



GOVERNMENT OF SIERRA LEONE

MINISTRY OF FINANCE

FISCAL STRATEGY STATEMENT (FSS)

FY 2024-2028

SHEKU A.F. BANGURA
MINISTER OF FINANCE

In fulfilment of Sections 21 & 23 of Public Financial
Management Act. 2016

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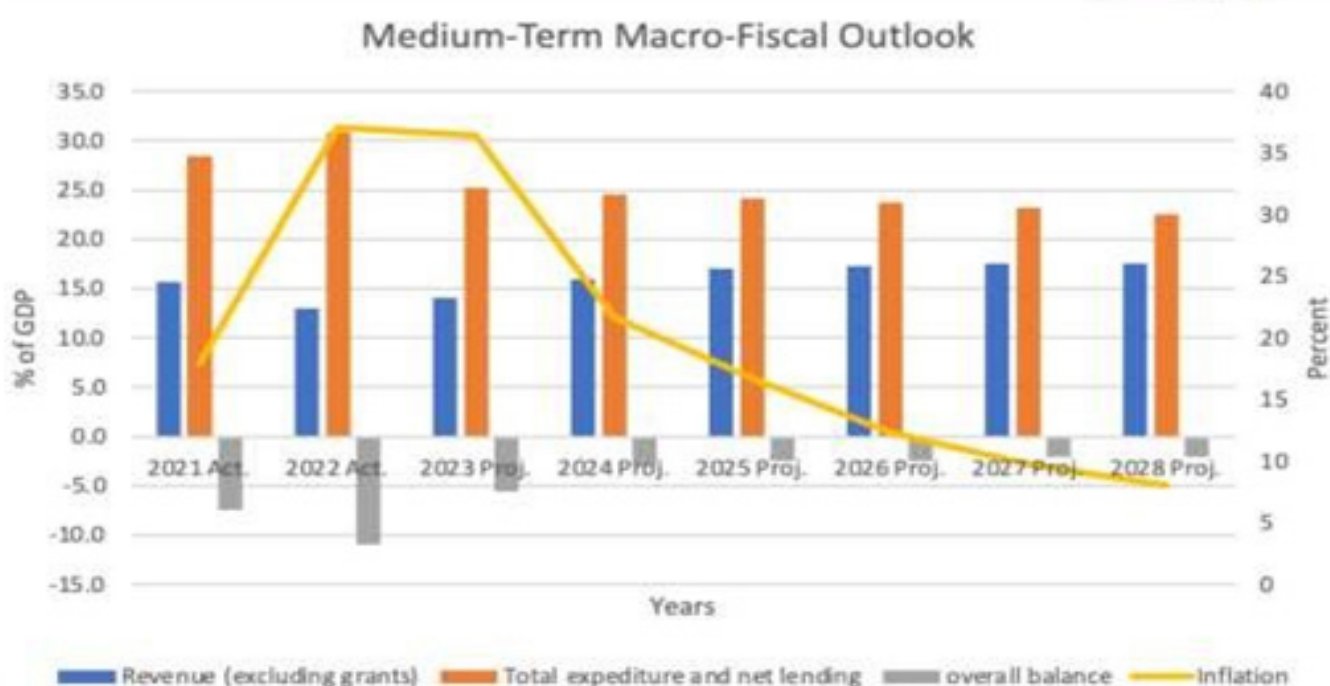


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INTRODUCTION

The main purpose of the Fiscal Strategy Statement (FSS) is to provide Cabinet and Parliament with a document that outlines the fiscal objectives and fiscal strategy of Government for the medium-term. The FSS provides early indications to Cabinet and Parliament of the main revenue and expenditure targets and budget allocations to Ministries, Departments and Agencies (MDAs) for the medium-term. This will allow Cabinet to ensure that sectoral budgetary allocations are consistent with the priorities of Government.

Section 21 (1) of the Public Financial Management (PFM) Act, 2016 requires a new Government that has taken over the reigns of power to prepare its first Fiscal Strategy Statement (FSS) covering a five-year period in alignment with the duration of the term of the Government. The FSS should contain the fiscal objectives of Government and measures for achieving those objectives over the five-year period (2024-2028). The FSS should be submitted to Cabinet for approval and subsequently to Parliament for information only.

Section 23 (1) of the Public Financial Management Act (PFM Act), 2016 also requires the Minister of Finance to prepare an Annual Fiscal Strategy Statement (FSS), not later than the end of the seventh month of any financial year. The Annual FSS specifies the fiscal objectives of Government for a three-year period and policies to be adopted in the annual budget.

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 mediumterm macroeconomic framework, which underpins the FSS and the Budget for the following year are usually concluded in September of the current year.

To comply with sections 21 (1) and 23 (1) of the PFM Act, 2016, the first Minister of Finance during the first term of the current administration prepared and submitted to Cabinet and Parliament the first FSS covering 2019-2023 in 2018. Subsequent Ministers of Finance prepared the respective annual FSSs for 2020, 2021, 2022 and 2023 financial years and submitted to Cabinet and Parliament accordingly.

This 2024-2028 Fiscal Strategy Statement, which is the first in the second term of the same Administration is prepared in fulfilment of section 23 (1) the PFM Act, 2016 and contains the fiscal objectives of the Government for the next five years (2024-2028) and proposes measures for achieving those objectives over the period. As in previous years, the FSS (2024-2028) is hereby submitted to Cabinet for approval. Following Cabinet approval, the FSS will be presented to Parliament for information only. Consistent with section 23 (1) (a) to (k) of the PFM Act, 2016, this FSS is organized as follows:

Following the introduction, section 1 presents the broad fiscal objectives of Government. Section 2 provides an overview of recent economic trends, including recent global and domestic macroeconomic developments, outlook and risks to the outlook. The section also presents a comparison between the macroeconomic forecasts in the previous FSSs and the actual outcomes.

Section 3 presents the Medium-term Macroeconomic Forecasts and assumptions underlying the forecasts. Section 4 describes Fiscal Policy and Strategy for the Medium-term. The section discusses fiscal developments in recent years including the current year, progress in meeting the fiscal objectives stated in previous FSS (2019-2023). The section also presents the Medium-term Fiscal Forecasts and assumptions underlying the forecasts. The section also describes measures for achieving the fiscal objectives, which include revenue enhancing, expenditure and debt management policies/ measures. Section 5 presents the Medium-Term Expenditure Framework (MTEF) and Public Investment Programme (PIP) with details of allocations of non-salary, noninterest and domestic capital expenditures to MDAs for the medium-term (2024-2028) in line with Government priorities.

Section 6 presents the Fiscal Risk Statement. The Fiscal Risk statement analyses the macroeconomic and specific risks that are likely to derail the attainment of the fiscal objectives specified in the FSS and measures to mitigate these risks.

1. GOVERNMENT'S FISCAL OBJECTIVES, 2024-2028

The fiscal objectives of Government for the medium-term (2024-2028) are specified in the are consistent with the principles of Responsible Fiscal Management enshrined in section 2 (2) of the Public Financial Management (PFM) Act 2016 as follows:

- 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

In line with the principles of Responsible Fiscal Management and the need to achieve fiscal and debt sustainability, Government will adopt the following key fiscal objectives for the medium-term (2024-2028):

- (i) Reduce total public debt from 98.8 percent of GDP in 2022 to 92.2 percent of GDP in 2023 and further down to 66.6 percent of GDP by the 2028 fiscal year.

External debt will be reduced from 67.7 percent of GDP in 2022 to 67 percent of GDP in 2023 and further to 45.6 percent of GDP in 2028. Domestic debt will fall from 31.3 percent of GDP in 2022 to 25.2 percent of GDP in 2023 and further down to 20.9 percent of GDP in 2028.

- (ii) Reduce the overall budget deficit, including grants, from 10.9 percent of GDP in 2022 to 5.6 percent of GDP in 2023 and to a level not exceeding 3 percent of GDP by the 2028 fiscal year

The attainment of the above fiscal objectives and targets will enable Government to restore fiscal and debt sustainability, in line with the principles of responsible fiscal management. The choice of the two main fiscal targets is informed by the fact that they mutually reinforced each other. The attainment of the public debt target depends largely on the reduction of the budget deficit.

To support the attainment of the (2) primary fiscal objectives and targets, Government will also aim to achieve the following supplementary fiscal targets:

- (i) Increase domestic revenue to 20 percent of GDP by 2028;
- (ii) Contain Government expenditures at average of 23 percent of GDP by 2025. This implies reducing Government expenditures gradually from 30 percent of GDP in 2022 to 25.2 percent in 2023 and further down to 22.5 percent of GDP by 2025.

2. RECENT ECONOMIC TRENDS

2.1 Recent Global Economic Developments, Outlook and Risks

Successive shocks in recent years, faltering activities in China, weak global manufacturing activity and rapid rise in interest rates are weighting on growth in 2023. While the global economy continues to gradually recover from the COVID-19 pandemic, the war in Ukraine continues to linger. According to the International Monetary Fund (IMF) July World Economic Outlook (WEO) update, the global economy is projected to slow down to 3.0 percent in 2023 and 2024, from 3.5 percent recorded in 2022.

The slowdown is concentrated in advanced economies, where growth will fall from 2.7 percent in 2022 to 1.5 percent this year and remain subdued at 1.4 percent next year. The euro area, still reeling from last year's sharp spike in gas prices caused by the war, is set to decelerate sharply.

In the US, growth remained surprisingly resilient in the first two quarters of the year, buoyed by a tighter labour market which continue supporting consumer spending and business fixed investment. However, growth is projected to slow down to 1.1 percent in 2023 and improve slightly to 1.4 percent in 2024. After the strong rebound in the Chinese economy late last year, following the sudden reopening of the economy, high frequency data and sentiment indicators are pointing to an economy that is flirting with recession amid still unresolved difficulties in the property and real estate market coupled with decline in consumer and business spending. Growth is forecast to reach 5.2 percent in 2023, from 3.2 percent in 2022 and moderate slightly to 4.5 percent in 2024. In the euro area, growth is projected to decline to 0.8 percent in 2023 and rise modestly to 1.2 percent in 2024, from 3.4 percent growth recorded in 2022. By contrast, growth in emerging markets and developing economies is still expected to pick-up with year-on-year growth accelerating from 3.1 percent in 2022 to 4.1 percent this year and next

Growth in Sub-Sahara Africa is projected to is projected to slow down to 3.5 percent in 2023 underpinned by the ongoing war in Ukraine, slowdown in China, weak global economic conditions, tighter financial conditions and still elevated inflationary pressures in the region.

Although the global economy remained remarkably resilience in the first half of the year in the face of multiple shocks, risks to the near-term and medium-term outlook persist and are tilted to the down side. Of particular concern are the following risks:

First, signs are growing that global activity is losing momentum. The global tightening of monetary policy has brought policy rates into contractionary territory. This has started to weigh on activity.

Second, in China, the recovery following the re-opening of its economy shows signs of losing steam amid continued concerns about the property sector, with implications for the global economy.

Third, inflation especially core inflation remains stubbornly high relative to central bank target. Core inflation, which excludes energy and food prices, remains well above central banks' target. Of greater concern, is that core inflation in advanced economies is expected to remain unchanged at a 5.1 percent in 2023 before declining to 3.1 percent in 2024.

Fourth, the rise of geo-economic fragmentation with the global economy splitting into rival blocs, will most harm emerging and developing economies that are more reliant on an integrated global economy, direct investment, and technology transfers.

Fifth, insufficient progress on the climate transition will leave poorer countries more exposed to increasingly severe climate shocks and rising temperatures, even as they account for a small fraction of global emissions.

Although on a downward trajectory, headline inflation and core inflation remain high and sticky despite the significant monetary policy tightening driven by elevated food and fertilizer prices which has exacerbated food insecurity and malnutrition for low-income households. Global inflation is projected to decline from 8.7 percent in 2022 to 6.8 percent in 2023, and 5.2 percent in 2024. Inflation for developed economies and emerging and developing countries is projected to slow down to 6.6 percent and 8.8 percent, respectively in 2023.

