are projected to reach Le 1.56 trillion (3.3 percent of GDP) in 2021; Le 1.40 trillion (2.6 percent of GDP) in 2022; Le 1.42 trillion (2.3 percent of GDP) in 2023 and Le 1.60 billion (2.3 percent of GDP) in 2024.

Interest payments are forecast at Le 1.28 trillion (2.7 percent of GDP) in 2021; Le 1.57 trillion (2.9 percent of GDP) in 2022; Le 1.61 trillion (2.6 percent of GDP) and Le 1.71 trillion (2.4 percent of GDP) in 2024. Of this, domestic interest payments are projected at 2.4 percent of GDP in 2021; 2.6 percent of GDP in 2022; and 2.2 percent of GDP in 2023 and 2024. Foreign interest payments increase from 0.3 percent of GDP in 2021 to 0.4 percent of GDP in 2023 and 2024.

Capital expenditures are projected Le 3.02 trillion (6.4 percent of GDP) in 2021; and increase to Le 3,622 billion (6.7 percent of GDP) in 2023 and Le 4.83 billion (6.8 percent of GDP) in 2024. Foreign capital spending will increase from 3.9 percent of GDP in 2021 to 4.7 percent of GDP in 2024 whereas domestic capital expenditures will average around 2.1 percent over the medium term.

The **overall deficit** (including grants) is projected to decline from 3.8 percent of GDP in 2021 to 1.1 percent of GDP in 2024. Excluding grants, the deficit will decline from 8.3 percent of GDP in 2021 to 5.6 percent of GDP in 2023.

Financing of the deficit will decline from 3.8 percent of GDP in 2021 to 1.1 percent of GDP in 2024. Net foreign financing will average around 0.7 percent of GDP whereas net domestic financing will decline from 2.9 percent of GDP to 0.6 percent of GDP.

Table 5.3: Expenditure Projections: (2021-2024)

	2021	2022	2023	2024
Total Expenditure & Net Lending (Le bn)	10,868	11,577	12,934	14487
Recurrent Expenditure	7,660	7,929	8,491	9364
Wages & Salaries	3,663	3,702	3,914	4314
Goods and Services	1,164	1,264	1,545	1739
Subsidies and Transfers	1,555	1,398	1,421	1604
Interest	1,278	1,566	1,612	1708
Domestic Interest	1,139	1,388	1,391	1430
Foreign Interest	138	178	221	278
Development Expenditure	3,017	3,622	4,237	4833
Foreign	1,836	2,532	2,874	3334
Domestic	1,181	1,090	1,363	1499
Net lending	-	-	-	-
Contingent expenditure	43	26	21	30
Arrears paydown (Cash)	149	-	186	260
Domestic primary balance	(965)	158	622	1296
Overall Balance				
Including Grants	(1,793)	(1,510)	(1,318)	-811
Excluding Grants	(3,891)	(3,726)	(4,049)	-4006
Financing	1,793	1,510	1,318	811
Foreign (net)	240	351	507	444
Domestic	1,366	1,198	892	456
Non- Iron Ore GDP	47,055	53,823	62,080	71223

Source: Sierra Leonean Authorities and Fund Staff Estimates and Projections

Table 5.4: Expenditure Projections – (% of GDP) (2021-2024)

% of GDP	2021	2022	2023	2024
Total Expenditure & Net Lending	23.1	21.5	20.8	20.3
Recurrent Expenditure	16.3	14.7	13.7	13.1
Wages & Salaries	7.8	6.9	6.3	6.1
Goods and Services	2.5	2.3	2.5	2.4
Subsidies and Transfers	3.3	2.6	2.3	2.3
Interest	2.7	2.9	2.6	2.4
Domestic Interest	2.4	2.6	2.2	2.0
Foreign Interest	0.3	0.3	0.4	0.4
Development Expenditure	6.4	6.7	6.8	6.8
Foreign	3.9	4.7	4.6	4.7
Domestic	2.5	2.0	2.2	2.1
Net lending	-	-	-	-
Contingent expenditure	0.1	0.0	0.0	0.0
Arrears paydown (Cash)	0.3	-	0.3	0.4
Domestic primary balance	(2.1)	0.3	1.0	1.8
Overall Balance				-
Including Grants	(3.8)	(2.8)	(2.1)	(1.1)
Excluding Grants	(8.3)	(6.9)	(6.5)	(5.6)
Financing	3.8	2.8	2.1	1.1
Foreign (net)	0.5	0.7	0.8	0.6
Domestic (net)	2.9	2.2	1.4	0.6

Source: Sierra Leonean Authorities and Fund Staff Estimates and Projections

6. MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF)

6.1 Medium Term Expenditure Priorities

Government priorities for the medium-term are articulated in the Medium-term National Development Plan. Human Capital Development remains the top priority followed by Economic Diversification with a focus on agriculture, fisheries and tourism. Other top priorities include infrastructure development including roads, energy and water and sanitation to improve the competitiveness of the economy. The allocation of Government expenditures, both recurrent and capital reflects these priorities. These allocations are shown in the Medium-Term Expenditure Framework (MTEF) Ceilings for Non-Salary Non-Interest Recurrent Expenditures and the Public Investment Programme (PIP) for domestic funded capital expenditures (See Annexes 1 and 2).

6.2 Non -Salary Non-Interest Recurrent Expenditures (NSNIRE) and Public Investment Programme (PIP)

As shown in annex I and II, **Human Capital development** accounts for 14.5 percent of total non-salary non- interest recurrent expenditures and 39.2 percent of domestic capital expenditures in 2022. **Diversification of the economy** accounts for 5.9 percent of total non-salary non-interest recurrent expenditures and 10.6 percent of domestic capital expenditures.

Infrastructure and Economic competitiveness accounts for 9.6 percent and 38 percent of total non-salary non-interest recurrent expenditures and domestic capital expenditures, respectively. **Governance and Accountability** accounts for 59.5 percent of total non-salary non-interest recurrent expenditures and 5.0 percent of domestic capital expenditures. **Empowering women, children and persons with disability** accounts for 0.6 percent and 0.5 percent of total non-salary non-interest recurrent expenditures and domestic capital expenditures, respectively. While **Addressing vulnerabilities and building resilience** accounts for 1.5 percent of the total non-salary non-interest recurrent expenditures, **Youths, sports and migration** accounts for 2.2 percent and 0.7 percent of total non-salary and non-interest recurrent expenditures and domestic capital expenditures respectively.

Table 6.1: Share of MTNDP Clusters to Total Non-Salary Non-Interest Recurrent Expenditures and Total Domestic Capital Expenditures 2022

MTNDP Clusters	% of Total NSNIR Expenditures	% of Total Domestic Capital Expenditures
1.Human Capital Development	16.4	39.2
2.Economic Diversification	5.9	10.6
3.Infrastructure and Economic Competitiveness	9.6	38
4.Governance and Accountability	59.5	5.0
5.Empowering Women, Children and Persons with Disability	0.6	0.5
6.Addressing vulnerabilities and building Resilience	1.5	0.0
7. Youths, sports and migration	1.9	2.0

6.3 Expenditure Management and Control Measures

Government remains committed to improving public expenditure management and control to create the fiscal space to support enhanced as well as effective and efficient spending on priority sectors including human capital development, agriculture and infrastructure. To this end, Government will continue to implement reforms to improve the integrity and sustainability of the government payroll; improve the quality and efficiency of non-salary non-interest recurrent and capital expenditures; and strengthen expenditure controls on other recurrent expenditures.

Improving the Integrity and Sustainability of the Government Wage Bill

Government will sustain and broaden the ongoing wage reforms to improve the integrity of the payroll with the aim of attaining a sustainable Wage bill. Government's objective in the medium-term is to stabilize the wage bill at 6.0 percent of GDP. The PFM Reform Strategy (2018-2021) continue to provide the framework for payroll reforms. Some of the ongoing reforms which have contributed to improving the integrity of the payroll include: (i) ensuring that new employees brought into the payroll have valid NASSIT, BBAN and National Identification (NI) numbers; (ii) timely removal from the payroll public sector employee above the retirement age of 60 years; (iii) A reassessment of 4,158 teachers was completed with an annual cost of about Le 15.7 billion. The promotion and reassessment of teachers will ensure that teachers are now being paid according to their qualifications and are now in their right scale/grade. This policy action is also taken in line with Government's commitment to promote continuous professional development of teachers. (iv) Teacher retirement and recruitment policy has now been endorsed by Cabinet. The policy ensures that retirement and recruitment of teachers is done once a year. This is in order to avoid disruptions to the school year and for improved

teacher budget planning. MoF is now working closely with Teaching Service Commission to implement the policy. (V) The NCRA has conducted biometric verification of all Government Pensioners on behalf of the Ministry of Finance, (vi) minimizing manual voucher payments in all AGD and MoF payroll payments; and leave allowances for the Army are being processed through the central payroll, and (vii) the Budget Bureau and the Internal Audit Division continue to develop payroll monitoring reports as well as Payroll Audit reports which continue to help monitor and control the payroll. In 2021, the wage bill is expected to amount to 7.8 percent of GDP. In the medium-term, the Wage bill is projected to decline to 6.9 in 2022, 6.3 in 2023 and 6.1 in 2024. To this end, Government will continue the implementation of on-going reforms.

Minimizing Manual voucher payments

One of the challenges with regards management of the payroll relates to the processing of payroll payments manually. Thus, the Government continued efforts to minimize the use of manual voucher payments. During 2021, all leave allowances of the Army are now being paid through the automated payroll. In addition, following a memo from the Financial Secretary, all payments related to Ministry of Finance and the Accountant General's Department are now being paid centrally.

During 2021, a biometric verification exercise was also conducted for chieftom council staff. Going forward, chieftom council staff will be integrated into the payroll.

Efforts to curtail wage disparity on the payroll-Wages and Compensation Commission.

Wage disparity on the public sector payroll remains a major challenge. However, Government's long-term solution for addressing this issue is the setting up of the Wages and Compensation Commission (WCC). This body is being set up by the Government in order to have a central body in charge of terms and conditions of service for the public service. Addressing issues such as multiple pensions will also be part of their mandate. The Act establishing the Commission has been developed but it is yet to be laid and passed in Parliament. However, Government remains committed to establishing this agency.

Teacher reassessment and promotion exercise

In line with the objective of minimizing wage disparities on the payroll, a teacher reassessment and promotion exercise was conducted in 2020 and results implemented in 2021. The commitment going forward is to conduct and implement teacher reassessment and promotions annually over the coming years. The Teaching Service Commission and the Ministry of Finance are currently working on the data to ensure the exercise is budgeted for and implemented in 2022.