Global commodity prices to fell 14 percent in the first quarter of 2023, and by the end of March, they were roughly 30 percent below their historic peak in June 2022. The surge in prices after

Russia's invasion of Ukraine has largely been unwound on a combination of slowing economic activity, favorable winter weather, and a global reallocation of commodity trade flows. For the remainder of this year, commodity prices are forecast to remain broadly unchanged. However, prices are still expected to remain above pre-pandemic levels, which will continue to weigh on affordability and food security. Upside risks to prices include possible disruptions in the supply of energy and metals, intensifying geopolitical tensions, a stronger-than-anticipated recovery in China's industrial sector, and adverse weather events. Disappointing global growth and slower than –expected growth in China are the major downside risks to inflation.

Iron ore prices jumped slightly to USD114.4 in July, from USD113.5 per m/t and USD105.2 in June and May, respectively. The price for m/t of iron ore averaged around USD121.3 in 2022. After averaging about USD99.8 in 2022, price for Brent crude declined to USD75.1 in April and further declined to UD\$74.7 in June before increasing to US\$80.5. Rice (Thailand 5% broken) prices also average around USD429.7 per m/t in 2022, the price of rice increased to USD495.0 and USD496.0 in May and June 2023, before rising sharply to USD524.0 in July 2023. Price for Urea fertilizer have since returned to their pre-pandemic levels. After averaging around USD700.0 per m/t in 2022, the price of one metric ton of Urea fertilizer-which is commonly used by our farmers declined to USD287.5, before increasing to USD334.6 in July.

2.2. Domestic Macroeconomic Economic Developments, 2021-2022 and First Half of 2023

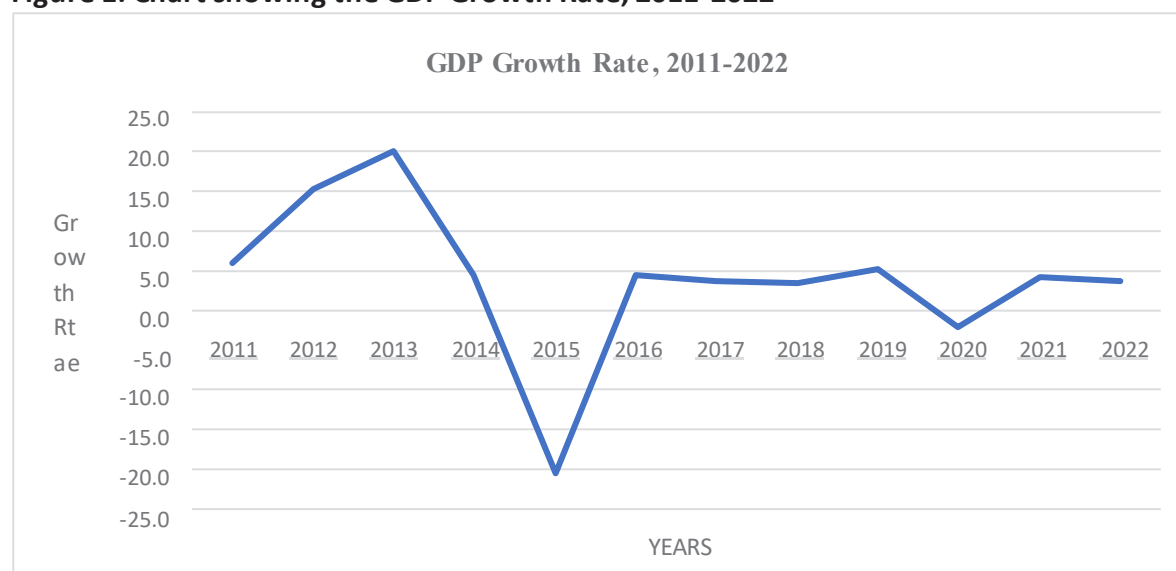
The Sierra Leone economy recovered strongly, growing by 5.3 percent in 2019 from the subdued growth in 3.8 percent 2017 and 3.5 percent in 2018. The recovery was short-lived as the COVID19 pandemic broke out in 2020. The restrictions imposed to contain the pandemic adversely affected economic activities and as a result, the economy contracted by 2.0 percent in 2020. Following the relaxation of pandemic-related restrictions, resumption of iron ore production, and gradual normalization of global supply chain disruptions, the economy rebounded strongly by 4.1 percent in 2021. The fledgling recovery from the COVID-19 pandemic was again disrupted by

Russia's invasion of Ukraine in early 2022, which exacerbated the pre-existing vulnerabilities.

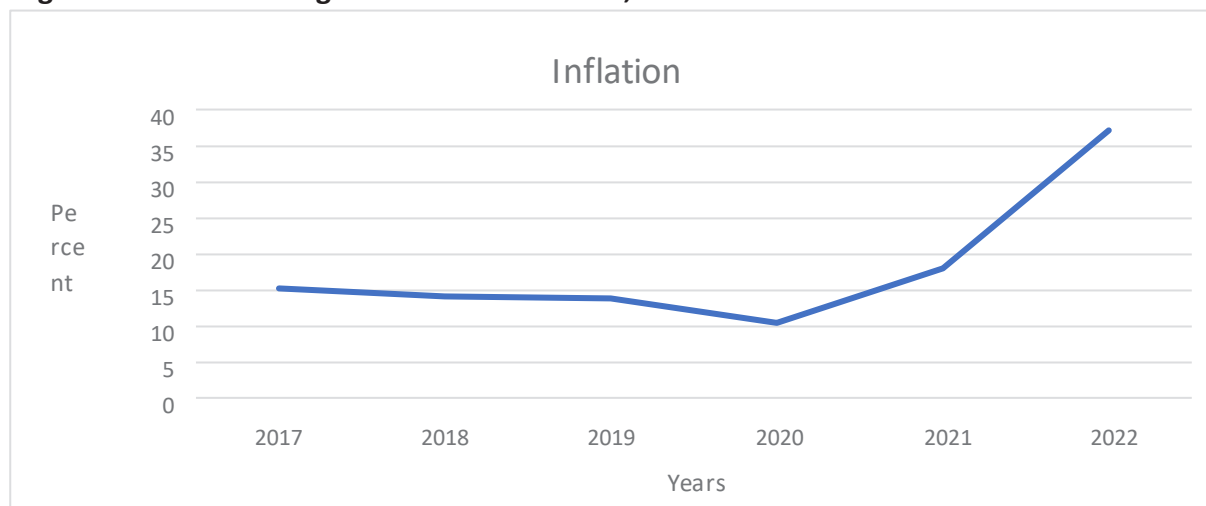
Including global supply chain disruptions, rising food and energy prices and weakening of the Leone. Consequently, the economic activities slowed down to 3.6 percent in 2022.

The economy continued to grapple with spillovers of the Ukraine crisis in 2023. In addition, the elections-related uncertainties, weak purchasing power combined with fiscal adjustment measures will weigh on growth in 2023. Hence, in spite of the expected increase in agricultural production, economic growth is projected to moderate further to 2.7 percent in 2023.

Figure 1: Chart showing the GDP Growth Rate, 2011-2022



After falling to 10.4 percent in 2020, inflationary pressures re-emerged in 2021 and persisted throughout the year, reaching 17.89 percent in December 2021, reflecting the pass-through effect of the rise of global food and energy prices and continuous depreciation of the Leone. These factors coupled with monetary expansion continued to fuel inflation, which rose to 37.1 percent in December 2022. Inflationary pressures persisted through-out the first half of 2023, with inflation rising further to 44.8 percent in June 2023.

Figure 2: Chart showing the Trend in Inflation, 2017-2022

The current account deficit narrowed from 22.3 percent in 2019 to 6.3 percent in 2020 following the receipt of COVID-19 related official inflows. Despite the improvement in the trade balance due to increase in export receipts and official transfers, higher income outflows and payments for services contributed to the widening of the current account deficit to 9.2 percent of GDP in 2022 from 8.7 percent in 2021.

The stance of monetary policy remained appropriately tight as BSL continue to raise interest rate to rein persistently high inflation, stabilize the exchange rate, build international reserves, minimize the buildup of financial stability risks, whilst supporting the nascent recovery from the multiple overlapping shocks. The BSL raised the monetary policy rate consecutively from 14.0 in 2021 to 17.0 in December 2022.

Although the stance of monetary policy appears to be relatively tight as indicated by the successive increase in the monetary policy rate, monetary aggregates expanded during the review period mainly to accommodate Government financing needs and provide liquidity to the banking system. Broad money grew significantly by 38.2 percent in 2020 from 14.3 percent in 2019, before moderating to 22.1 percent in 2021. The growth of broad money surged again to 41.1 percent in 2022, reflecting significant growth in net domestic asset of the banking system, Net Domestic Asset grew sharp by 53.1 in 2022 from 27.0 percent growth in 2021; of which claims to Government grew sharply by 43.0 percent, reflecting increased borrowing from the bank of Sierra Leone and on-lending of IMF/ECF resources to support budget operations. Reserve money of BSL also grew sharply by 25.6 percent in 2022 from 8.7 percent in 2021. This sharp growth in RM in 2022 reflects increased claims on Government by the Bank of Sierra Leone.

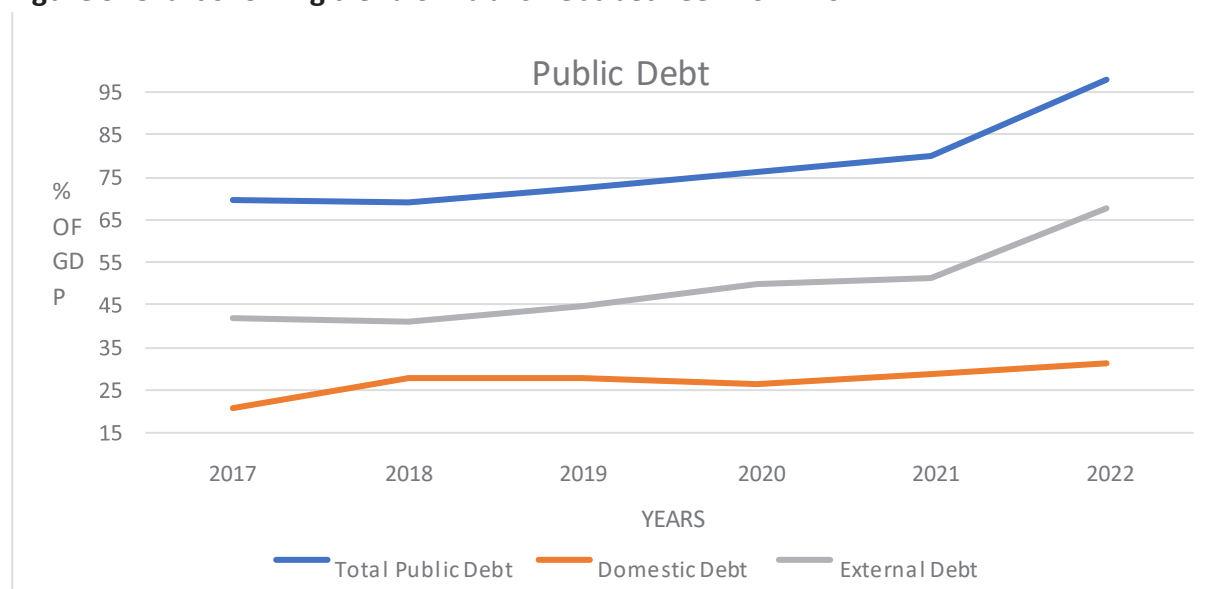
Reflecting the increasing financing needs of Government, the stock of public debt increased from 69.8 percent of GDP in 2018 to 79.8 percent of GDP in 2021 and is estimated at 98.9 percent of GDP in 2022. Of this, external debt increased to US\$1.99 billion (51.1 percent of GDP) in 2021 and 67.7 percent of GDP in 2022 from US\$1.68 billion (44.2 percent of GDP) in 2019. Domestic debt decreased to US\$1.11 billion (28.7 percent of GDP) in 2021 and 31.3 percent of GDP in 2022 from

US\$1.15 billion (27.6 percent of GDP) in 2019. External debt accounted for 64 percent of total public debt.

Of this, multilateral creditors accounted for 79.1 percent of external debt as at end December 2021, followed by bilateral creditors (12.6 percent) and commercial creditors (8.3 percent). About 67.9 percent of domestic debt is in short-term Government securities.

The growth in the stock of public debt in recent years is accounted for by the following reasons: (i) widening of the budget deficit and other macroeconomic fundamentals largely due to global shocks resulting in increased demand for both domestic and external financing; (ii) disbursement of emergency support loans by development partners to complement Government's resources in mitigating the impact of COVID-19 on the population; (iii) loan disbursements by development partners to support the implementation of projects in various sectors, including roads, electricity, agriculture, education and health; and (iv) the inclusion of the verified stock of domestic contractors' arrears of about US\$360.0 million inherited by the Government in 2018.

Figure 3: Chart showing trend of Public Debt between 2017-2022



2.3. Comparison between Previous Macroeconomic Forecasts and Actual Outturns, 2019-2022

In a highly integrated world economy, where real and financial shocks are easily and speedily transmitted to the global economy, small open economies are particularly vulnerable to adverse global developments and policy slippages which could be propagated to the domestic economy and cause deviations of macroeconomic and budgetary outturns from their respective original forecasts. More recently, health related pandemics and climate change concerns have emerged as very important factors that could trigger variations between actual macro-fiscal indicators and original projections. This section analyses the variation of actual macroeconomic and fiscal outturns from their original forecasts produced by the Macro-Fiscal Working Group and the IMF and published in the Fiscal Strategy Statements (FSS) for the period 2019-2021. The relevant macroeconomic and fiscal variables include real GDP, inflation, budget deficit and public debt.

2.3.1 Real Gross Domestic Product (GDP)

Sierra Leone's growth performance in recent years has been very volatile, characterised by periods of high and low growth spells. This deviation in growth outturns from projections have become more pronounced in recent years, amid heightened global uncertainties associated with the outbreak of COVID-19 and Russia's invasion of Ukraine. The increasing global uncertainties coupled with the continuous disruptions to global supply chains and historic rise in international food and energy prices has slowed growth, stoked inflationary pressures and continued to complicate macroeconomic and fiscal management.

Real GDP was projected to grow by 5.1 percent in 2019 from the subdued growth of 3.5 percent in 2018. Actual GDP growth was estimated at 5.5 percent in 2019, 0.4 percent higher than the original forecast. The better-than-expected economic growth reflected the increased mining activities following resumption of iron ore mining as well as the expansion in agriculture and services including communications, trade and tourism. The recovery of the economy was initially projected to strengthen further by 4.2 percent in 2020. However, the outbreak of the COVID-19 pandemic and the introduction of pandemic-related restrictions, constrained economic activities. Trade and tourism were the hardest hit while agriculture and mining also declined. As a result, the economy recorded a negative growth rate of 2.0 percent in 2020 instead of the positive growth rate initially anticipated. As the health situation improved and restrictions removed, economic activities resumed, supported by the resumption of iron ore production and the fledgling revival in traveling and tourism, the economy was initially projected to recover by 3.6 percent in 2021. Actual real GDP growth was estimated at 4.1 percent, 0.5 percent above the initial projection, reflecting the higher-than-expected mining output combined with the recovery in agriculture, manufacturing, construction, travel, trade and tourism. The fledgling recovery from COVID-19 was projected to strengthen further in 2022, but the recovery was disrupted by Russia's invasion of Ukraine. The economy was initially projected to grow by 5.9 percent in 2022 during the 3rd and 4th review under the IMF supported ECF programme, however growth outturns slowed down to 3.6 percent amid heightened global uncertainties, underpinned by disruptions to global supply chain and higher prices of international food and energy prices, coupled with the continuous depreciation of the exchange rate and policy slippages.

2.3.2 Inflation

Inflation was broadly as projected in 2019. Actual end period inflation was 13.9 percent compared to the projection of 14.0 percent. Inflation was initially projected to decline to 12.0 percent in 2020. However, the surge in inflation triggered by panic buying in March following the announcement of the first COVID-19 lockdown, necessitated an upward revision of the target to 17.5 percent. End of period inflation declined to 10.4 percent in December 2020. The better-than-expected outcome was due to the uninterrupted supply of essential items supported by the BSL Special Credit Facility, the relative stability of the exchange rate combined with the weak private demand for goods and services. End of period inflation was initially projected to rise to 13.5 percent in 2021. After falling to 8.9 percent in March 2021, inflationary pressures re-emerged in the second quarter of 2021. End of period inflation rose to 17.9 percent in 2021, reflecting the rise in food and energy price, higher freight costs, and the continuous depreciation of the Leone to the US dollar. Inflationary pressures were projected to increase slightly to 22.1 percent in 2022 from 17.9 percent in 2021. However, headline inflation reached 38.1 percent in 2022 amid

adverse external development underpinned by further disruption of global supply chains, increased freight and shipping cost, post-pandemic hikes in international food and energy prices coupled the continuous depreciation of the exchange rate.

2.3.3 Domestic Revenue, Expenditures and Fiscal Deficit

The fiscal deficit (including grants) was projected at 5.5 percent of GDP supported by Government's fiscal consolidation efforts, which began to yield positive results in 2018. Domestic revenue was projected to increase to 14.1 percent of GDP while expenditure was programmed at 21.5 percent of GDP. The actual fiscal deficit (including grants) for 2019 was 3.1 percent of GDP, lower than the initial projection of 5.5 percent of GDP, as domestic revenue collected of 14.6 percent of GDP was higher than original target of 14.1 percent of GDP. Total expenditures and net lending amounted to 21.1 percent of GDP, broadly as budgeted. For 2020, the original budget deficit (including grants) was projected at 2.6 percent of GDP, with domestic revenue projected at 14.8 percent of GDP and total expenditures at 21.5 percent of GDP. However, due to the outbreak of COVID-19 and the associated drop in economic activities, domestic revenue fell to 13.8 percent of GDP, whilst expenditures increased to 25.7 percent of GDP to accommodate pandemic related expenditures. As a result, the budget deficit (including grants) widened to 5.8 percent of GDP, which is 1.6 percentage point above the initial projection. For 2021, the original budget deficit (including grants) was projected to decline to 4.5 percent from 5.8 percent of GDP in 2020. Domestic revenue was projected to increase to 14.1 percent of GDP while expenditures were programmed to decline to 23.1 percent of GDP. Actual domestic revenues collected increased to 15.7 percent of GDP due to the recovery in economic activities, unwinding of the tax deferrals and one-off payment of iron ore royalties by the Sierra Leone Mining Company operating at the Marampa Mines. Despite the improvement in revenues, the budget deficit widened to 7.4 percent of GDP. This was due largely to the sharp increase in expenditure to 28.1 percent of GDP, 5.0 percentage point above the budgeted amount due to the continued need to response to the lingering impact of COVID-19. Fiscal outturns deteriorated sharply in 2022, reflecting higher prices of goods and services, the continuous depreciation of the exchange rate and policy slippages in the second half of the year. Domestic revenues were original projected to reach 14.7 in 2022, however collections were only 13.0 percent of GDP. Total expenditures and net lending amounted to 30.8 percent, which were also sharply higher than the original budget of 25.1 percent of GDP. As a result, the budget deficit (including grant) deteriorated to 10.9 percent of GDP, 6.8 percentage points higher than the original ECF 5th review forecast.

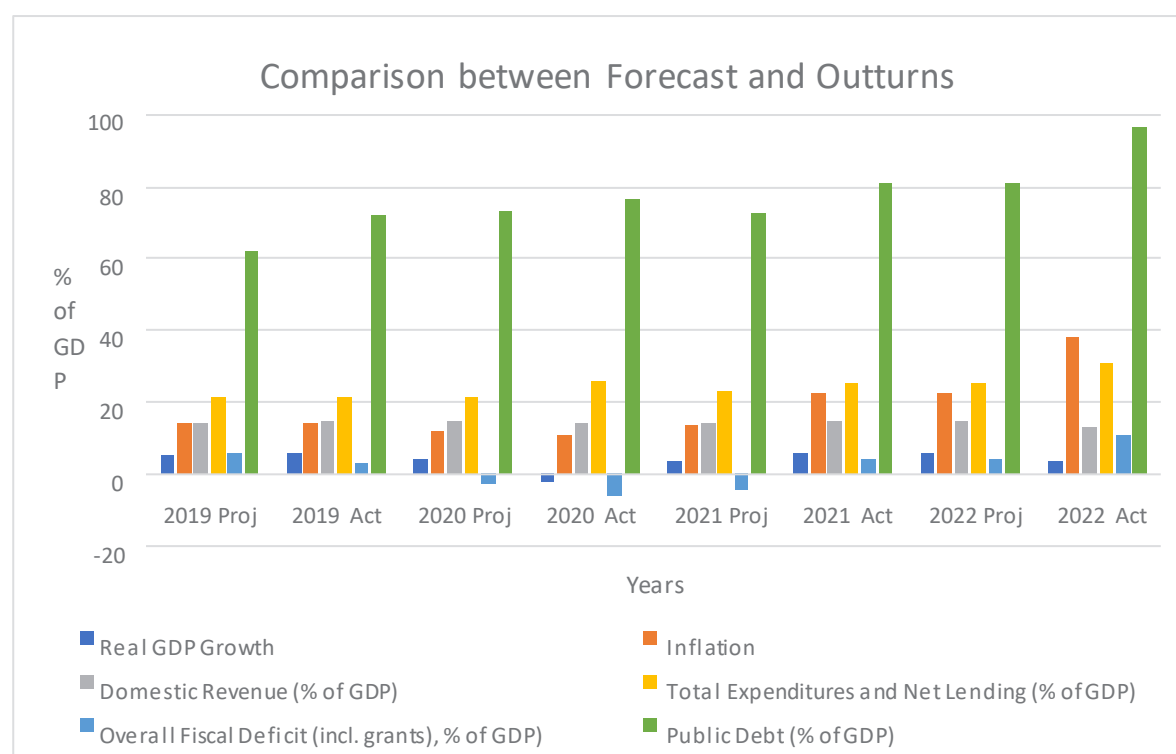
2.3.4 Public Debt

The total stock of public and publicly guaranteed debt was estimated at 71.8 percent of GDP in 2019, almost 10.0 percentage point above the original projection of 62.1 percent of GDP. This deviation was as a result of the disbursement of programme and project loans to finance several projects in key sectors.

Public debt was projected to rise slightly to 73.0 percent of GDP in 2020 from 71.8 percent of GDP in 2019. The disbursement of emergency support loans under the Rapid Credit Facility of the IMF as part of efforts to mitigate the impact of COVID-19 on the fiscal and external accounts partly accounted for the increase in the actual public debt to 76.3 percent of GDP, 3.3 percentage points above the original projection. For 2021, public debt was projected to decline slightly to 72.5 percent of GDP from 76.3 percent of GDP in 2020. However, the outturn for 2021 was estimated

at 78.8 percent of GDP, 6.2 percentage point above the initial projection. Domestic debt increased to 28 percent of GDP in 2021 compared to the projection of 22.0 percent of GDP. The deviation was driven mainly by the increase in domestic borrowing to finance the budget deficit. External debt amounted to 50.5 percent of GDP compared to the projection of 51.1 percent. The total stock of public and publicly guaranteed debt including verified arrears was estimated at 98.9 percent of GDP in 2022, almost 18.0 percentage points above the original projection of 80.8 percent of GDP. This deviation was as a result of the disbursement of programme and project loans including the on-lending of ECF resource to finance several projects in key sectors.