Teacher retirement and recruitment policy

During 2022, following approval of the Cabinet paper on teacher retirement and recruitment policy, the Government will continue implementing the new teacher retirement and recruitment policy that is in line with the academic year to avoid disruptions to the school year and to improve on the predictability and management of teacher payroll costs.

Payment of verified Government Pensioners only

The NCRA has completed a biometric verification of all Government Pensioners. The report has been finalized and presented to all relevant stakeholders including the Ministry of Finance and NASSIT. A policy decision has however, been taken that NASSIT should continue administering the payment of pensions of all Government Pensioners. However, in order to improve on the efficiency of the payments, only those Government Pensioners that have been verified by NCRA will be paid going forward. In the meantime, the Ministry of Finance has requested that NCRA provide additional information while the NCRA has also requested for additional time to continue verifying Government Pensioners.

Develop a Payroll Policy Document

The Ministry of Finance with technical assistance from FCDO plans to complete a Payroll Policy Document during 2022. The Government of Sierra Leone (GOSL) Payroll Policy Document will capture statutory provisions and policy instructions impacting the GOSL Payroll, which will include the different pension laws and computations. This document will serve as a guide for those administering the GoSL payroll on daily basis including the Accountant General's Department, Budget Bureau and Internal Audit Division.

Development of a Follow-up Payroll Strategy

Following the expiry of the Payroll Strategy (2017-2019), which provided the framework for the payroll reforms implemented in recent years, there is an urgent need to develop a follow-up strategy to guide payroll reforms in the medium-term.

Managing Non-Salary Non-Interest Recurrent expenditures

In the medium-term, expenditure management will focus on improving the quality and efficiency of public expenditure to create the fiscal space for the implementation of Government's priority programmes such as the human capital development (Free Quality Education programme), improving health services including the free health care initiative, scaling up infrastructure investment and agriculture productive through increase rice production. To this end, Government will continue to implement reforms to improve the expenditure management systems, improve the quality and efficiency of non-salary, non-interest recurrent and capital expenditures. Total Government spending will be maintained at 24.5 percent of GDP in the medium-term.

Broadening the Coverage of the Treasury Single Account (TSA)

The TSA was introduced in 2018 with six extra-budgetary agencies that hitherto collect and retain Government revenues. The 2019 Finance Act broaden the coverage of the TSA includes an additional five semi-autonomous agencies. While the TSA has enabled the Government to mobilize additional revenue into the Consolidated Fund, idle cash balances continue to exist in the accounts of MDAs, especially sub-vented agencies that receive bulk disbursements. To ensure efficient cash management, the Government will commence implementing Phase II of the TSA in 2022. This will further broaden the scope of the TSA to include all sub vented and semi-autonomous agencies.

Upgrading and Expanding the Coverage of IFMIS

Currently, the upgrading of the IFMIS from version 5.0 to a web-based version 7.0 is ongoing and the 2022 budget and execution will be done using the system and it will subsequently be rolled out to MDAS and extended to Local Councils, Embassies/High Commissions and donor-funded projects to ensure comprehensive recording, accounting and reporting of Government financial transactions. The new system is web-based and can be accessed all over the World.

Strengthening Budget Preparation

For effective commitment controls, the Government will also continue strengthening budget preparation to better reflect the spending needs of MDAs. Quarterly budget allocations often do not reflect MDAs' spending projections. While this could reflect the current situation of cash constraints, it could also be related to insufficient appreciation of the needs of MDAs and/or unrealistic projections by the latter. The Ministry of Finance will continue to deploy trained budget officers to MDAs and strengthen the capacity of Budget Committees. Earlier this year, the MoF started deploying budget officers and Economist to MDAs to strengthen their projections, with a view to ensuring better budgetary allocations.

Managing Domestic Capital Expenditures

As a demonstration of Governments' continued commitment to take forward reforms on Public Investment Management and the recommendations in the Public Investment Management Assessment (PIMA), the draft National Public Investment Management Policy (NPIMP) is now at Cabinet for approval. The policy, once approved, will immediately be implemented. It will resolve the financial, institutional and technical challenges associated with Public Investment Management. It will also ensure the effective management of all public investment projects/programmes within the framework of the Medium-Term National Development Plan (MTNDP) 2019-2023. Furthermore, it will provide the enabling environment for improved public sector management and private sector participation in the Public Investment Programme (PIP) with the aim to increase opportunities for economic growth. The policy will also advance Government priorities, provide the basis for the efficient utilization of resources; ensure value for money (vfm) on the public investment programme. More importantly, it will also contribute to development budget discipline, strengthening macro fiscal function and guide fiscal planning in the medium to long term.

The policy prescribes a governance architecture comprising two Public Investment Committees (PICs). These are a Technical Investment Committee (TIC), which review appraised projects/programmes and proffer advice on selection and budgeting; and a Ministerial Investment Committee (MIC) that will provide Government policy direction on public investment programmes and approves projects and programmes for inclusion in the annual Public Investment Programme (PIP) and the National Budget. Adherence to this policy has significant benefits in cost and time savings in the implementation of projects/programmes.

In order to efficiently implement the policy, Government with technical support from the European Union is developing the Public Investment Management Operational Manual (PIM-OM). This manual will provide a step-by-step guide on how the policy will be implemented, the decision rules in each of the stages of the public investment management cycle and also proffer guidance on project appraisal and selection. The manual will design appraisal and selection mechanism for all public investment programmes and projects regardless their source of funding.

To ensure that the Public Investment Programme (PIP) is cascaded at the local Council level, Government has reactivated/established the District Development Coordination Committees (DDCCs). These committees are formal inter-agency platforms that brings together district stakeholders to engage on district emerging issues; ensure coordination on districts plans, develop programmes/projects that are aligned with the Medium-Term National Development Plan. It also ensures that implementation of programmes go without hindrance. The committee will further ensure that Development Grants/Allocation to Local Councils are tied to specific projects/programmes which are driven by community needs. By so doing the communities will become Public Monitors on the implementation of projects/programmes and use of public facilities.

Going forward, Government will be issuing guiding regulations/frameworks for Local Councils (LCs) and State Own Enterprises (SoEs) on public investment methodology and strategy in tandem with the National Public Investment Management Policy (NPIMP) and the Medium-Term National Development Plan (MTNDP).

7.0 FISCAL RISK STATEMENT

7.1 MACROECONOMIC RISKS

Macroeconomic risks refer to movements in macroeconomic variables, which may cause fiscal outcomes to deviate from the fiscal projections made in the Fiscal Strategy Statement or Government Budget. While the impact of these risks on the budget outcomes may be positive or negative, the focus is mainly on the negative impact of the risks on Government revenues and expenditures. In recent years, volatility in economic growth, high inflation, sharp depreciation of exchange rate, high Treasury Bills interest rates, fall in the prices of exports especially iron ore, rise in international prices of petroleum products, and natural disasters including epidemics, pandemics, floods, mudslides have had adverse impact on the government Budget, thereby derailing the attainment of fiscal objectives.

7.1.1 Volatility in GDP Growth

The volatility in economic growth had negative impact on public finances in recent years. Following the recovery in 2019, GDP was projected to grow by 4.2 percent in 2020. However, the outbreak of COVID-19 and the containment measures adopted to contain the spread of the disease constrained economic activities. As a result, real GDP contracted by 2.2 percent in 2020. The depressed economic activities eroded the tax base, resulting in revenue shortfall of Le1.1 trillion. Domestic revenue dropped to Le5.50 trillion (13.4 percent of GDP) in 2020 compared to the original target of Le6.4 trillion (14.6 percent of GDP). Combined with the increase in Government expenditures to Le10.2 trillion (24.9 percent of GDP) due to higher COVID-19 related expenditures, the budget deficit widened to 5.6 percent of GDP in 2020 from 3.1 percent of GDP in 2019 and compared to the original projection of 3 percent of GDP for 2020.

The economy is projected to recover by 3.2 percent in 2021 and 5.9 percent in 2022. However, the projected recovery is surrounded by high uncertainty as the third wave of COVID-19 lingers. The recovery of the economy therefore hinges largely on the duration, spread and severity of COVID-19. Against this background, if COVID-19 lingers into 2022, the revenue and expenditures projections may not be achieved. Preliminary simulations showed that, if the economy contracts by 1 percent of GDP instead of the projected growth rate of 5.9 percent, domestic revenue will drop by Le 1.5 trillion.

7.1.2 Inflation

A rise in inflation tends to increase Government expenditures, as Government is the biggest buyer of goods and services in the economy. Preliminary simulations showed that a rise in inflation by 5.0 percentage point will increase Goods and services expenditures by Le 100 billion. Government also holds a substantial amount of domestic debt. A rise in inflation will increase the nominal Treasury bills rates, thereby increasing domestic debt service payments and overall Government expenditures.

7.1.3 Exchange Rate Depreciation

In 2020, the end of period official exchange rate of the Leone to the US Dollar was relatively stable with a year-on-year depreciation of 3.95 percent. Similarly, the exchange rate has been relatively stable during January to July 2021 but depreciated during the month of August following the announcement of the planned redenomination of the Leone by the Bank of Sierra Leone. While a depreciation of the exchange rate of the Leone can have a positive effect on domestic revenue through the increase in import duties and other tax and non-tax receipts paid in foreign currency, it could also negatively affect expenditures by increasing the cost of goods imported by Government and debt service payments on foreign debt. Since a greater proportion of the country's external debt is denominated in US dollars, a depreciation of the exchange rate of the Leone to the US dollar, will increase foreign debt service payments which in turn will lead to an increase in the budget deficit.

The Medium-Term Debt Strategy (MTDS) Analysis carried out in 2021 showed that a 30 percent depreciation shock to the exchange rate of the Leone to the US Dollar will result in an increase in PV Debt/GDP by 8.5 percentage points. It will also increase The ratio of interest payments to domestic revenue by 3.2 percentage points and interest payments to GDP by 0.4 percent over the medium-term.

7.1.4 Rise in Domestic Interest rates

The stock of domestic debt consisting of marketable and non-marketable securities amounted to Le10.66 trillion as at end December, 2020. Interest rate on the mostly traded domestic debt instrument (364-days Treasury Bills) averaged 24 percent as at June 2020. Further increases in TB interest rates will increase domestic interest payments and overall government spending, thereby contributing to the widening of the budget deficit. The Medium-term Debt Strategy Analysis carried also showed that an increase in the 364 days TB rate by 300 basis points will increase the interest to GDP ratio by 1.4 percentage points and interest payments to Domestic revenue ratio by 11.7 percentage points over the medium-term.