Figure 4: Chart showing the comparison between the forecast and outturns, 2019-2022



3. MEDIUM-TERM MACROECONOMIC FORECASTS, 2024-2028

Despite the current challenging economic environment, the medium-term outlook of the economy is promising. The economy is projected to recover strongly from the multiple shocks and associated global economic uncertainty and supply chain disruptions on the back increased agricultural and mining output, investment in infrastructure, and broad sectoral and structural reforms including business regulatory and financial sector reforms. The expected restoration of macroeconomic stability will lay the foundation for the recovery of the economy. However, downside risks to growth remain. These include the pro-longed Ukraine crisis, geo-economic fragmentation, further rise in the price of food and fuel, likelihood of the emergence of another pandemic/epidemic, and impact of climate change.

The medium-term macroeconomic and fiscal projections were initially produced by The Macro Fiscal Working Group comprising the Ministry of Finance, Bank of Sierra Leone, Statistics Sierra Leone, National Revenue Authority and the National Minerals Agency produced a set of macrofiscal projections using the Sierra Leone Integrated Macroeconomic Model (SLIMM) in early May 2023. These projections were discussed with the IMF Country team during the combined sixth and seventh reviews under the Extended Credit Facility (ECF) during May to June 2023. The final projections agreed with the IMF for the period 2024-2028 are as follows: Table 1 below shows the agreed projections:

Real GDP growth is projected to moderate to 2.7 percent in 2023 from 3.6 percent in 2022. The economy is projected to recover strongly by 4.7 percent in 2024 and 5.2 percent on 2025 and continue to grow by an average of 4.5 percent during 2026 to 2028. The agricultural subsector is projected to grow by 4.8 percent in 2024 and 4.6 percent in 2025 and by an average of 4.8 percent during 2026-2028. The Industry sector comprising mining, manufacturing and construction is projected to grow by 5.5 percent in 2024 and 10.2 percent in 2025 and by an average 3.6 percent during 2026-2028. The services sector comprising trade, travel, tourism, transport, banking and telecommunications is projected to grow by 4.4 percent in 2024 and by an average 4.5 percent during 2025-2028.

Table 1. Medium-Term Sectoral Growth Rates: 2023-2028

	2023	2024	2025	2026	2027	2028
Real GDP	2.7	4.7	5.2	4.5	4.5	4.6
Agriculture, Forestry and Fishing	3.4	4.8	4.6	4.8	4.8	4.8
Industry	2.7	5.5	10.2	3.6	3.0	4.2
Mining and Quarrying	3.2	5.1	13.4	2.5	1.5	3.5
Manufacturing and Handicrafts	2.0	6.0	6.5	5.0	5.0	5.0
Electricity and Water Supply	2.0	5.1	5.2	5.2	5.2	5.2
Construction	2.0	6.0	6.0	5.0	5.0	5.0
Services	1.7	4.4	4.5	4.5	4.5	4.5

End of period Inflation (year-on-year) is projected to decline slightly to 36.4 percent in 2023 from 37.1 percent in 2021. Inflation is projected to continue to slow down from 27.1 percent in 2024 to a single digit of 9.8 percent in 2027 and 8.0 percent in 2028. Annual average inflation is also projected to rise to 41.9 percent in 2023 from 27.2 percent in 2022 before declining gradually to 11.1 percent in 2027 and returning to single digit in 2028.

Exports of Goods are projected to drop by 7.9 percent in 2023 before recovering in 2024 by 3.4 and further by 10.1 percent in 2025. Exports are projected to grow by an average of 6.0 percent during 2026 to 2028.

Imports of Goods are projected to decline by 12.6 percent in 2023 and stagnate in 2024 before recovering by 2.0 percent in 2025. Imports of goods are projected to grow by an average of 5.2 percent during 2026-2028.

The current account deficit (including grants) is projected to narrow down from 9.2 percent of GDP in 2022 to 7.3 percent of GDP in 2023 and continue to decline gradually reaching 2.3 percent of GDP in 2027 before edging up to 4.2 percent of GDP in 2028.

Gross Foreign Reserves of the Bank of Sierra Leone will average 3.3 months of import cover during 2023-2028.

The exchange rate of the Leone to the US Dollar is projected move by the difference in the inflation rate in Sierra Leone and that of the country's trading partners. The Leone is therefore projected to slow down as inflation declines, exports increase and US monetary policy relaxes.

Table 2. Medium-Term Macroeconomic Forecasts: 2023-2028

	2021	2022	2023	2024	2025	2026	2027	2028
	Est	Prelim	Proj.	Proj	Proj.	Proj	Proj	Proj
National Accounts and Prices growth								
GDP at constant prices	4.1	3.6	2.7	4.7	5.2	4.5	4.5	4.6
GDP excluding iron ore	3.6	2.8	2.6	4.6	5.1	4.6	4.7	4.7
GDP excluding mining	2.9	3.2	2.6	4.7	4.7	4.7	4.7	4.7
GDP deflator	6.7	21.4	34.7	24.2	16.6	12.8	9.5	7.8
Inflation								
Consumer price (end-of-period)	17.9	37.1	36.4	21.7	16.8	12.3	9.8	8.0
Consumer prices (average)	11.9	27.2	41.9	29.1	19.3	14.6	11.1	8.9
External sector								
Export of goods	72.0	16.1	-7.8	3.3	10.1	5.3	7.3	5.3
Import of goods	33.5	7.1	-12.1	-0.5	2.0	3.8	5.7	6.0
Gross international reserves (excl. swaps months of next year's imports)	5.5	4.0	3.4	3.2	3.0	3.0	3.1	3.2
Current account balance								
(including official grants)	-8.7	-9.2	-7.0	-5.8	-3.1	-2.7	-2.3	-4.2
(excluding official grants)	-11.6	-13.0	-10.6	-9.0	-6.2	-5.6	-5.0	-5.3
Financing and debt								
Public debt	7.9	96.7	90.3	82.3	77.2	70.1	64.3	63.5
Domestic	28.7	31.3	23.3	22.0	21.2	20.0	18.5	17.8
External public debt (including IMF)	51.1	65.4	67.0	60.3	56.0	50.1	45.9	45.6

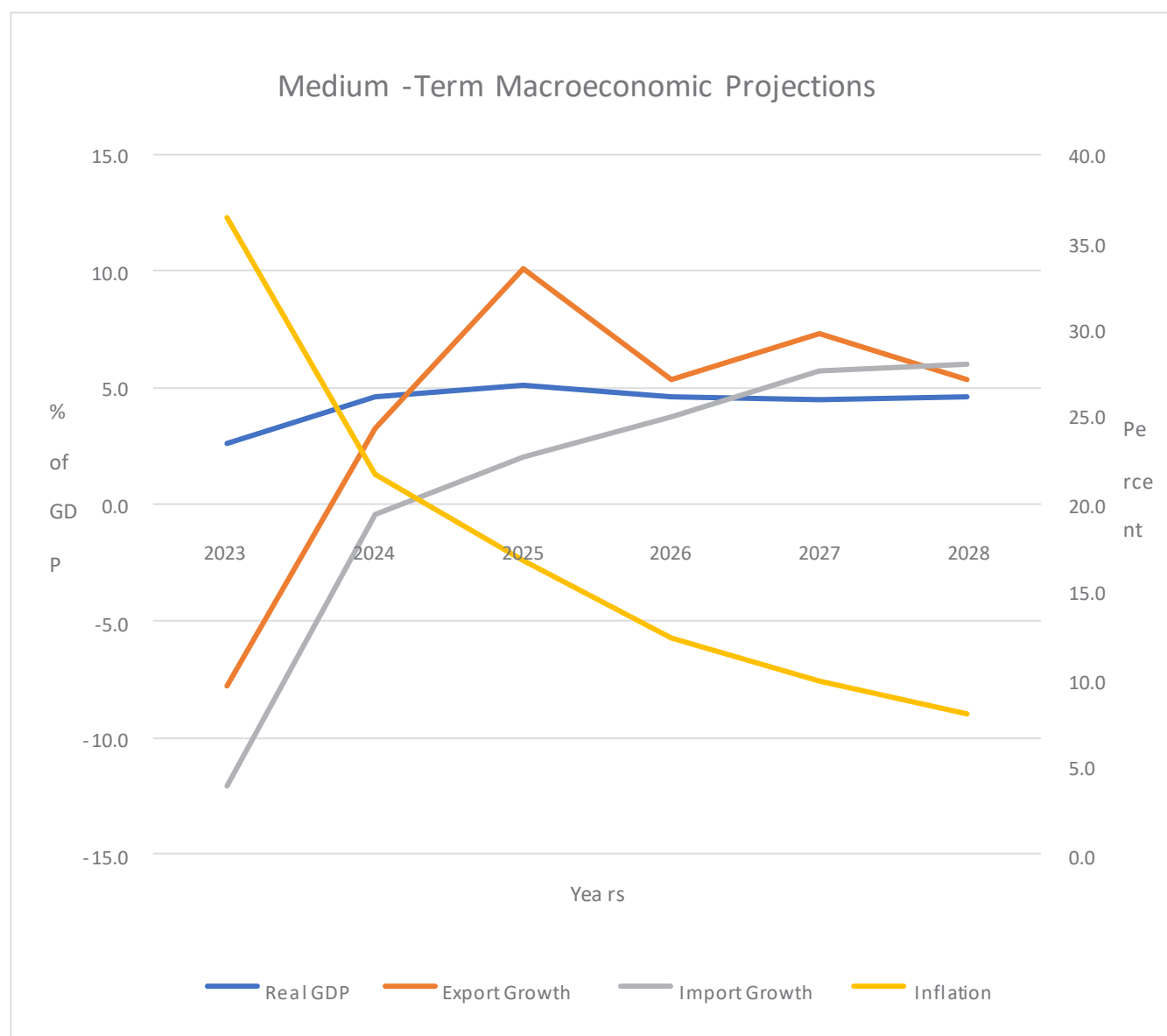
Source: IMF and GOSL

Table 3: Medium-Term Macroeconomic Projections: 2024-2028

Indicator	2023	2024	2025	2026	2027	2028
Real GDP Growth	3.0	4.5	4.8	5.1	5.5	5.8
Inflation (e.o.p)	35.2	19.8	15.7	11.2	8.8	7.5
Inflation (Average)	35.7	28.2	20.1	13.2	11.2	8.8
Exports Growth	5.2	21.4	9.2	6.5	8.2	5.1
Imports Growth	-8.7	2.5	3.0	3.8	5.5	6.2
Foreign Reserves (months of imports)	3.4	3.5	3.2	3.2	3.2	3.2
Current Account Balance (% of GDP)	-7.0	-5.2	-3.0	-2.5	-2.3	-3.5
Domestic Revenue (% of GDP)	14.1	16.0	17.0	17.5	18.0	20.0
Grants (% of GDP)	5.4	5.8	4.8	4.0	3.5	3.5
Total Expenditure and Net lending (% of GDP)	25.2	24.5	24.0	23.5	23.3	22.0
Overall balance, incl. grants (% of GDP)	(5.7)	(2.7)	(2.2)	(2.0)	(1.8)	(1.5)
Public Debt (% of GDP)	90.3	85.8	76.8	65.1	63.2	62.5
Domestic (% of GDP)	23.3	23.0	21.8	19.8	18.0	17.5
External (% of GDP)	67.0	62.8	55.0	45.3	45.2	45.0

Source: GoSL Macro-Fiscal Working Group.

Figure 5: Chart Showing the Medium Term Macroeconomic Projections 2023-2028



Box 1. 1: Assumptions underpinning the Medium-term Macroeconomic Forecasts

Real GDP: The ramping up of iron ore mining, increase in agricultural output, expansion in construction and manufacturing activities, recovery of the tourism sector and improvement in the business environment will support the projected recovery of the economy in the medium-term.

Inflation: The projected slowdown in inflation is based on the current posture of fiscal consolidation, which is expected to reduce the associated monetization of the budget deficit and slow down the rate of the depreciation of the Leone. The expected increase in domestic food production as the Government's flagship programme of FEED SALONE takes hold combined with the anticipated and the fall in global food and fuel prices.

Exports: the implementation of the expansion plans of the existing mining projects (Tonkolili and Marampa iron ore mines and Sierra Rutile mine, diamond and gold mining, combined with the expected increase in cash crop production (cocoa, coffee and palm oil) will support the growth in exports.