7.2 CENTRAL GOVERNMENT CONTINGENT LIABILITIES

7.2.1 Contingent liabilities

Contingent liabilities are payment obligations that arise only when contracts between Government and another party are not honoured or fulfilled. Government's main contingent liabilities stem from defaults on loans guaranteed by Government and debts owed by State-Owned Enterprises and local councils. In addition, failure to honour obligations under public-private partnership transactions can also create contingent liabilities.

7.2.2 Guarantees

In line with the Memorandum of Economic and Financial Policies (MEFP) agreed with the IMF under the ECF arrangement, Government has ceased to issue guarantees for external debt contracted by both private and public sector entities. However, Government has been providing comfort letters, which is a weak form of guarantee, to enable some Single Treasury Account Agencies (TSAs) and State-Owned enterprises secure loans facilities from local commercial banks. The risks under such comfort letters are quite minimal as facilities are secured against steady stream of cash flows from the operations of these entities.

7.2.3 Operations of State-owned Enterprises (SOEs)

With the COVID-19 pandemic still ravaging the country's economy, the financial position of most of the state-owned enterprises continues to remain weak with most of them reporting losses and increased liabilities. Some SOEs that were hitherto managing their affairs without resort to Government support, such as Sierra Airport Authority (SLAA) and Sierra Leone Road Transport Corporation (SLRTC), are now requiring fiscal support to cover part of their operational expenses. Others, such as EDSA and Sierra Leone Telecommunications Services Ltd (SIERRATEL) have accumulated huge debts with local banks and arrears owed to suppliers, which pose major fiscal risk to the implementation of the National budget. The weak performance of these SoEs could be attributed to poor business model, underinvestment, inefficient management and weak corporate governance structure.

Notwithstanding, some SOEs, such as Sierra Leone National Shipping Company (SLNSC) and National Insurance Company (NIC), have demonstrated resilience over the years and are in the trajectory of profit making. The two state-owned commercial banks, Rokel Commercial Bank, and Sierra Leone Commercial Bank are recording profits and paying dividends to Government and minority shareholders.

7.2.4 Litigation

Litigations can be a significant source of fiscal risks to Government, and lack of adequate disclosure could affect budgetary performance. Out of 22 local councils only two, Bo city council and Freetown city indicated potential liabilities emanating from litigations with total exposure estimated at Le370 million. These litigations are related mainly to payment of emoluments to employees.

There are also several litigations against the two state owned banks involving huge amount of monies. Three State-owned Enterprises (SoEs); Electricity Distribution and Supply Authority (EDSA), Sierra Leone Postal Services (SALPOST) and Sierra Leone Road Transport Corporation (SLRTC) have litigation against them with total exposure of Le13.67 billion. Of this exposure, EDSA and SALPOST account for 64 percent and 30 percent, respectively, and while judgements are still pending for EDSA, rulings have already been delivered against SALPOST. In the event the plaintiffs secure court rulings in their favour, Government would have to bail out these SOEs and these could derail the implementation of the budget.

7.2.5 Public Private Partnerships (PPPs)

To accelerate the delivery of public infrastructure and related services, Government has, in recent years, engaged in several PPP arrangements, some of which are at inception stage. So far, Parliament has ratified a total of eight (8) major PPP projects with total value estimated at US\$2.62 billion, of which, US\$1.52 billion is related to the energy sector. With the exception of two of these projects, Karpowership Project and the Western Area Power Generation Project, the rest are yet to achieve financial closure and are under renegotiations.

While PPPs provide alternative route for the delivery of public infrastructure, there are inherent fiscal risks in the form of contingent liabilities, which when crystalized, could have destabilizing effect on the fiscal position of Government. For example, early termination of any of the PPP projects could require Government to compensate the private partner, not only for his outstanding investment, but also for future revenue loss. At present, the Karpowership Project poses a major fiscal risk to the National budget as EDSA had already accumulated arrears under the agreement of about US\$8.0 million as at end 2020. There is a clear indication that this liability could be transferred to Government given the cash flow challenges of the Authority.

7.3 Policy Risks

Policy risks can also weaken the state of public finances. The slow pace of implementing the reforms under the World Bank Country Policy and Institutional Assessment (CPIA) and the associated low rating of 3.1 out of 6 has resulted in lower allocation of IDA resources to Sierra Leone. In the midst of the slow recovery in domestic revenues, this can complicate the implementation of the Budget. Furthermore, the weak implementation of policy reforms or budget support disbursement triggers by MDAs is one the greatest risks to the implementation of the budget. In most cases, contracts for the supply of goods and services are entered into by MDAs and approved by the Ministry on the basis of the expected disbursement of budget support by development partners. In the event, where the triggers are not implemented, development partners will not disburse budget support and this complicates budget execution. Government would have to resort to increased domestic borrowing and or accumulate arrears with attendant macroeconomic consequences.

7.4 Natural Disasters and Epidemics

Natural disasters and epidemics represent a major fiscal risk to Government. Over the past 8 years, Sierra Leone has suffered three major natural disasters including the Ebola epidemic in 2014 and 2015; Mudslides and floods in Freetown in 2017 and the Corona Virus Pandemic in 2020, which continues to linger on. The worst disaster on record was the 2017 mudslide affecting the Regent area of Freetown,

which also coincided with severe flooding in other parts of the city. According to the World Bank, the total economic impact of the mudslide and floods was estimated at around US\$31.7 million.

According to the country's Disaster, Damage, Loss and Needs Assessment (DALA) studies, Sierra Leone's exposure to natural disasters is likely to worsen in the coming years, given the low level of urban planning in disaster prone localities and the capacity to cope with extreme events compounded by socio-economic and environmental factors. **Approximately**, 40 percent of Sierra Leone's population live in urban areas, and the majority live in disaster-prone areas.

When such disasters occur, Government would have to divert resources from priority areas to address the socio-economic consequences of these disasters thereby derailing the implementation of the budget. Alternatively, Government would have to incur additional expenditures not originally budgeted. In the absence of external financial support, this will increase expenditures above budgeted levels and by extension, the budget deficit.

7.5 Mitigation Measures and Contingency Plans

7.5.1 Mitigating macroeconomic risks

As part of efforts to mitigate the fiscal risks coming from negative shocks to macroeconomic variables and other factors, Government is implementing an economic and financial programme supported by the IMF under the Extended Credit Facility (ECF). The Memorandum of Economic and Financial Policies (MEFP) agreed with the IMF outlines the key policy and reform measures for the remainder of 2021 and the medium-term. These policies aim to safeguard macroeconomic stability, support economic recovery, boost resilience and promote broad-based inclusive and green economic growth over the medium-term. Thus, Government remains committed to the implementation of sound economic policies and structural reforms including governance reforms in order to boost resilience and accelerate economic recovery, in line with our National Development Plan (2019–23 NDP).

Against this backdrop, Government will sustain efforts at fiscal consolidation to ensure fiscal and debt sustainability in particular and macroeconomic stability in general. The details of this policy are spelt out in sections 5 and 6 of this document.

Government also continues with efforts to diversify the economy in order to minimize the vulnerability of the economy to shocks. In this regard, Government has adopted a major policy shift in the agriculture sector. The new policy focuses on encouraging the private sector to take the lead in procurement and distribution of agricultural inputs to farmers in order to boost agriculture productivity. Government with support from the World Bank under the Sierra Leone Economic Diversification Project, is implementing projects to improve the productivity in the tourism sector. The project is also supporting policy, administrative and regulatory reforms to improve the **business environment**.

7.5.2 Mitigating Measures for Contingent Liabilities

Government will continue to enhance disclosure of contingent liabilities and strengthen the relevant institutions through capacity building in the areas of identifying and quantifying contingent liabilities, as well as in negotiating and structuring complex transactions such as PPPs. Fiduciary oversight on SoEs will continue to be enhanced and effective corporate governance structure put in place.

Government would continue to seek technical support for the application of tools developed by the IMF and the World Bank such as the Public Investment Management Assessment (PIMA) for the

evaluation of Public Infrastructure governance and management and the PPP Fiscal Risk Assessment Model (PFRAM) for the assessment of PPP fiscal costs and risks.

7.5.3 Mitigating Measures and Contingency Plans for Disasters

To mitigate the impact of natural disasters, Government is strengthening its disaster preparedness, response and management capabilities. In this regard, Government has already established a Disease Surveillance, Monitoring and Control Unit within the Ministry of Health and Sanitation to provide early warning signals for potential epidemics and design measures to contain them. More importantly, Government has also established a Disaster Control and Management Agency, separate from the Office of National Security to provide prompt response to and manage the aftermath of natural disasters. In collaboration with the World Bank, government is developing a disaster risk financing strategy to avoid *ad-hoc* shocks on the budget.

Annex : National Development Plan Cluster Allocation of Non-Salary Non-Interest Recurrent Expenditures for FY 2019 – 2024