Imports: the expected gradual decline in international food and fuel prices will contribute to the decline in the import bill in 2023 and 2024. The projected growth of the economy will drive the moderate increase in imports over the medium-term.

Current Account Balance: the projected improvement in the trade balance as export increase, combined with the expected increase in transfers will lead to the narrowing of the current account deficit.

Gross foreign reserves: Disbursement of programme grants, balance of payments support by the IMF, tax receipts and export proceeds will contribute to the projected level of foreign reserves

Exchange rate: The slowdown in the depreciation of the exchange rate of the Leone to the US Dollar will be supported by the anticipated increase in exports increase and moderate growth in imports as global food and fuel prices continues to fall. The relaxation of monetary policy stance in the US as inflation continues to decline in the country is also expected to contribute to the expected slow-down in the rate of depreciation of the Leone.

4. FISCAL POLICY AND STRATEGY

The key objective of fiscal policy in the medium-term is to achieve fiscal and debt sustainability.

After achieving fiscal sustainability in 2019 following the adoption of fiscal consolidation stance, repeated adverse external shocks and policy slippages resulted in the widening of the budget deficit from 2.9 percent of GDP in 2019 to 10.9 percent in 2022. Reflecting these developments public debt increased sharply to 79.8 percent of GDP in 2021 and estimated at 98.9 percent of GDP in 2022. Therefore, going forward in order to restore fiscal and debt sustainability, Government will re-introduce the fiscal consolidation stance with a focus on enhancing domestic revenue collection and expenditure rationalization to restore macroeconomic stability while protecting priority social programmes. Government will undertake fiscal adjustment measures to return the fiscal position to a sustainable path and reduce debt vulnerabilities. The next section describes fiscal developments during 2018-2022 and the first half of 2023.

4.1 Fiscal Developments, 2018-2022 and First Half of 2023

Public finances improved following the adoption of fiscal consolidation strategy in 2018 focusing on the intensification of domestic revenue collection supported by the issuance of Executive Order 1 and expenditure rationalization measures as contained in Executive Order 2. Domestic revenue improved to 13.8 percent of GDP in 2018 and further to 14.6 percent of GDP in 2019 after stagnating at 12.3 percent of GDP in 2016 and 2017. Government expenditure was curtailed to 22 percent of GDP. As a result, the budget deficit, including grants, narrowed to 2.9 percent of GDP in 2019 from 8.8 percent of GDP in 2017.

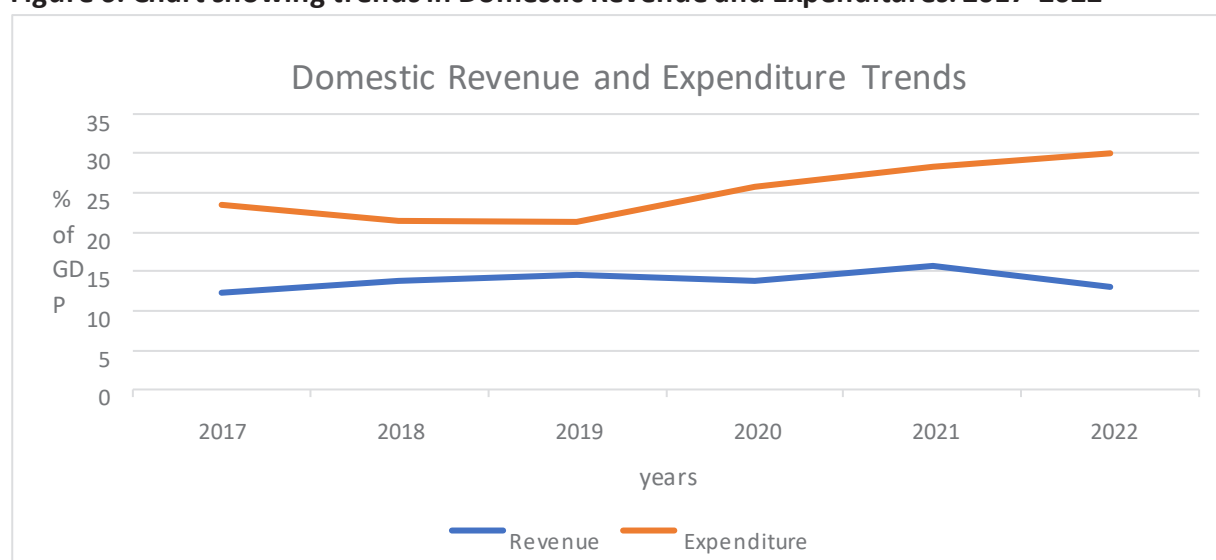
However, the fiscal situation came under severe stress during 2020 to 2022 partly due to the adverse impact of repeated shocks (COVID-19 pandemic and Ukraine Crisis) and on economic activities and tax compliance but also due to policy slippages. Domestic revenue dropped to 13.8 percent of GDP in 2020 on account of the impact of COVID-19 restrictions on economic activities and tax administration measures implemented to assist business in coping with the pandemic. Expenditure rose sharply owing to the need to respond to the adverse impact of the pandemic to save lives and protect livelihoods. Consequently, the budget deficit widened to 5.8 percent of GDP in 2020. Despite the recovery of domestic revenues to 15.7 percent of GDP in 2021 as economic activities recovered coupled with the one-off payment of iron ore royalties of US\$20.0 million by Marampa iron Ore Company, the budget deficit, including grants, widened to 7.4 percent of GDP in 2021 from 5.8 percent of GDP in 2020. This was mainly due to the sharp increase in expenditures to 28.4 percent of GDP in 2021 as Government continued to respond to the impact of the lingering COVID-19 pandemic. The economic uncertainty associated with Ukraine crisis, which began in early 2022 adversely affected domestic revenue collection and exacerbated pre-existing COVID-19 vulnerabilities including the surge in the international prices of food and energy and depreciation of the Leone and their pass-through effect to domestic prices. These developments combined with the loss of petroleum excise revenues due to delays in adjusting domestic fuel pump prices, and ban of timber exports and related loss of royalties led to drop in domestic revenue to 13.0 percent of GDP in 2022. Government expenditure continued to increase to 30.8 percent of GDP in 2022 due to unexpected security related expenditures and higher-than budgeted spending on goods and services, energy subsidies and domestic capital expenditures, reflecting the impact of higher domestic prices and depreciation of the Leone as well as policy slippages. As a result, the overall budget deficit, including grants widened further to 10.9 percent of GDP in 2022. Grants disbursed by our development partners declined to 4.6

percent of GDP in 2021 after reaching 5.1 percent of GDP in 2020. The deficit was financed largely by borrowing from the domestic banking system estimated at 7.9 percent of GDP in 2022.

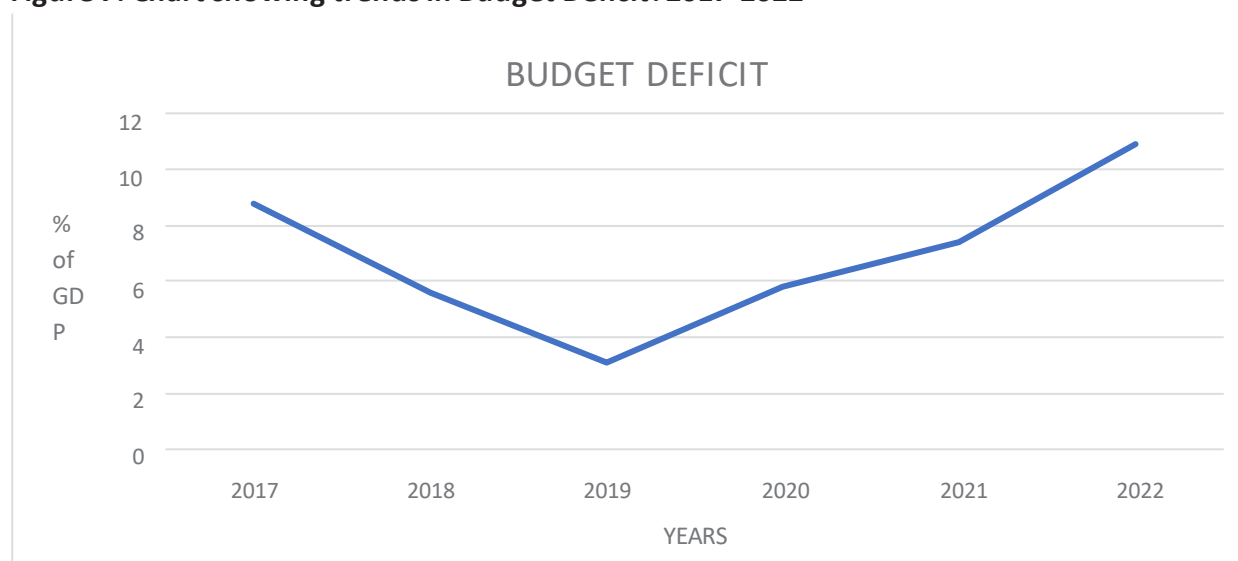
Government is taking corrective measures in 2023 and the medium-term to return the fiscal situation to a sustainable path. Total domestic revenue collected during the first half of 2023 amounted to NLe4.7 billion (6.2 percent of GDP). Though exceeded the original target, the amount collected fell short of the revised target (6.4 percent of GDP) agreed with the IMF during the combined sixth and seventh reviews. The shortfall of NLe138 million was accounted for by the less-than-expected collections of income taxes, GST and import duties. This was due to technical challenges in the implementation of the 2023 Finance Act.

Total grants received from our development partners during the first half of 2023 amounted to NLe492.5 million compared to the expected amount of NLe1.19 billion, due to the slow disbursement of project grants. There was no disbursement of budget support during the first half of the year.

Figure 6: Chart showing trends in Domestic Revenue and Expenditures: 2017-2022



Total expenditure and net lending for the first half of 2023 amounted to NLe8.8 billion (11.8 percent of GDP) and was within the budgeted amount of NLe9.7 billion (13.0 percent of GDP). Of this total, recurrent expenditure amounted to NLe6.7 billion and capital expenditure and net lending, NLe2.1 billion, about NLe799 million below the revised budgeted amount mainly due to lower disbursements of project loans and grants by development partners during the first half of the year. Domestic capital spending amounted to NLe1.3 billion, exceeding the allocated amount by NLe105.6 million. The budget deficit for the period was estimated at NLe3.7 billion (4.9 percent of GDP), broadly within the ceiling of 5.0 percent of GDP. The deficit was entirely financed by domestic bank borrowing estimated at 2.6 percent of GDP. Government repaid the non-bank sector during the review period. Reflecting this, total domestic debt increased to NLe18.2 billion as at end June 2023.

Figure 7: Chart showing trends in Budget Deficit: 2017-2022

4.2 Progress in Achieving Fiscal Objectives During 2018-2022

The key fiscal objectives of Government as stated in section 1 are (i) to reduce the budget deficit to less than or equal to 3.0 percent of GDP in the medium-term and (ii) keep the ratio of public debt to GDP at not more than 70 percent of GDP consistent with the principles of responsible public financial management and the convergence criteria under the ECOWAS Monetary Cooperation Programme and the West African Monetary Zone, for the introduction of single currency in the sub-region.

The multiple and overlapping shocks and policy slippages made it difficult for Government to meet its fiscal objectives during 2018-2022. Following the adoption of fiscal consolidation measures in the last three quarters of 2018, the budget deficit, including grants narrowed to 3.1 percent of GDP in 2019 in line with Government's fiscal objectives. In subsequent years, the adverse impact of external shocks on both revenue and expenditure outcomes combined with fiscal slippages made the achievement of the stated fiscal objectives elusive during the review period.