In millions of Leones													
	Details	FY2019 Actual	% of Total Non Int/Sal Recurr Exp	FY2020 Actual	% of Total Non Int/Sal Recurr Exp	FY2021 Estimate	% of Total Non Int/Sal Recurr Exp	FY2022 Budget	% of Total Non Int/Sal Recurr Exp	FY2023 Indicative	% of Total Non Int/Sal Recurr Exp	FY2024 Indicative	% of Total Non Int/Sal Recurr Exp
		Le' m		Le' m		Le' m		Le' m		Le' m		Le' m	
CLUSTER 1	EDUCATION FOR DEVELOPMENT	351,934.7	16.3%	114,071.8	4.5%	185,608.3	7.3%	87,622.9	3.4%	109,947.3	3.8%	123,804.8	3.8%
1.1	DELIVERING FREE QUALITY EDUCATION	211,069.5	9.8%	98,519.3	3.9%	44,550.0	1.7%	44,564.5	1.7%	57,335.0	2.0%	64,585.6	2.0%
301	Ministry of Basic and Secondary Education	101,190.0	4.7%	66,740.3	2.6%	30,284.9	1.2%	30,299.4	1.2%	37,022.4	1.3%	41,671.6	1.3%
312	Teaching Service Commission	4,891.2	0.2%	2,604.4	0.1%	2,656.4	0.1%	2,656.4	0.1%	3,245.9	0.1%	3,653.5	0.1%
701	Devolved Function - Education Services	104,988.3	4.9%	29,174.6	1.1%	11,608.6	0.5%	11,608.6	0.5%	17,066.7	0.6%	19,260.5	0.6%
1.2	STRENGTHENING TECHNICAL AND HIGHER EDUCATION	140,869.2	6.5%	15,552.5	0.6%	141,058.4	5.5%	43,058.4	1.7%	52,612.4	1.8%	59,219.3	1.8%
300	Ministry of Technical and Higher Education	140,216.1	6.5%	15,128.7	0.6%	140,375.1	5.5%	42,375.1	1.6%	51,777.5	1.8%	58,279.6	1.8%
316	Civil Service Training College	649.1	0.0%	423.8	0.0%	683.3	0.0%	683.3	0.0%	834.9	0.0%	939.7	0.0%
CLUSTER 2	OTHER HUMAN DEVELOPMENT	141,514.1	6.6%	194,696.2	7.7%	281,778.5	11.0%	334,365.8	13.0%	404,818.8	14.1%	455,808.4	14.1%
2.1	HEALTHCARE IMPROVEMENT	92,078.3	4.3%	132,305.0	5.2%	169,966.0	6.7%	202,006.8	7.8%	245,664.8	8.6%	276,599.1	8.6%
304	Ministry of Health and Sanitation	60,101.3	2.8%	48,504.0	1.9%	55,782.2	2.2%	55,782.2	2.2%	68,159.4	2.4%	76,718.7	2.4%
307	National Medical Supplies Agency	26,615.8	1.2%	46,694.0	1.8%	64,781.0	2.5%	108,133.4	4.2%	132,126.5	4.6%	148,718.6	4.6%
309	Dental and Medical Board	151.5	0.0%	56.3	0.0%	628.4	0.0%	628.4	0.0%	767.8	0.0%	864.2	0.0%
311	Health Service Commission	347.0	0.0%	476.0	0.0%	1,200.8	0.0%	2,000.8	0.1%	2,444.8	0.1%	2,751.8	0.1%
314	National HIV and AIDS Commission	783.2	0.0%	1,754.5	0.1%	2,408.9	0.1%	2,500.0	0.1%	3,054.7	0.1%	3,438.3	0.1%
315	Teaching Hospitals Complex Administration	1,178.4	0.1%	542.3	0.02%	1,914.7	0.1%	2,000.0	0.1%	2,443.8	0.1%	2,750.7	0.1%
317	Post Graduate College of Health Specialists	0.0	0.0%	500.0	0.02%	1,753.6	0.1%	2,753.6	0.1%	3,364.6	0.1%	3,787.1	0.1%
345	Pharmacy Board Services	2,901.1	0.1%	2,267.0	0.1%	4,658.1	0.2%	4,000.0	0.2%	4,887.5	0.2%	5,501.3	0.2%
701	Devolved Function - Health Care Services	0.0	0.0%	31,510.9	1.2%	36,838.2	1.4%	24,208.3	0.9%	28,415.7	1.0%	32,068.4	1.0%
2.2	IMPROVING WATER SANITATION	6,344.5	0.3%	18,170.3	0.8%	62,608.8	2.5%	70,388.4	2.7%	83,378.6	2.9%	94,039.3	2.9%
414	Ministry of Water Resources	6,344.5	0.3%	8,569.5	0.4%	12,737.2	0.5%	15,737.2	0.6%	19,229.0	0.7%	21,643.7	0.7%
701	Devolved Function - Solid Waste Management Services	0.0	0.0%	7,284.0	0.3%	47,449.0	1.9%	51,807.6	2.0%	60,811.7	2.1%	68,628.7	2.1%
701	Devolved Function - Rural Water Services	0.0	0.0%	2,316.8	0.1%	2,422.6	0.1%	2,843.6	0.1%	3,337.9	0.1%	3,766.9	0.1%
2.3	EMPLOYMENT, YOUTH EMPOWERMENT AND MIGRATION	3,276.5	0.2%	1,209.2	0.05%	3,685.5	0.1%	3,685.5	0.1%	4,503.2	0.2%	5,068.7	0.2%
302	Ministry of Sports	3,276.5	0.2%	1,209.2	0.05%	3,685.5	0.1%	3,685.5	0.1%	4,503.2	0.2%	5,068.7	0.2%
320	National Sports Authority	18,574.1	0.9%	22,033.4	0.87%	15,205.8	0.6%	26,567.0	1.0%	32,461.8	1.1%	36,538.2	1.1%
310	Ministry of Youth Affairs	2,747.3	0.1%	1,804.2	0.1%	2,802.3	0.1%	2,802.3	0.1%	3,424.1	0.1%	3,854.1	0.1%
310	National Youth Commission	1,372.8	0.1%	2,800.0	0.1%	3,572.6	0.1%	3,000.0	0.1%	3,665.7	0.1%	4,126.0	0.1%
313	National Youth Service	1,534.5	0.1%	1,732.5	0.1%	2,795.0	0.1%	2,500.0	0.1%	3,054.7	0.1%	3,438.3	0.1%
407	Ministry of Labour and Social Security	3,985.3	0.2%	3,301.1	0.2%	4,947.4	0.2%	6,820.8	0.3%	8,030.8	0.3%	8,908.9	0.3%
701	Devolved Function - Youth and Sports Services	0.0	0.0%	2,194.7	0.1%	2,294.9	0.1%	2,294.9	0.1%	3,161.9	0.1%	3,568.4	0.1%
2.4	SOCIAL PROTECTION	10,325.6	0.5%	7,179.0	0.3%	10,890.0	0.4%	11,290.0	0.4%	13,795.0	0.5%	15,527.4	0.5%
305	Social Protection Programmes	9,802.3	0.5%	5,043.6	0.2%	8,409.8	0.3%	8,409.8	0.3%	10,275.8	0.4%	11,566.2	0.4%
308	National Commission for Social Action	523.3	0.0%	2,135.4	0.08%	2,480.1	0.1%	2,880.1	0.1%	3,519.2	0.1%	3,961.1	0.1%
2.5	POPULATION, LANDS AND HOUSING	1,275.2	0.1%	1,966.8	0.08%	3,010.3	0.1%	3,010.3	0.1%	3,678.2	0.1%	4,140.1	0.1%
306	Ministry of Lands, Country Planning & the Environment	1,275.2	0.1%	1,966.8	0.1%	3,010.3	0.1%	3,010.3	0.1%	3,678.2	0.1%	4,140.1	0.1%