The budget deficit widened to 5.8 percent of GDP in 2020 following the outbreak of COVID19 and the negative impact of the associated restrictions on domestic output, revenue and expenditure. In spite of the improvement of domestic revenue to 15.7 percent of GDP in 2021, the deficit rose further to 7.4 percent of GDP, driven largely by higher-than budgeted expenditures amounting to 28.4 percent of GDP. The need to continue to mitigate the impact of the lingering COVID-19 on the population necessitated the need for higher spending. The Ukraine crisis started in early 2022 and worsened the existing vulnerabilities of supply chain disruptions and higher global food, fuel and fertilizer prices. The pass-through effects of these developments to domestic prices combined with general global economy uncertainty and weakening of the Leone had a negative impact on economic activities and by extension on domestic revenue collection. At the same time, Government expenditure increased sharply to 30.0 percent of GDP reflecting the higher cost of goods and services and infrastructure projects. Consequently, the budget deficit widened further to 10.9 percent of GDP in 2022.

Public debt was within the stated target of 70 percent of GDP only in 2018. As the financing needs of Government increased over the period as indicated by the widening budget deficit, public debt increased gradually, reaching an estimated 98.9 percent of GDP in 2022 compared to the state objective of 70 percent of GDP.

4.3 Medium-Term Fiscal Forecasts, 2024-2028

4.3.1 Domestic Revenue Projections

Government's objective is to increase domestic revenue to 20 percent of GDP over the medium-term. To this end, Government has prepared a Medium-term Revenue Strategy, with tax policy and tax administration measures. The implementation of these measures combined with the projected increase in economic activities and improvements in the efficiency in tax collection through the use of technology is expected to improve tax revenue efforts over the medium-term.

Domestic Revenue: On the basis of the foregoing, domestic revenue is projected to increase from SLe7.05 billion in 2022 (13.0 percent of GDP) to SLe10.5 billion (14.1 percent of GDP) in 2023. Domestic revenue is projected to further improve in the medium term to SLe15.4 billion (15.5 percent of GDP) in 2024 and further NLe31.5 billion (17.5 percent of GDP) in 2028.

Tax revenues are projected to increase to NLe8.95 billion (12.0 percent of GDP) in 2023 from NLe5.9 billion (10.9 percent of GDP) in 2022. Tax revenues are forecast to increase from NLe13.3 billion (13.8 percent of GDP) in 2024 to NLe27.6 billion (15.4 percent of GDP).

Personal Income Tax (PIT) is projected to increase to NLe2.5 billion in 2023 from NLe1.8 billion in 2022. PIT will progressively increase to NLe3.3 billion in 2024 and further to NLe6.3 billion in 2028. As a percentage of GDP, personal income tax is projected from 3.3 percent of GDP in 2023 to 3.4 percent in 2024 and further to 3.5 percent in 2028.

Corporate Income Tax (CIT) is projected to increase to NLe1.6 billion in 2023 from NLe1.1 billion in 2022. CIT is projected to further to NLe2.2 billion (2.3 percent of GDP) in 2024 and progressively to NLe4.4 billion (2.5 percent of GDP) in 2028.

Goods and Services Tax (GST) is projected to increase to NLe2.2 billion in 2023 from NLe1.3 billion in 2022. GST is forecast to increase to NLe3.6 billion (3.7 percent of GDP) in 2024 and further to NLe8.2 billion (4.7 percent of GDP) in 2028.

Excise taxes, comprising largely excise duty on petroleum products are projected to increase to NLe651 million in 2023 from NLe373 million in 2022. Excise taxes are forecast to increase progressively from NLe1.04 (1.1 percent of GDP) in 2024 to NLe2.3 billion (1.3 percent of GDP) in 2028

Import Duties are forecast to increase to NLe1.2 billion in 2023 from NLe850 million in 2022. Import duties are projected to increase from NLe2.1 billion (2.2 percent of GDP) in 2024 to NLe4.3 billion (2.4 percent of GDP) in 2028.

Mining royalties and licenses are projected to increase to NLe699 million in 2023 from NLe415 million in 2022. They are projected to increase from NLe 882 million in 2024 to NLe1.6 billion in 2028 (averaging 1.0 percent of GDP over the period).

Other taxes, which are mainly **fisheries royalties and licenses** are projected to increase to NLe179 million in 2023 from NLe98 million in 2022. These taxes are projected to increase from NLe261 million in 2024 to NLe489 million, averaging 0.3 percent of GDP in the medium-term.

Non-tax revenue including revenues collected by Other MDAs, TSA agencies, Timber royalties, Cargo tracking and Road User Charges are forecasted to increase NLe1.6 billion in 2023 from NLe1.1 billion. Non-tax revenues will increase from NLe2.3 billion in 2024 to NLe3.8 billion in 2028, averaging 2.1 percent of GDP over the period. Timber royalties are projected at nil in 2023 and to remain nil over the period.

Grants

Grants are projected to increase to NLe4.03 billion in 2023 from NLe3.5 billion in 2022. Grants are projected to increase from NLe5.7 billion in 2024 to NLe1.2 billion. As a percentage of GDP, grants are forecasted to decline from 5.8 percent in 2024 to 3.7 percent of GDP in 2027 and further down 0.7 percent of GDP in 2028.

Table 4: Domestic Revenue Projections (millions NLe)

	2022	2023	2024	2025	2026	2027	2028
	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Total Revenue and Grants	10,792	14,589	21,036	25,788	29,569	33,676	32,696
Domestic Revenue	7,046	10,560	15,371	20,071	24,071	27,867	31,458
Tax revenue	5,921	8,951	13,344	17,551	21,118	24,494	27,654
Personal Income Tax	1,763	2,484	3,316	4,165	4,901	5,520	6,307
Corporate Income Tax	1,114	1,611	2,185	2,785	3,412	3,908	4,416
Goods and Service Tax	1,308	2,153	3,550	4,805	6,064	7,263	8,207
Excises	373	651	1,040	1,511	1,781	2,038	2,298
Import duties	850	1,174	2,110	2,822	3,243	3,866	4,314
Mining royalties and licenses	415	699	882	1,162	1,355	1,474	1,623
Other taxes	98	179	261	299	361	424	489
Non-tax	1,125	1,609	2,028	2,520	2,953	3,374	3,805
o/w Timber Revenue	76	0	0	0	0	0	0
CCRT Debt Relief	218	0	0	0	0	0	0
Grants	3,528	4,029	5,665	5,717	5,497	5,809	1,238

Table 5: Domestic Revenue Projections (% of GDP)

	2022	2023	2024	2025	2026	2027	2028
	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Total Revenue and Grants	19.9	19.5	21.7	21.8	21.3	21.2	18.2
Domestic Revenue	13.0	14.1	15.9	17.0	17.3	17.5	17.5
Tax revenue	10.9	12.5	13.8	14.8	15.2	15.4	15.4
Personal Income Tax	3.3	3.3	3.4	3.5	3.5	3.5	3.5
Corporate Income Tax	2.1	2.2	2.3	2.4	2.5	2.5	2.5
Goods and Service Tax	2.4	2.9	3.7	4.1	4.4	4.6	4.6
Excises	0.7	0.9	1.1	1.3	1.3	1.3	1.3
Import duties	1.6	1.6	2.2	2.4	2.3	2.4	2.4
Mining royalties and licenses	0.8	0.9	0.9	1.0	1.0	0.9	0.9
Other taxes	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Non-tax	2.1	2.2	2.1	2.1	2.1	2.1	2.1
o/w Timber Revenue	0.1	0.0	0.0	0.0	0.0	0.0	0.0
CCRT Debt Relief	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Grants	6.5	5.4	5.8	4.0	4.0	3.7	0.7

4.3.2 Local Council Revenue Projections (2024-2028)

Total Local revenue is projected to increase by 43 percent over the medium term – from Le190.22 million in 2024 to Le271.18 million in 2028. A significant increase of 50 percent is projected in 2024 to Le190.2 million from Le135.9 million in 2023 resulting mainly from the impact of current and planned reforms in FY2023. Revenues collected by the city and local councils are projected to increase by 15 percent in FY2025 from FY2024. Between 2026, 2027 and 2028 local revenue is projected to increase by 10 percent, 8 percent and percent, respectively as shown below.

Table 6: Local Council Revenue Projections: FY2024-2028 (NLe)

	2024	2025	2026	2027	2028
	Proj.	Proj.	Proj.	Proj.	Proj.
Local Tax	3,859,189	4,410,502	4,851,552	5,239,676	5,501,660
Property Tax	82,993,368	94,849,564	104,334,520	112,681,282	118,315,346
Market Dues	17,662,227	20,185,402	22,203,942	23,980,258	25,179,270
Business Registration	13,231,090	15,121,245	16,633,370	17,964,039	18,862,241
Licenses	16,592,176	18,962,487	20,858,736	22,527,435	23,653,806
Fees & Charges	38,514,642	44,016,733	48,418,406	52,291,879	54,906,473
Mining Revenues	10,599,431	12,113,635	13,324,999	14,390,998	15,110,548
Evacuation Fees	3,372,688	3,854,500	4,239,950	4,579,146	4,808,103
Other Non-Tax Revenue	3,396,856	3,882,121	4,270,333	4,611,960	4,842,558
Total Own Source Revenue	190,221,665	217,396,189	239,135,808	258,266,673	271,180,006

Box 2: Assumptions Underlying Domestic Revenue Projections

Domestic Revenue: Domestic revenue projection for the medium-term is underpinned by the projected expansion in economic activities, and the implementation of the tax policy and tax administration measures articulated in the Medium-term Revenue Strategy. Tax administration will be supported by the full roll-out of the digital platforms of the National Revenue Authority and the use of technology such as NSOFT for the administration of GST on telecommunications, gaming and betting and SICPA for the administration of excise tax stamps.

Corporate Income Tax (CIT): projection is based on the growth of nominal non-iron, nonagriculture GDP. The introduction of the Minimum Alternate Tax (MAT) to tackle tax evasion and avoidance; the broadening of the CIT base by reviewing and subsequent elimination of reduced corporate tax rates and tax holidays for certain investments, and removal of investment allowances. Efficiency gains will come from the full operationalization of all the modules of the ITAS and regular field audits.

Personal Income Tax (PIT): PAYE from the private sector is based on the growth rate of noniron ore nominal GDP and the proposed harmonization of the various categories of capital incomes at 15-20 percent in the medium-term. **PAYE from Government employees** is forecasted by applying the effective Government PAYE rate of the current year to the projected Government wage bill of the subsequent year. Efficiency gains will come from the implementation of the strategy for taxing High Net Worth Individuals.

Domestic GST: this is based on the projected growth rate of private consumption and the proposed broadening of the GST base by streamlining the various GST exemptions as well as introduction of GST in new areas such as insurance premiums. Efficiency gains are expected from strengthening enforcement on the use of the ECR by businesses and the integration of the ECR with the systems of large businesses as well as the introduction of NSOFT technology for the collection of GST on telecommunications, gaming and betting.

Import GST: based on the effective tax rate for dutiable imports in 2022, which is applied on the projected dutiable imports for 2024 and the medium-term. Efficiency gains will come from the reduction in duty and tax exemptions following the implementation of the duty and tax waiver Act, 2022.

Import duties: projected amount is based on the effective import duty rate for dutiable imports in 2021 applied to the projected dutiable imports for the medium-term and maintain the import duty rate of 5% on petroleum products. Efficiency gains will come from the implementation of the Duty and Tax waiver policy

Petroleum Excise: based on the projected annual consumption of petroleum products, which in turn depends on the projected growth in economic activities; and the petroleum excise duty rate in the prevailing full-pass through petroleum pricing formula. Efficiency gains are expected from the introduction of a fuel marking scheme

Other Excise duties: projected amount is based on the proposed conversion of ad-valorem excise rates to specific excise rates and the harmonization of excise duty rate on imports and domestic manufactured excisable goods such as cigarette, alcohol, wines and spirits. The implementation of excise tax stamps is expected to bring in efficiency gains in the collection of excise tax on excisable

Mineral royalties and licenses: based on the projected exports value and the respective royalty rates for the various minerals. The introduction of a Safe Harbour Regulation is expected to enhance efficiency in the collection of iron ore royalties.

Royalty on Fisheries (other taxes): based on the growth rate of the fisheries sector. Efficiency gains from the fisheries surveillance activities

Timber royalty: based on the nominal GDP growth rate. Note: Timber exports banned since March 2022.

Parastatals Dividends: based on the expected profitability of the two state-owned banks and the concessions fees for the Ports to paid by Bollore’.

Fees, Levies, and charges collected by MDAS: based on real GDP growth

Road User Charges: based on the consumption of dutiable petroleum products and the Road User Charge in the petroleum pricing formula.

Local revenue projections are underpinned by the local revenue mobilization reforms outlined under the section on local revenue mobilization strategy.

4.3.3 Government Expenditure Projections

In nominal terms, **total expenditure and net lending** is projected to increase from an estimated amount of NLe18.8 billion in 2023 to NLe23.8 billion in 2024. Total expenditure is projected to further increase to NLe28.6 billion in 2025, NLe32.9 billion in 2026, NLe37 billion in 2027 and NLe40.5 billion in 2028. As a percentage of GDP, total expenditure and net lending is projected to decrease from 30.8 percent of GDP in 2022 to an estimated 25.2 percent of GDP in 2023 and 24.5 percent of GDP in 2024. Public expenditure will decline further to 23.2 percent of GDP in 2027 and 22.5 percent of GDP in 2028 consistent with the fiscal consolidation policy being adopted by the Government.

Of the total expenditure, recurrent expenditure is projected to increase in nominal terms from NLe11.1 billion in 2022 to an estimated NLe13.5 billion in 2023. Nominal Recurrent expenditure will increase further NLe17.2 billion in 2024 and continue to increase to NLe26.0 billion in 2027 and NLe28.6 billion in 2028. As a percentage of GDP, recurrent expenditure is projected to decline from 20.4 percent in 2022 to an estimated 18.1 percent in 2023 and 17.7 percent in 2024. The declining trend will continue in 2027 with recurrent expenditure falling to 16.4 percent of GDP and 15.9 percent in 2028.

Wages and salaries are projected to increase in nominal terms from 4.3 billion in 2022 to 5.3 billion in 2023 and 7.0 billion in 2024. The wage bill will increase further to 11.4 billion in 2027 and 12.8 billion in 2028. As a percentage to GDP, wages and salaries are projected to drop from 8.0 percent of GDP in 2022 to 7.0 percent of GDP in 2023 before increasing to 7.2 percent of GDP in 2024. The wage bill will average 7.2 percent of GDP during 2025-2027 before dropping slightly to 7.1 percent of GDP in 2028.

Expenditure on goods and services is projected to decrease from 2.4 billion in 2022 to 2.2 billion in 2023 before increasing to 3.0 billion in 2024 in nominal terms. Nominal spending on goods and services will continue to increase to NLe3.8 billion in 2025, NLe5.1 in 2027 and NLe5.7 billion in 2028. As a percentage of GDP, goods and services expenditure is projected to decrease from 4.5 percent of GDP in 2022 to 3.0 percent of GDP in 2023 before increasing to 3.1 percent of GDP in 2024. Goods and services expenditure will average 3.2 percent of GDP during 2025 to 2028.

Subsidies and Transfers are projected to increase in nominal terms from 2.4 billion in 2022 to an estimated 2.9 billion in 2023 and 3.1 billion in 2024. This expenditure category will increase further to 3.8 billion in 2025 and 5.1 billion in 2027 and 5.7 billion in 2028. As a ratio to GDP, Subsidies and Transfers are projected to decline to 3.8 percent in 2023 from 4.5 percent in 2022 and will increase to an average of 3.2 percent of GDP during 2024-2028.

Interest payments are projected to increase from 1.8 billion to an estimated 3.1 billion in 2023 and 4.0 billion in 2024. Interest payments are projected to further increase to 4.4 billion in 2025 and 4.9 billion in 2026 before declining to 4.5 billion in 2027 and 4.4 billion in 2028. Of this, domestic interest payments are projected to increase from 1.6 billion in 2022 to 2.8

billion and 3.6 billion in 2024. Domestic interest payments will increase further to NLe3.8 billion in 2025 and NLe4.3 in 2026 before decreasing to NLe3.8 billion in 2027 and NLe3.6 billion in 2028. As a percentage of GDP, domestic interest payments are projected to increase from 3.0 percent in 2022 to 3.9 percent in 2023 before declining to 3.7 percent in 2024. Domestic interest payments will average 3.2 percent during 2025 and 2026 and decline to an average of 2.2 percent during 2027 and 2028. Foreign interest payments are projected to increase from NLe199 million in 2022 to NLe250 in 2023 and further to NLe402 in 2024. Foreign interest payments will continue to increase, reaching NLe679 million in 2027 and NLe771 million in 2028. Relative to GDP, foreign interest payments will decline from 0.4 percent of GDP to 0.3 percent of GDP in 2023 and 0.4 percent of GDP in 2024. Foreign interest payments will average 0.5 percent of GDP in 2025 and 2026 before declining to an average of 0.4 percent of GDP in 2026 and 2027.

Capital expenditure and net lending is estimated at 5.0 billion in 2023, the same as in 2022. Capital expenditures are projected to increase to 6.4 billion in 2024 and further to 10.7 billion in 2027 and 11.6 billion in 2028. Foreign funded capital expenditure is estimated to increase from 2.2 billion in 2022 to 3.0 billion in 2023 and is projected to increase to 4.2 billion in 2024 and further to 7.1 billion in 2027 and 7.9 billion in 2028. Domestic capital expenditures are estimated to decline from 2.9 billion in 2022 to 2.1 billion in 2023 and are projected to increase to 2.3 billion in 2024 and further to 3.6 billion in 2027 and 3.7 billion in 2028.

As a percentage of GDP capital expenditure is estimated to decline from 9.3 percent in 2022 to 6.8 percent in 2023. Capital expenditures are projected to average 6.6 percent during 2024 to 2028. Foreign funded capital expenditure will average 4.3 percent during 2024-2028. Domestic

capital spending will 2.2 percent of GDP over the same period compared to 5.3 percent in 2022 and the estimated 2.8 percent in 2023.

The overall budget deficit, including grants is projected to narrow to 2.8 percent of GDP in 2024 from 10.9 percent in 2022 and an estimated 5.6 percent in 2023. The deficit will decline further to an average of 2.4 percent of GDP in 2025 and 2026 and decline to 2.1 percent of GDP, before edging upwards again to 4.3 percent of GDP in 2028 reflecting the projected drop in grants in 2028 to 0.7 percent of GDP in 2028 from 3.7 percent of GDP in 2027.

Total public debt is projected to decline to 84.3 percent of GDP in 2024 from the estimated 98.9 percent of GDP in 2022 and the estimated 92.2 percent of GDP in 2023. Total public debt is projected to decline further to 67.3 percent of GDP in 2027 and 66.6 percent of GDP in 2028. Of the total debt, domestic debt is projected to decline to 24 percent of GDP in 2024 from 28.7 percent of GDP in 2022 and the estimated 31.3 percent in 2023. External debt is projected to decline to 60.3 percent of GDP in 2024 and further to an average of 45.7 percent of GDP in 2027

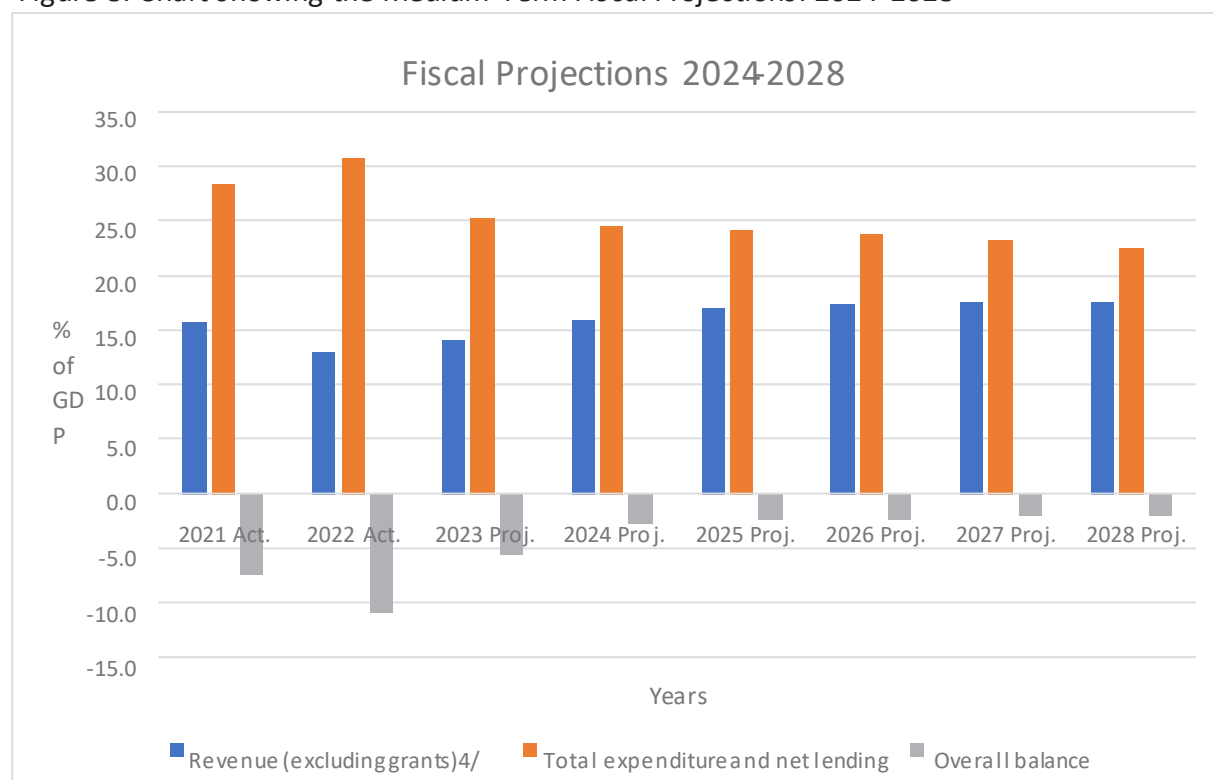
Table 7: Government Expenditure Projections (Million NLe)

	2022	2023	2024	2025	2026	2027	2028
Expenditure and net lending	16,722	18,811	23,772	28,639	32,892	36,970	40,480
Current expenditures	11,064	13,504	17,174	20,489	23,768	26,040	28,629
Wages and Salaries 2/	4,346	5,261	7,009	8,514	9,945	11,386	12,807
Goods and Services	2,446	2,239	3,022	3,786	4,459	5,106	5,743
Subsidies and transfers	2,442	2,876	3,146	3,806	4,423	5,067	5,722
o/w elections	358	395	0	0	0	0	0
o/w Transfer to energy IPPs	746	1,112	1,345	1,515	1,695	1,913	2,152
Interest	1,830	3,128	3,997	4,383	4,941	4,482	4,358
Domestic	1,632	2,877	3,593	3,834	4,301	3,801	3,585
Foreign	199	250	404	550	641	681	773
Capital Expenditure	5,062	5,052	6,428	7,890	8,865	10,680	11,601
Foreign financed	2,180	2,986	4,165	5,083	5,892	7,095	7,916
Domestic financed	2,883	2,066	2,263	2,806	2,973	3,586	3,685
o/w school feeding program	129	289	484	650	903	1193	1,348
Net lending	0	0	0	0	0	0	0
Contingent expenditure	46	68	0	0	0	0	0
Arrears pay down (cash)	549	186	170	260	259	250	250

Table 8: Government Expenditure Projections (% of GDP)

	2022	2023	2024	2025	2026	2027	2028
Expenditure and net lending	30.8	25.2	24.5	24.2	23.7	23.2	22.5
Current expenditures	20.4	18.1	17.7	17.3	17.1	16.4	15.9
Wages and Salaries 2/	8.0	7.0	7.2	7.2	7.2	7.2	7.1
Goods and Services	4.5	3.0	3.1	3.2	3.2	3.2	3.2
Subsidies and transfers	4.5	3.8	3.2	3.2	3.2	3.2	3.2
o/w elections	0.7	0.5	0.0	0.0	0.0	0.0	0.0
o/w Transfer to energy IPPs	1.4	1.5	1.4	1.3	1.2	1.2	1.2
Interest	3.4	4.2	4.1	3.7	3.6	2.8	2.4
Domestic	3.0	3.9	3.7	3.2	3.1	2.4	2.0
Foreign	0.4	0.3	0.4	0.5	0.5	0.4	0.4
Capital Expenditure	9.3	6.8	6.6	6.7	6.4	6.7	6.5
Foreign financed	4.0	4.0	4.3	4.3	4.2	4.5	4.4
Domestic financed	5.3	2.8	2.3	2.4	2.1	2.3	2.0
o/w school feeding program	0.2	0.4	0.5	0.6	0.7	0.8	0.8
Net lending	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingent expenditure	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Arrears paydown (cash)	1.0	0.2	0.2	0.2	0.2	0.2	0.1

Figure 8: Chart showing the Medium Term Fiscal Projections: 2024-2028



4.4. Policy Measures for Achieving the Medium-Term Fiscal Objectives

4.4.1 Measures for Achieving the Fiscal Deficit Target

To progressively reduce the budget deficit from 10.9 percent of GDP in 2022 and achieve the fiscal deficit target of an average of 2.8 percent in 2027 and 2028, Government will implement a mix of revenue enhancement and expenditure containment measures, while seeking additional grants from development partners to support the implementation of programmes and projects in the priority sectors including, among others, agriculture and food security, human development and infrastructure.