CLUSTER 3	DIVERSIFYING THE ECONOMY	242,094.1	11.2%	136,514.8	5.4%	162,170.7	6.4%	152,887.4	5.9%	187,738.6	6.6%	211,642.4	6.5%
	3.1 AGRICULTURE	147,606.2	6.8%	36,455.9	1.7%	64,433.4	2.5%	54,142.8	2.1%	66,143.1	2.3%	74,614.9	2.3%
	401 Ministry of Agriculture, Forestry and Food Security	144,796.7	6.7%	22,153.6	1.0%	46,463.7	1.8%	34,529.1	1.3%	42,665.6	1.5%	48,153.8	1.5%
	410 National Protected Area Authority	1,309.5	0.1%	2,728.6	0.1%	3,261.5	0.1%	3,261.5	0.1%	3,985.1	0.1%	4,485.6	0.1%
	418 Sierra Leone Agricultural Research Institute	1,500.0	0.1%	1,802.4	0.1%	4,317.2	0.2%	3,700.0	0.1%	4,521.0	0.2%	5,088.7	0.2%
	426 Sierra Leone Seed Certification Agency	0.0	0.0%	800.0	0.0%	929.1	0.0%	1,000.0	0.0%	1,221.9	0.0%	1,375.3	0.0%
	427 National Fertilizer Regulatory Agency	0.0	0.0%	700.0	0.03%	812.9	0.0%	1,500.0	0.1%	1,832.8	0.1%	2,063.0	0.1%
	701 Devolved Function - Agriculture and Food Security Services	0.0	0.0%	8,271.3	0.33%	8,649.0	0.3%	10,152.2	0.4%	11,916.7	0.4%	13,448.5	0.4%
	3.2 FISHERIES	41,862.8	1.9%	48,008.7	1.9%	50,186.8	2.0%	52,137.6	2.0%	64,938.4	2.3%	73,230.1	2.3%
	402 Ministry of Fisheries and Marine Resources	8,249.6	0.4%	5,441.1	0.2%	14,607.5	0.6%	15,374.7	0.6%	18,786.0	0.7%	21,145.2	0.7%
	415 Sierra Leone Maritime Administration	33,613.2	1.6%	41,954.5	1.9%	34,938.2	1.4%	36,010.4	1.4%	45,269.1	1.6%	51,088.1	1.6%
	701 Devolved Function - Fisheries and Marine Resources	0.0	0.0%	613.1	0.0%	641.1	0.0%	752.5	0.0%	883.3	0.0%	996.9	0.0%
	3.3 TOURISM	17,036.6	0.8%	13,285.1	0.5%	13,439.8	0.5%	13,076.7	0.5%	15,978.2	0.6%	17,984.7	0.6%
	303 Ministry of Tourism and Cultural Affairs	2,547.9	0.1%	6,136.2	0.24%	4,476.1	0.2%	3,576.1	0.1%	4,369.6	0.2%	4,918.3	0.2%
	Administrative and Operating Costs	805.6	0.0%	5,777.6	0.23%	995.4	0.0%	995.4	0.0%	1,216.2	0.0%	1,369.0	0.0%
	Promoting Local and International Tourism	1,742.3	0.1%	358.6	0.01%	3,480.7	0.1%	2,580.7	0.1%	3,153.4	0.1%	3,549.4	0.1%
	Culture Division	903.7	0.0%	123.6	0.00%	921.3	0.0%	921.3	0.0%	1,125.7	0.0%	1,267.1	0.0%
	Tourism Division	838.6	0.0%	235.0	0.01%	2,559.5	0.1%	1,659.5	0.1%	2,027.7	0.1%	2,282.3	0.1%
	Formulate Ecotourism Development Plan	778.0	0.0%	97.4	0.00%	1,372.8	0.1%	1,372.8	0.1%	1,877.4	0.1%	1,888.1	0.1%
	405 Ministry of Tourism and Cultural Affairs	14,488.7	0.7%	7,148.9	0.3%	8,963.7	0.4%	9,500.6	0.4%	11,608.6	0.4%	13,066.4	0.4%
	National Tourist Board	10,579.9	0.5%	5,368.4	0.2%	4,908.2	0.2%	5,202.2	0.2%	6,356.5	0.2%	7,154.8	0.2%
	o/w Development and Implementation of Tourism Marketing Strategy	2,708.8	0.1%	5,368.4	0.2%	1,632.7	0.1%	1,730.5	0.1%	2,114.5	0.1%	2,380.0	0.1%
	Monuments and Relics Commission	3,908.8	0.2%	1,780.5	0.1%	2,607.5	0.1%	2,763.7	0.1%	3,376.9	0.1%	3,801.0	0.1%
	National and Railway Museums	0.0	0.0%	0.0	0.0%	1,447.9	0.1%	1,534.7	0.1%	1,875.2	0.1%	2,110.7	0.1%
	3.4 TRADE AND INDUSTRY	8,398.4	0.4%	14,577.5	0.7%	18,453.4	0.7%	18,055.0	0.7%	22,061.1	0.8%	24,831.5	0.8%
	409 Ministry of Trade and Industry	7,491.0	0.3%	11,075.0	0.5%	16,782.0	0.7%	16,383.6	0.6%	20,018.9	0.7%	22,532.8	0.7%
	Administrative and Operating Costs	1,100.1	0.1%	2,438.8	0.1%	2,438.7	0.1%	2,584.7	0.1%	3,158.2	0.1%	3,554.8	0.1%
	Export Development	6,390.9	0.3%	8,636.3	0.4%	14,343.3	0.6%	13,798.9	0.5%	16,860.7	0.6%	18,978.0	0.6%
	Sierra Leone Standards Bureau	2,592.5	0.1%	2,682.3	0.1%	3,925.1	0.2%	4,000.0	0.2%	4,887.5	0.2%	5,501.3	0.2%
	Sierra Leone Investment and Export Promotion Agency	940.7	0.0%	3,715.1	0.2%	5,445.2	0.2%	5,000.0	0.2%	6,109.4	0.2%	6,876.6	0.2%
	Department of Co-operatives	0.0	0.0%	636.6	0.0%	1,019.1	0.0%	1,019.1	0.0%	1,245.2	0.0%	1,401.6	0.0%
	Support to Sierra Leone Produce Marketing Company	0.0	0.0%	721.3	0.0%	1,467.9	0.1%	1,467.9	0.1%	1,793.6	0.1%	2,018.9	0.1%
	Commodities Monitoring and Marketing Unit	0.0	0.0%	560.1	0.0%	1,210.1	0.0%	1,500.0	0.1%	1,832.8	0.1%	2,063.0	0.1%
	Sierra Leone Business Forum	34.2	0.0%	0.0	0.0%	468.8	0.0%	250.0	0.0%	305.5	0.0%	343.8	0.0%
	Coordination of Doing Business Reforms Unit	0.0	0.0%	281.0	0.0%	361.9	0.0%	361.9	0.0%	442.2	0.0%	497.7	0.0%
	Industrial Planning and Development	590.7	0.0%	39.9	0.0%	445.3	0.0%	200.0	0.0%	244.4	0.0%	275.1	0.0%
	421 Small and Medium Enterprises Development Agency (SMEEDA)	0.0	0.0%	3,502.5	0.2%	1,671.4	0.1%	1,671.4	0.1%	2,042.2	0.1%	2,298.7	0.1%
	3.5 MADE IN SIERRA LEONE	412.9	0.0%	2,437.2	0.1%	3,736.9	0.1%	3,000.0	0.1%	3,665.7	0.1%	4,126.0	0.1%
	419 Local Content Agency	412.9	0.0%	2,437.2	0.1%	3,736.9	0.1%	3,000.0	0.1%	3,665.7	0.1%	4,126.0	0.1%
	3.6 ONE DISTRICT, ONE FACTORY	440.0	0.0%	1,563.1	0.1%	1,815.3	0.1%	1,059.9	0.0%	1,295.1	0.0%	1,457.7	0.0%
	112 Public Private Partnership Unit	440.0	0.0%	1,563.1	0.1%	1,815.3	0.1%	1,059.9	0.0%	1,295.1	0.0%	1,457.7	0.0%
	3.7 MANAGING NATURAL RESOURCES	26,337.2	1.2%	20,187.3	0.9%	10,105.2	0.4%	11,415.4	0.4%	13,657.0	0.5%	15,397.4	0.5%
	403 Ministry of Mines and Mineral Resources	1,720.3	0.1%	3,726.1	0.2%	3,916.3	0.2%	4,150.9	0.2%	5,071.9	0.2%	5,708.8	0.2%
	Administrative and Operating Costs	1,144.9	0.1%	1,952.7	0.1%	846.6	0.0%	897.4	0.0%	1,096.5	0.0%	1,234.2	0.0%
	Mines Division	575.4	0.0%	1,773.4	0.1%	3,069.7	0.1%	3,253.5	0.1%	3,975.4	0.1%	4,474.7	0.1%
	Review the legal framework for mines and minerals	0.0	0.0%	0.0	0.0%	224.0	0.0%	237.4	0.0%	290.1	0.0%	326.6	0.0%
	Support to the National Minerals Agency	0.0	0.0%	1,773.4	0.1%	2,059.5	0.1%	2,182.8	0.1%	2,667.2	0.1%	3,002.1	0.1%
	Support to Artisanal Miners and Small Scale Miners	0.0	0.0%	0.0	0.0%	786.2	0.0%	833.3	0.0%	1,018.2	0.0%	1,146.0	0.0%
	424 Sierra Leone Petroleum Directorate	24,616.9	1.1%	16,461.2	0.6%	6,188.9	0.2%	7,264.5	0.3%	8,585.1	0.3%	9,688.6	0.3%

CLUSTER 4	GOVERNANCE AND ACCOUNTABILITY FOR RESOURCES	1,861.7	52.4%	1,380,516.8	64.0%	1,392,001.8	54.5%	1,532,221.4	59.5%	1,766,126.0	61.7%	1,996,846.0	61.8%
105	Ministry of Political and Public Affairs	5,422.5	0.3%	2,069.7	0.1%	2,423.6	0.1%	2,423.6	0.1%	2,961.3	0.1%	3,333.2	0.1%
106	Office of the Chief Minister	5,808.4	0.3%	8,538.2	0.4%	9,232.7	0.4%	11,329.3	0.4%	13,843.1	0.5%	15,581.5	0.5%
106	Office of Presidential Infrastructure Initiative	1,431.8	0.1%	786.0	0.0%	1,224.9	0.0%	1,224.9	0.0%	1,496.7	0.1%	1,684.6	0.1%
106	Directorate of Science, Technology and Innovation	3,704.6	0.2%	3,343.4	0.2%	4,328.4	0.2%	3,500.0	0.1%	4,276.6	0.1%	4,813.6	0.1%
107	Ministry of Local Government and Rural Development	7,403.6	0.3%	4,995.5	0.2%	4,863.1	0.2%	4,863.1	0.2%	5,942.1	0.2%	6,688.3	0.2%
107	Southern Province	2,771.0	0.1%	3,110.2	0.1%	2,919.2	0.1%	2,919.2	0.1%	3,567.0	0.1%	4,014.9	0.1%
107	Eastern Province	2,350.8	0.1%	2,858.3	0.1%	2,580.8	0.1%	2,580.8	0.1%	3,153.4	0.1%	3,549.4	0.1%
107	Northern Province	1,602.5	0.1%	1,883.9	0.1%	2,881.5	0.1%	2,881.5	0.1%	3,520.9	0.1%	3,963.0	0.1%
107	North West Province	2,350.8	0.1%	1,358.2	0.1%	2,538.8	0.1%	2,538.8	0.1%	3,102.2	0.1%	3,491.7	0.1%
108	Sierra Leone Small Arms Commission	1,119.7	0.1%	965.6	0.0%	1,440.8	0.1%	1,059.9	0.0%	1,123.4	0.0%	1,264.5	0.1%
110	Office of the Secretary to the President	66,266.4	3.1%	60,475.3	2.8%	38,681.6	1.5%	50,000.0	1.9%	61,094.2	2.1%	68,766.3	2.1%
110	National Assets and Government Property Commission	523.9	0.0%	5,212.1	0.2%	1,499.3	0.1%	1,059.9	0.0%	1,295.1	0.0%	1,457.7	0.0%
110	Public Sector Reform Unit (PSRU)	363.4	0.0%	3,231.2	0.1%	1,418.9	0.1%	1,059.9	0.0%	1,295.1	0.0%	1,457.7	0.0%
110	Anti-Corruption Commission	6,831.5	0.3%	8,188.4	0.4%	9,333.9	0.4%	8,479.2	0.3%	10,360.6	0.4%	11,661.7	0.4%
110	Office of the Ombudsman	1,203.2	0.1%	900.0	0.0%	2,327.5	0.1%	2,119.8	0.1%	2,590.2	0.1%	2,915.4	0.1%
110	Independent Media Commission	423.7	0.0%	507.0	0.0%	1,633.2	0.1%	1,059.9	0.0%	1,295.1	0.0%	1,457.7	0.0%
110	Political Parties Registration Commission	0.0	0.0%	1,232.8	0.0%	1,872.3	0.1%	2,119.8	0.1%	2,590.2	0.1%	2,915.4	0.1%
110	Law Reform Commission	800.0	0.0%	869.3	0.0%	1,009.9	0.0%	858.4	0.0%	1,048.9	0.0%	1,180.6	0.0%
110	Sierra Leone Insurance Commission	896.7	0.0%	1,585.9	0.1%	1,028.0	0.0%	1,059.9	0.0%	1,295.1	0.0%	1,457.7	0.0%
110	Local Government Service Commission	1,204.1	0.1%	856.8	0.0%	995.0	0.0%	1,059.9	0.0%	1,295.1	0.0%	1,457.7	0.0%
110	Corporate Affairs Commission	0.0	0.0%	876.8	0.0%	3,484.0	0.1%	1,088.6	0.0%	1,331.4	0.0%	1,488.6	0.0%
112	Office of the Vice President	16,502.5	0.8%	19,469.3	0.9%	15,997.9	0.6%	16,874.7	0.7%	20,618.9	0.7%	23,208.2	0.7%
116	Parliament	17,255.5	0.8%	45,204.3	2.1%	18,904.8	0.7%	23,216.9	0.9%	28,368.3	1.0%	31,930.8	1.0%
117	Cabinet Secretariat	3,841.7	0.2%	2,760.9	0.1%	11,665.3	0.5%	3,147.0	0.1%	3,845.3	0.1%	4,328.2	0.1%
118	The Judiciary	8,053.4	0.4%	15,100.8	0.7%	19,381.8	0.8%	14,000.0	0.5%	17,106.4	0.6%	19,254.6	0.6%
121	Audit Service Sierra Leone	6,877.7	0.3%	7,242.2	0.3%	8,410.6	0.3%	10,410.6	0.4%	12,720.5	0.4%	14,317.9	0.4%
122	Human Resource Management Office	3,165.6	0.1%	4,659.1	0.2%	4,034.6	0.2%	3,000.0	0.1%	3,665.7	0.1%	4,126.0	0.1%
123	Public Service Commission	3,551.2	0.2%	1,994.9	0.1%	2,797.4	0.1%	3,097.4	0.1%	3,784.7	0.1%	4,259.9	0.1%
124	Law Officers' Department	21,807.5	1.0%	42,031.6	1.9%	21,805.5	0.9%	18,494.4	0.7%	22,598.0	0.8%	25,435.8	0.8%
125	Local Courts	0.0	0.0%	425.3	0.0%	494.0	0.0%	494.0	0.0%	603.6	0.0%	679.4	0.0%
126	Independent Police Complaints Board	490.4	0.0%	728.9	0.0%	1,250.6	0.0%	1,250.6	0.0%	1,528.1	0.1%	1,720.0	0.1%
127	Ministry of Planning and Economic Development	9,038.8	0.4%	11,515.1	0.5%	11,889.5	0.5%	14,889.5	0.6%	18,193.3	0.6%	20,477.9	0.6%
128	Ministry of Foreign Affairs & International Co-operation	61,572.4	2.9%	92,878.9	4.3%	107,186.5	4.2%	94,853.3	3.7%	115,899.7	4.0%	130,454.1	4.0%
129	Ministry of Finance	64,190.3	3.0%	192,531.3	8.9%	95,689.9	3.7%	64,731.5	2.5%	79,553.2	2.8%	89,543.3	2.8%
130	National Revenue Authority	157,156.0	7.3%	151,067.7	7.0%	162,039.4	6.3%	228,117.9	8.9%	270,318.9	9.4%	355,066.6	11.0%
131	Revenue Appellate Board	798.1	0.0%	664.0	0.0%	932.0	0.0%	932.0	0.0%	1,138.8	0.0%	1,261.8	0.0%
132	Accountant-General's Department	23,035.8	1.1%	16,695.5	0.8%	39,053.4	1.5%	25,000.0	1.0%	30,547.1	1.1%	34,383.1	1.1%
133	Ministry of Information and Communication	5,502.8	0.3%	4,369.7	0.2%	5,211.8	0.2%	4,000.0	0.2%	4,887.5	0.2%	5,501.3	0.2%
134	National Electoral Commission	8,219.6	0.4%	11,251.6	0.5%	150,000.0	5.9%	147,909.6	5.7%	91,525.2	3.2%	55,000.0	1.7%
137	National Commission For Democracy	804.6	0.0%	3,690.5	0.1%	1,275.5	0.0%	1,000.0	0.0%	1,221.9	0.0%	1,375.3	0.0%
138	Statistics - Sierra Leone	3,852.7	0.2%	5,639.6	0.3%	6,390.3	0.3%	6,000.0	0.2%	7,331.3	0.3%	8,252.0	0.3%
139	National Commission for Privatisation	15,831.1	0.7%	16,603.4	0.8%	2,388.4	0.1%	2,000.0	0.1%	2,443.8	0.1%	2,750.7	0.1%
140	Mass Media Services	765.3	0.0%	994.0	0.0%	3,170.8	0.1%	3,000.0	0.1%	3,665.7	0.1%	4,126.0	0.1%
141	Government Printing Department	1,928.1	0.1%	1,136.0	0.0%	2,416.0	0.1%	2,416.0	0.1%	2,952.0	0.1%	3,322.7	0.1%
142	National Public Procurement Authority	1,640.9	0.1%	4,769.2	0.2%	2,610.3	0.1%	3,500.0	0.1%	4,276.6	0.1%	4,813.6	0.1%
143	Justice and Legal Service Commission	0.0	0.0%	0.0	0.0%	466.2	0.0%	466.2	0.0%	569.6	0.0%	641.2	0.0%
144	National Commission for Human Rights	987.5	0.0%	1,764.8	0.1%	1,784.9	0.1%	1,500.0	0.1%	1,832.8	0.1%	2,063.0	0.1%
145	Rights to Access Information Commission	908.3	0.0%	1,447.4	0.1%	1,134.8	0.0%	1,000.0	0.0%	1,221.9	0.0%	1,375.3	0.0%
146	Wages and Compensation Commission	0.0	0.0%	300.0	0.0%	448.4	0.0%	2,000.0	0.1%	2,443.8	0.1%	2,750.7	0.1%
201	Ministry of Defence	69,047.2	3.2%	121,287.6	5.6%	77,811.2	3.0%	108,899.7	4.2%	133,062.8	4.6%	149,772.5	4.6%
203	National Civil Registration Authority	2,192.8	0.1%	15,063.2	0.7%	3,497.1	0.1%	5,197.1	0.2%	6,350.2	0.2%	7,147.7	0.2%
205	Ministry of Internal Affairs	1,376.0	0.1%	2,544.2	0.1%	1,022.5	0.0%	1,022.5	0.0%	1,249.4	0.0%	1,406.3	0.0%
206	Sierra Leone Police	71,227.9	3.3%	139,849.3	6.5%	68,051.2	2.7%	110,126.1	4.3%	134,561.3	4.7%	151,459.2	4.7%
207	Sierra Leone Correctional Services	55,950.7	2.6%	68,544.6	3.2%	49,635.2	1.9%	58,665.0	2.3%	71,681.8	2.5%	80,683.4	2.5%
208	National Fire Authority	4,065.1	0.2%	5,744.5	0.3%	3,982.1	0.2%	5,982.1	0.2%	7,309.5	0.3%	8,227.4	0.3%
209	Central Intelligence & Security Unit	23,792.8	1.1%	10,205.7	0.4%	5,201.8	0.2%	8,201.8	0.3%	10,021.7	0.4%	11,280.2	0.3%
210	Office of National Security	9,920.5	0.5%	7,162.2	0.3%	7,662.7	0.3%	7,950.7	0.3%	9,714.8	0.3%	10,934.8	0.3%
211	Immigration Department	4,048.9	0.2%	5,098.3	0.2%	4,334.8	0.2%	7,334.8	0.3%	8,962.3	0.3%	10,087.8	0.3%
212	National Drugs Law Enforcement Agency	207.0	0.0%	369.9	0.0%	796.0	0.0%	796.0	0.0%	972.6	0.0%	1,094.7	0.0%
408	Ministry of Works and Public Assets	10,527.4	0.5%	12,869.5	0.5%	12,664.3	0.5%	12,664.3	0.5%	15,474.3	0.5%	17,417.5	0.5%
411	Road Maintenance Fund	166,670.3	7.7%	83,757.9	3.9%	124,947.4	4.9%	134,434.2	5.2%	162,911.5	5.7%	188,570.1	5.8%
412	National Telecommunications Commission	81,626.1	3.8%	81,726.9	3.8%	172,917.5	6.8%	201,628.2	7.8%	241,470.4	8.4%	272,509.9	8.4%
416	Civil Aviation Authority	34,472.5	1.6%	25,718.7	1.2%	44,599.3	1.7%	46,350.6	1.8%	54,406.3	1.9%	61,399.9	1.9%
423	Sierra Leone Petroleum Regulation Agency	9,533.4	0.4%	10,311.5	0.4%	10,538.3	0.4%	12,369.8	0.5%	15,519.7	0.5%	17,514.7	0.5%
501	Miscellaneous Services	6,584.3	0.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0	0.0	0.0%
701	Devolved Function - Sensitisation on Fire Prevention Services	0.0	0.0%	0.0	0.0%	776.0	0.0%	1,000.0	0.0%	1,069.1	0.0%	1,206.5	0.0%
701	Local Government Administration Grants	29,362.4	1.4%	19,882.2	0.9%	5,910.5	0.2%	7,009.5	0.3%	8,048.3	0.3%	9,082.9	0.3%

CLUSTER 5	INFRASTRUCTURE AND ECONOMIC COMPETITIVENESS		8.5%	285,957.5	13.3%	281,869.0	11.0%	246,498.1	9.6%	256,757.1	9.0%	289,545.7	9.0%
	5.1 IMPROVING SUPPLY OF ENERGY	126,273.8	5.9%	149,633.6	6.9%	184,737.7	7.2%	146,940.1	5.7%	137,261.1	4.8%	154,888.0	4.8%
	406 Ministry of Energy	126,134.4	5.8%	149,633.6	6.9%	183,783.3	7.2%	145,985.7	5.7%	136,095.0	4.8%	153,575.4	4.8%
	413 Sierra Leone Electricity and Water Regulatory Commission	139.4	0.0%	0.0	0.0%	954.4	0.0%	954.4	0.0%	1,166.1	0.0%	1,312.6	0.0%
	5.2 IMPROVING WATER SUPPLY INFRASTRUCTURE	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	000 Not Applicable	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	5.3 ADVANCING NATIONAL TRANSPORT SYSTEM	56,882.0	2.6%	136,323.9	6.3%	97,131.3	3.8%	99,558.0	3.9%	119,496.0	4.2%	134,657.7	4.2%
	404 Ministry of Transport and Aviation	56,882.0	2.6%	70,941.7	3.3%	54,589.2	2.1%	54,838.1	2.1%	67,005.8	2.3%	75,420.2	2.3%
	425 Sierra Leone Road Safety Authority	0.0	0.0%	65,382.2	3.0%	42,542.1	1.7%	44,719.9	1.7%	52,490.2	1.8%	59,237.5	1.8%
	5.4 IMPROVING ROADS NETWORK SYSTEM	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	000 Not Applicable	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	5.5 IMPROVING INFORMATION, COMMUNICATION AND TECHNOLOGY	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	000 Not Applicable	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
CLUSTER 6	ADDRESSING WOMEN AND CHILDREN	11,361.7	0.5%	8,613.2	0.4%	14,350.7	0.6%	14,769.5	0.6%	17,853.8	0.6%	20,109.8	0.6%
	6.1 WOMEN ISSUES	10,877.7	0.5%	3,559.9	0.2%	10,952.8	0.4%	11,543.4	0.4%	14,018.5	0.5%	15,785.1	0.5%
	305 Ministry of Social Welfare	10,503.9	0.5%	3,209.9	0.1%	6,750.0	0.3%	6,750.0	0.3%	8,247.7	0.3%	9,283.4	0.3%
	319 Ministry of Gender and Children's Affairs	373.8	0.0%	350.0	0.0%	2,674.9	0.1%	3,000.0	0.1%	3,665.7	0.1%	4,126.0	0.1%
	701 Devolved Function - Social Welfare	0.0	0.0%	0.0	0.0%	1,527.9	0.1%	1,793.4	0.1%	2,105.1	0.1%	2,375.7	0.1%
	6.2 CHILDREN ISSUES	484.0	0.0%	5,053.3	0.2%	3,398.0	0.1%	3,226.0	0.1%	3,835.3	0.1%	4,324.7	0.1%
	319 National Children's Commission	484.0	0.0%	1,786.9	0.1%	1,510.2	0.1%	1,010.2	0.0%	1,234.4	0.0%	1,389.4	0.0%
	701 Devolved Function - Children's Affairs Services	0.0	0.0%	3,266.4	0.2%	1,887.7	0.1%	2,215.8	0.1%	2,600.9	0.1%	2,935.2	0.1%
CLUSTER 7	ENVIRONMENT, CLIMATE CHANGE AND DISASTER MANAGEMENT	26,231.6	1.2%	26,231.6	1.2%	34,079.5	1.3%	39,511.7	1.5%	47,649.6	1.7%	53,878.6	1.7%
	318 Ministry of Environment	0.0	0.0%	1,550.6	0.1%	1,277.5	0.1%	3,837.5	0.1%	4,689.0	0.2%	5,277.8	0.2%
	417 Nuclear Safety and Radiation Protection Authority	2,192.6	0.1%	1,499.8	0.1%	2,270.1	0.1%	2,270.1	0.1%	2,773.8	0.1%	3,122.1	0.1%
	420 Sierra Leone Environment Protection Agency	27,885.9	1.3%	22,184.3	1.0%	29,440.0	1.2%	32,556.7	1.3%	39,215.0	1.4%	44,255.9	1.4%
	422 Sierra Leone Meteorological Agency	688.2	0.0%	996.9	0.0%	1,636.1	0.1%	1,636.1	0.1%	1,999.1	0.1%	2,250.1	0.1%
CLUSTER 8	OTHERS	65,053.2	3.0%	391,776.0	18.2%	200,000.0	7.8%	166,369.4	6.5%	71,393.2	2.5%	80,063.2	2.5%
	610 Contingency Fund	65,053.2	3.0%	391,776.0	18.2%	200,000.0	7.8%	166,369.4	6.5%	71,393.2	2.5%	80,063.2	2.5%
GRAND TOTAL		2,156,742.0	100.0%	2,538,377.8	100.0%	2,551,858.6	100.0%	2,574,246.2	100.0%	2,862,284.5	100.0%	3,231,699.0	100.0%

Source: Budget Bureau, Ministry of Finance

Annex 2: National Development Plan Cluster Allocation of Public Investment Programme for the period 2022-2024 (Le Million)

In Millions of Leones															
SIERRA LEONE PUBLIC INVESTMENT PROGRAMME FY 2022 - 2024															
MDA Code	National Development Plan Cluster/Ministry, Department and Agency (MDAs)	Status	Location	Funding Source	Funding Type	FY 2020 Estimate		FY 2021 Budget		FY 2022 Indicative		FY 2023 Indicative		FY 2024 Indicative	
						Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
GRAND TOTAL						1,213,210	1,059,471	1,850,121	1,181,369	2,532,017	1,090,251	2,292,658	1,363,124	3,333,950	1,498,509
Cluster One: Human Capital Development						413,031	351,011	841,205	345,237	1,351,883	427,727	1,115,649	478,459	1,314,747	534,374
301	Ministry of Basic and Secondary Education (MoBSE)					73,750	286,700	233,550	284,837	445,550	369,843	330,948	406,088	432,152	446,416
1	Focused Resources on Equity and Excellence (FREEM)	Ongoing	Nationwide	IDA/GoSL	Grant/Budget	50,000	3,000	130,000	3,000	200,000	2,769	190,614	3,462	245,386	4,330
2	Education Sector Project (Four Government Schools)	Ongoing	Nationwide	BADEA/OFID/SGGOSL	Loan/Budget	23,750	3,000	103,550	3,000	245,550	2,769	140,334	3,462	186,766	4,330
3	Free Quality School Education Programme	Ongoing	Nationwide	GoSL	Budget	-	267,700	-	257,737	-	344,833	-	374,812	-	407,303
	o/w Teaching and Learning Materials	Ongoing	Nationwide	GoSL	Budget	-	15,000	-	15,300	-	14,120	-	17,658	-	22,082
	School Fee Subsidies	Ongoing	Nationwide	GoSL	Budget	-	154,350	-	137,437	-	233,812	-	250,973	-	252,435
	School Feeding Programme	Ongoing	Nationwide	GoSL	Budget	-	70,000	-	71,000	-	65,524	-	66,941	-	83,714
	Examination Fees for WASSCE	Ongoing	Nationwide	GoSL	Budget	-	28,350	-	20,000	-	18,457	-	23,082	-	28,866
	Diet for Boarding Home Schools	Ongoing	Nationwide	GoSL	Budget	-	-	-	14,000	-	12,920	-	16,157	-	20,206
4	Rehabilitation/Refurbishment of Schools	Ongoing	Nationwide	GoSL	Budget	-	3,000	-	3,000	-	2,769	-	3,462	-	4,330
5	Establishment/Strengthening of Laboratories in Districts	Ongoing	Nationwide	GoSL	Budget	-	2,000	-	2,000	-	1,846	-	2,308	-	2,887
6	Rehabilitation/Expansion of Boarding Home Facilities	Ongoing	Nationwide	GoSL	Budget	-	2,000	-	2,100	-	1,938	-	2,424	-	3,031
7	Support to Library Services	New	Nationwide	GoSL	Budget	-	2,000	-	2,000	-	1,846	-	2,308	-	2,887
8	Support to Home Economic Centres	New	Nationwide	GoSL	Budget	-	2,000	-	2,000	-	1,846	-	2,308	-	2,887
9	Welfare and Hygiene Packages for School Going Children	New	Nationwide	GoSL	Budget	-	2,000	-	10,000	-	9,229	-	11,541	-	14,433
300	Ministry of Tertiary and Higher Education (MoTHE)					101,170	19,900	248,538	18,200	415,830	16,796	413,323	21,005	626,565	26,268
1	Education Sector Project (Bunumbu and Milton)	Ongoing	Bunumbu/Freetown	BADEA/GoSL	Loan/Budget	38,750	3,000	93,550	4,000	115,700	3,691	105,700	4,616	165,700	5,773
2	Construction of University of Science and Technology (UST) in Kono	Ongoing	Kono	EBID/GoSL	Loan/Budget	80,700	2,000	83,550	2,200	100,000	2,030	100,000	2,539	150,000	3,175
3	Completion of the Rehabilitation of Fourth Bay	Ongoing	Western Area	BADEA/Saudi Fund/GoSL/GoSL	Loan/Budget	20,000	5,000	-	1,000	-	923	-	1,154	-	1,443
4	Construction of Administrative, Teaching and Residential Buildings for IPAM	Ongoing	Western Area	FEMAB/IPAM/GoSL	Loan/Budget	30,000	5,000	-	5,000	60,200	4,614	60,200	5,771	90,200	7,216
5	Construction of School of Excellence in ICT in Bonthe	Ongoing	Bonthe	Planet Core/GoSL	PPP/Budget	47,850	3,000	68,118	1,000	74,930	923	82,423	1,154	115,665	1,443
6	Skills Development Project	Ongoing	Nationwide	IDA/GoSL	Grant/Budget	3,320	3,000	3,320	500	65,000	461	65,000	577	105,000	722
7	Provision of Modern Teaching Equipment for Universities and Colleges	Ongoing	Nationwide	GoSL	Budget	-	500	-	500	-	461	-	577	-	722
8	Rehabilitation and Refurbishment of Teacher Training Colleges	Ongoing	Colleges	GoSL	Budget	-	1,000	-	1,000	-	923	-	1,154	-	1,443
9	Rehabilitation and Refurbishment of Government Technical Institutes (GTIs)	Ongoing	Nationwide	GoSL	Budget	-	1,000	-	1,000	-	923	-	1,154	-	1,443
10	Reforming African Institute for Computer Science, Engineering and Digitalization (RAISED)	New	Nationwide	GoSL	Budget	-	1,000	-	1,000	-	923	-	1,154	-	1,443
11	Feasibility Study for the Construction of 6 Teacher Training Colleges	Ongoing	Nationwide	GoSL	Budget	-	200	-	500	-	461	-	577	-	722
12	Feasibility Study for the Construction of the University of the East	Ongoing	East	GoSL	Budget	-	200	-	500	-	461	-	577	-	722
304	Ministry of Health and Sanitation (MoHS)					175,761	31,700	274,017	30,600	340,683	30,882	271,658	38,865	256,030	46,348
1	Global Fund ATM (HIV/AIDS/Tuberculosis/Malaria)	Ongoing	Nationwide	Global Fund/GoSL	Loan/GoSL	27,790	3,000	91,080	5,000	50,022	4,614	50,188	5,771	60,226	7,216
2	Strengthening COVID-19 Response and Essential Health Services Programme	New	Nationwide	IsDB/GoSL	Loan	-	-	74,966	1,000	74,966	4,000	89,960	4,000	107,952	4,000
3	Sierra Leone COVID-19 Emergency Preparedness and Response Project	New	Nationwide	IDA/GoSL	Loan	-	-	27,427	100	27,427	3,000	32,912	5,000	39,495	5,000
4	Primary Health Care Support Project	Ongoing	Nationwide	BADEA/GoSL	Loan	15,770	2,600	5,770	1,000	22,347	923	6,347	1,154	22,860	1,443
5	Reducing Maternal, Neonatal and Child Mortality and Morbidity in Sierra Leone	New	Nationwide	IsDB/GoSL	Loan/Budget	15,000	1,000	11,250	1,000	16,500	923	12,375	1,154	-	1,443
6	Strengthening Three (3) Tertiary Hospitals in Freetown	Ongoing	Nationwide	Kuwait Fund/GoSL	Loan/Budget	12,500	2,000	9,375	1,000	13,750	923	20,313	1,154	25,498	1,443
7	GAVI Health System Strengthening Support Project	Ongoing	Nationwide	Gavi/GoSL	Grant/Budget	25,000	500	18,750	500	27,500	461	20,625	577	-	722
8	Regional Disease Surveillance System Enhancement Project	Ongoing	Nationwide	IDA/GoSL	Grant/Budget	47,790	500	15,750	100	52,569	92	17,325	115	-	144
9	Sector Wide Health Systems Strengthening Project	Ongoing	Nationwide	IDA/GoSL	Grant/Budget	4,983	5,000	2,721	500	20,481	461	2,993	577	-	722
10	Health Systems Strengthening Project (Save the Mother to Child Project)	Ongoing	Nationwide	IDB/GoSL	Grant/Budget	24,428	5,000	14,428	1,000	26,871	923	15,871	1,154	-	1,443
11	Construction of National Warehouse at Kerry Town	New	Western Area	Global Fund/GoSL	Grant/Budget	2,500	1,000	2,500	3,000	8,250	2,769	2,750	3,462	-	4,330
12	Construction of Cancer and Diagnostic Medical Centres	Ongoing	Western Urban	GoSL	Budget	-	7,000	-	5,000	-	3,500	-	4,377	-	5,474
13	Rehabilitation, Expansion and Equipment of District Hospitals	Ongoing	Nationwide	GoSL	Budget	-	2,000	-	1,000	-	923	-	1,154	-	1,443
14	Establishment of National Public Health Agency	Ongoing	Nationwide	GoSL	Budget	-	100	-	200	-	185	-	231	-	289
15	Adolescent Sexual Reproductive Health Programme (School Health)	Ongoing	Nationwide	GoSL	Budget	-	1,000	-	200	-	185	-	231	-	289
16	Support to National Emergency Medical Services (NEMS) - Ambulance Services	New	Nationwide	GoSL	Budget	-	500	-	5,000	-	3,500	-	4,377	-	5,474
17	Rehabilitation and Expansion of PHUs	New	Nationwide	GoSL	Budget	-	500	-	5,000	-	3,500	-	4,377	-	5,474
407	Ministry of Labour and Social Security (MoLSS)					-	1,000	-	900	-	831	-	914	-	1,005
	Institutional Capacity Building Project	Ongoing	Nationwide	GoSL	Budget	-	500	-	500	-	461	-	508	-	558
	Strengthening Labour Market Information Systems and Manpower Planning	New	Nationwide	GoSL	Budget	-	500	-	400	-	369	-	406	-	447
308	National Commission for Social Action (NaCSA)					62,350	9,711	83,100	9,700	149,820	8,453	99,720	10,571	-	13,220
3	Pro Poor Growth for Peace Consolidation (GPC)	Ongoing	Nationwide	KfW/GoSL	Loan/Budget	16,600	211	29,050	200	44,920	185	34,860	231	-	289
1	Sierra Leone Community Driven Development Project (SICDD) 2	Ongoing	Nationwide	IDB/GoSL	Loan/Budget	25,000	1,500	25,000	1,500	55,000	1,500	30,000	1,876	-	2,346
2	Sierra Leone Social Safety Net Project	Ongoing	Nationwide	IDA/GoSL	IDA/Budget	20,750	3,000	29,050	3,000	49,900	2,769	34,860	3,462	-	4,330
6	Rehabilitation/Construction of Community Facilities	Ongoing	Nationwide	GoSL	Budget	-	5,000	-	5,000	-	4,000	-	5,002	-	6,256
306	Ministry of Lands, Country Planning and the Environment (MoLCP&E)					-	2,000	2,000	1,000	-	923	-	1,015	-	1,117
1	National Land Policy and Legal Reform Project	Ongoing	Nationwide	GoSL	Grant/Budget	-	1,000	2,000	1,000	-	923	-	1,015	-	1,117

Cluster Two: Diversifying the Economy and Promoting Growth

						176,812	53,522	175,597	136,800	383,738	115,321	130,040	154,216	55,110	190,736
401	Ministry of Agriculture and Food Security					143,812	32,522	73,000	111,800	237,574	97,675	58,600	132,149	-	166,840
1	Smallholder Commercialisation and Agribusiness Development Project (SCADeP)	Ongoing	Nationwide	IDA/DFID/GoSL	Loan/Budget	41,500	2,000	45,000	1,000	74,800	923	25,000	1,154	-	1,443
2	Palm Oil Production Project in Sierra Leone in the Framework of Capacity Building (POPSLCB)	Ongoing	Bonthe	IDB/GoSL	Loan/Budget	12,450	5,000	5,000	2,000	14,940	1,846	6,000	2,308	-	2,887
3	Rural Finance and Community Improvement Project (RFICIP)	Ongoing	Nationwide	IFAD/GoSL	Loan/Grant/Budget	12,000	3,000	15,000	1,000	14,400	923	18,000	1,154	-	1,443
4	Agriculture Value Chain Development	Ongoing	Nationwide	IFAD/GoSL	Loan/Grant/Budget	25,820	3,000	2,500	1,000	30,984	923	3,000	1,154	-	1,443
5	Regional Rice Value Chain Development	Ongoing	Nationwide	IDB/GoSL	Loan/Budget	50,520	3,000	5,000	1,000	85,624	923	6,000	1,154	-	1,443
6	Sierra Leone Agribusiness and Rice Value Chain Support	Ongoing	Nationwide	AfDB/GoSL	Grant/Budget	1,522	1,522	500	1,000	16,826	923	600	1,154	-	1,443
7	West African Food System Resilience Project	Ongoing	Nationwide	IDA/GoSL	Grant/Budget	-	-	-	1,000	-	-	-	-	-	-
7	Support to Chiefdom Youth Farms	Ongoing	Nationwide	GoSL	Budget	-	-	-	28,800	-	22,000	-	22,512	-	29,733
8	Livestock Development Project	Ongoing	Koinadugu	GoSL	Budget	-	2,000	-	4,000	-	3,691	-	4,616	-	5,773
9	Tree Crops Development Project	Ongoing	Nationwide	GoSL	Budget	2,000	-	3,000	-	2,769	-	-	3,462	-	4,330
10	Onion Production Project	New	Nationwide	GoSL	Budget	500	-	10,000	-	9,229	-	-	11,541	-	14,433
11	Strengthening Extension Services to Farmers and Agricultural Management Information System	New	Nationwide	GoSL	Budget	-	10,000	-	3,000	-	2,769	-	3,462	-	4,330
12	Input System: E-Vouchers for Rice Production (Seeds, Fertilizers and Tractor Services)	New	Nationwide	GoSL	Budget	500	-	55,000	-	50,758	-	-	78,476	-	98,139
402	Ministry of Fisheries and Marine Resources (MoFMR)					-	8,000	88,897	15,900	91,564	11,753	55,000	14,698	55,110	16,181
1	Construction of Fish Harbour	New	Nationwide	PRC/GoSL	Grant/Budget	500	-	88,897	500	91,564	461	55,000	577	55,110	722
2	Rehabilitation and Development of Fishing Infrastructure	Ongoing	Nationwide	GoSL	Budget	1,000	-	500	-	461	-	-	577	-	722
3	Support to Artisanal Fisheries	Ongoing	Nationwide	GoSL	Budget	1,000	-	7,000	-	5,000	-	-	6,253	-	6,820
4	Support to Women in Fishery	Ongoing	Nationwide	GoSL	Budget	1,000	-	200	-	185	-	-	231	-	289
5	Strengthening Inland Fisheries and Aquaculture	Ongoing	Nationwide	GoSL	Budget	1,000	-	100	-	92	-	-	115	-	144
6	Fish Stock Assessment, Policy and Management	Ongoing	Nationwide	GoSL	Budget	1,000	-	150	-	138	-	-	173	-	216
7	Enhancing Monitoring Control and Surveillance	Ongoing	Nationwide	GoSL	Budget	1,000	-	7,000	-	5,000	-	-	6,253	-	6,620
8	Improving Quality and Safety Standards for Fishery Products	Ongoing	Nationwide	GoSL	Budget	1,000	-	300	-	277	-	-	346	-	433
9	Institutional Capacity Building	Ongoing	Nationwide	GoSL	Budget	500	-	150	-	138	-	-	173	-	216
303	Ministry of Tourism and Cultural Affairs (MoTCA)					-	2,300	-	1,400	-	1,292	-	1,616	-	2,021
1	Promotion and Reactivation of Domestic Tourism in Coastal Areas	Ongoing	Nationwide	GoSL	Budget	500	-	500	-	461	-	-	577	-	722
2	Development of Tourism Facilities in Prime Ecotourism Sites	Ongoing	Nationwide	GoSL	Budget	1,000	-	200	-	185	-	-	231	-	289
3	Feasibility Studies for the Establishment/Construction of National Gallery and Performing Art Centres	New	Nationwide	GoSL	Budget	400	-	300	-	277	-	-	346	-	433
4	Support for Capacity Building	Ongoing	Nationwide	GoSL	Budget	400	-	400	-	369	-	-	462	-	577
405	National Tourist Board (NTB)					28,500	5,200	10,200	2,500	49,200	1,600	12,240	2,001	-	2,502
1	Sustainable Tourism Development and Promotion Project (STDPP)	Ongoing	Nationwide	EIF/GoSL	Grant/Budget	12,500	2,000	5,000	1,100	25,000	1,000	6,000	1,251	-	1,564
2	Adapting Climate Change Induced Coastal Risk Management	Ongoing	Nationwide	UNDP/GoSL	Grant/Budget	16,000	1,000	5,200	400	24,200	200	6,240	250	-	313
3	Sustainable Ecotourism Development Project	Ongoing	Nationwide	GoSL	Budget	1,000	-	500	-	200	-	-	250	-	313
4	Construction of Five Tourist Information Offices (TIOs)	Ongoing	Nationwide	GoSL	Budget	1,200	-	500	-	200	-	-	250	-	313
405	Monument and Relics Commission (MRC)					4,500	5,500	3,500	5,200	5,400	3,000	4,200	3,752	-	3,192
1	Comprehensive Preservation and Development of Bunce Island	Ongoing	Port Loko	USAF/CP/GoSL	Grant	4,500	2,000	3,500	2,200	5,400	1,500	4,200	1,876	-	846
2	Development of the Physical Infrastructure of the Cultural Heritage Sector	Ongoing	Nationwide	GoSL	Budget	1,000	-	1,000	-	500	-	-	625	-	782
3	Construction of an Ethnographic Museum and Heritage Resource Centre in Bonthe	Ongoing	Bonthe	GoSL	Budget	1,000	-	1,000	-	500	-	-	625	-	782
4	Restoration of Old FBC Phase II	Ongoing	Nationwide	GoSL	Budget	1,500	-	1,000	-	500	-	-	625	-	782



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