Medium-Term Revenue Mobilisation Measures

To boost revenue collection in the Medium-term and achieve the target of 20 percent of GDP in revenues, Government with support from the IMF and World Bank has developed the MTRS, 2023-2027, that was approved by Cabinet in April 2023. The MTRS lays out policy and administrative tax measures, which will be implemented by Government to improve domestic revenue collection over the short and medium-term.

The MTRS tax policy measures include, among others:

- (i) Review of the personal income taxation with a view to harmonizing withholding taxes on various forms of capital income and gradually transition to a comprehensive global income taxation in medium to long term;
- (ii) Review of the corporate income taxation system, with a view to broadening its base abolishing tax holidays and reduced tax rates for certain investments as well as incentivizing productive investments; and introduce a Minimum Alternate Tax (MAT) to tackle tax evasion and tax avoidance
- (iii) Reform the excise tax with a view to transition excise taxes on fuels, alcohol, tobacco, vehicles, sugar-sweetened beverages, plastics and others to specific from Ad-Valorem rates designed to internalize external costs, thereby reducing harmful behaviour and providing a stable source of revenues.
- (iv) Commence the implementation of excise stamps to improve the effectiveness of taxation of excisable goods including alcohol, tobacco, vehicles, sugar-sweetened beverages, plastics and others to provide accurate statistics for tax purposes, reduce illicit trade and enhance consumer protection;
- (v) Adopt the full pass-through formula for petroleum pricing
- (vi) Broaden the base of the Goods and Services Tax, by streamlining exemptions currently provided on machinery and equipment while maintaining exemptions on basic food items such as rice; and extending GST to the informal sector by revising upwards the threshold for registration as well as reforming the Refund Mechanism;

- (vii) Explore the possibility of Integrating the management of land and property taxes at the national or central level and allow the National Revenue Authority to take on a greater role in assisting local government on these revenue matters for a fee or commission;
- (viii) Institutionalize a policy of not negotiating fiscal issues in all new greenfield investments in the extractive sector, taking a disciplined policy to avoid individual contracts containing special and overgenerous fiscal terms that are stabilized over time outside of the general tax law; and
- (ix) The MTRS also introduces a vehicle circulation tax and a tourism levy

The MTRS also includes tax administration measures aimed at improving taxpayer registration, strengthening tax compliance, improving auditing, compliance risk and debt management as well as improving customs valuation.

For domestic taxes, the measures include:

- (i) Improving compliance enforcement to improve tax compliance with core tax payer obligations and address specific high-risk tax payer segment including high networth individuals to tackle tax evasion and tax avoidance and international tax risks. The process also involves continuous registering of tax payers, improving debt management and audit capacity and increase engagement with tax payers;
- (ii) Enhance the full functionality and integration of automated tax administration systems (ASYCUDA, ITAS and ECR)
- (iii) Improve access to and management of tax data to support compliance risk management.

For Customs administration,

- (i) Improve compliance by strengthening border controls, enhance border patrols and surveillance and the implementation of the Revised Kyoto Convention and HS classification of Rules of Origin;
- (ii) Fully operationalise and roll-out ASYCUDA
- (iii) Simplify current set of customs procedures and processes;
- (iv) Strengthen customs valuation;
- (v) Strengthen post-clearance audit;
- (vi) Improve management of Customs duty exemptions;
- (vii) Strengthen customs data acquisition and management

For Non-Tax Revenues,

- (i) Digitize the payment of non-tax revenues including fees, charges, levies and fines and integrate with ITAS.

Overall, cross-cutting issues that need attention to improve domestic revenue collection include:

- (i) Strengthening tax compliance and risk management;
- (ii) Simplifying processes in revenue administration including developing an outcome based Monitoring and Evaluation Framework; and

- (iii) Modernising business operations, enhance capacity and productivity through investment in technology and infrastructure, continuous training and improve data management.

To support the implementation of the MTRS, Government has established a high-level Steering Committee on the MTRS, which will meet quarterly, and be led by the Ministry of Finance with representation from the NRA, development partners, civil society, private sector, and other relevant government departments and agencies.

In addition, Government will explore the possibility of leveraging climate finance from Sierra Leone's forests, including carbon credits, REDD+ payments, and grants for forest conservation or reforestation. In this context, Government will leverage international public finance including transition and adaptation financing for climate change and plan to request access under the IMF's Resilience and Sustainability Trust (RST) facility in the future. Government will also consider levying carbon taxes on certain sectors of the economy and will explore issuing green bonds in the medium term.

Domestic Revenue Mobilization at the Local level

Government is committed to strengthening decentralized delivery of public services through reforms that will expand the fiscal space of local councils to respond to the local development needs of their communities. Local councils will be supported to maximise the collection of internally generated revenues in an efficient and effective manner. This will be done through reforms that will strengthen tax administration and tax paying culture in order to meet the demands for effective devolution of service delivery.

In that regard government in the medium term will implement the following reforms to boost local revenue mobilization:

- Develop and implement a new fiscal decentralization policy and strategy that will provide additional window in the form of enhanced tax bases or new revenue streams for local councils to boost local tax revenues.
- Develop a modernised Property Tax System to reflect current valuation, property roll and increased tax base.
- Support the functioning of district revenue mobilisation committees. The committee is made up of local stakeholders including non-state actors. The primary objective of the committee is to discuss and follow up on challenges with local revenue mobilization as well as monitoring effective implementation of MOUs on tax collection and sharing between local and chiefdom councils.
- Organise inter - district revenue mobilisation committees dialogue fora to discuss progress, challenges and reforms required on local revenue mobilisation and management within their jurisdictions as well as share experiences.
- Prepare and roll out local councils' specific revenue mobilisation strategies. The strategy will provide a step by step action on how to mobilize internally generated revenues assigned for collection by local council.

Medium-Term Expenditure Management and Control Measures

Government remains committed to strengthening public expenditure management to create the fiscal space for spending on priority areas while avoiding the buildup of arrears and enhancing the credibility of the budget. To this end, Government will sustain efforts to improve the integrity and sustainability of the payroll, continue with efforts to improve budget planning and execution, strengthen cash management, and improve the efficiency of the public investment programme.

Improving the Sustainability of the Wage Bill

Wages and salaries averaged 8.5 percent of GDP during 2021 and 2022 and is projected to decline slightly to 8 percent of GDP in 2023. Current projections indicate that the wage bill will stabilize around 7.2 percent of GDP in the medium-term. Government's objective is to stabilize the wage bill at 6.0 percent of GDP in the medium-term.

The transparency and reliability of the Government wage bill has improved in recent years following the implementation of several payroll reforms initiated in 2018. These include: reconciliation of the inconsistencies between the employee dates of birth in the payroll database and NASSIT numbers; ensuring new employees brought into the payroll have valid National Identification Numbers (NIN), NASSIT Numbers and BBAN; timely removal from the payroll of public servants who have reached the retirement age of 60 years; and biometric verification of civil servants and pensioners.

While the implementation of these reforms has contributed to significantly improving the transparency and reliability of the Government wage bill, going forward, its sustainability remains a key challenge. To this end, Government with support from the Fiscal affairs Department of the IMF, undertook a diagnostic study of the Government wage bill. The study identified several factors driving the increase in the wage bill and other challenges affecting the integrity of the wage including wage disparities. The study also made some recommendations, which will form part of the reforms to be implemented in the medium-term. The key objective in the medium-term is to achieve a Government wage bill that is affordable and sustainable.

Building on the ongoing reforms, Government will undertake the following reforms:

- (i) Develop and implement a Medium-term Wage Bill Management Strategy that introduces additional reforms to strengthen payroll management. Government has established a Technical Working Group comprising relevant stakeholders working on the Government payroll. The team has developed a work plan and the preparation of the Strategy is expected to complete by October 2023. Implementation of the strategy will commence in 2024. The Strategy will address some of the findings of the Wage Bill Study carried out by the Ministry of Finance with support from the IMF Fiscal Affairs Division.
- (ii) Operationalise the Wages and Compensation Commission following the enactment of Wages and Compensation Commission Act in April 2023. The aim is to have a central body that will address the distortions and wage disparities in the pay roll, among others;
- (iii) Conduct a biometric verification exercise for teachers and health workers; and

- (iv) Institute workforce planning for all payroll categories to improve the controls relating to new recruitments and salary adjustments. MDAs should include all projected recruitments, promotions and headcounts with the annual allocation to avoid unbudgeted spending on salaries during the years. The Ministry of Finance will engage with all employing authorities to determine staff quotas after considering current workforce, creation of new vacancies, promotions, retirements and planned new recruitments
- (v) Implement the recommendations from the internal audit reports on the payroll
- (vi) Return the management of the wage bill of the Universities to the University authorities.

Improving Budget Planning and Execution

With support from the IMF, Government has adopted the strategic top-down budgeting approach. Currently, the Ministry of Finance issues out a budget call circular, requesting MDAs to submit budget proposals for the following year. The Circular contains, inter alia, budget ceilings for each MDA derived from the projected total level of expenditures as per the medium-term macroeconomic framework agreed with the IMF. Government will seek technical assistance from the IMF on baseline budgeting to avoid under/over budgeting by MDAs and ensure that the expenditures reflect the priorities of Government.

To improve budget implementation in the medium-term, the Ministry of Finance transitioned in FY2022 moved to the 2014 Government Finance Statistics (GFS) from the 1986 (GFS) in order to ensure effective public sector financial reporting in line with International Standards. This resulted in the upgrading of the Chart of Accounts from 27 digits to 33 digits, in line with the Medium-term National Development Plan.

Improving Expenditure controls and Cash Management

The upgrade of the IFMIS from v 6.5 to a web-based version 7.0 was completed in FY2022 and currently being used by a total number of 74 MDAs for the planning, preparation and execution of the annual budgets. The platform provides fiscal control over fund allocations, expenditures, appropriations, procurement, revenue administration, human resources management and payroll. The system is expected to minimize expenditure overruns and strengthen MDAs judicious use of resources.

The upgraded web-based version will be rolled out to the other remaining MDAs that are currently not using the IFMIS, including Local Councils, Embassies/ High Commissions and donor-funded projects. This will facilitate comprehensive recording, accounting and reporting of Government Financial transactions. The Ministry of Finance will make it mandatory for MDAs to process all expenditures through the IFMIS.

The Electronic Funds Transfer (EFT) was introduced in FY2022, which involves sending payments instructions electronically from the IFMIS to the Bank of Sierra Leone T24 Core Banking Application, for onward transmission into the bank accounts of beneficiaries. The Accountant-General will fully implement the Electronic Funds Transfer system (EFT) to cover all expenditure categories including wages and salaries.

The EFT ensures that payment requests are sent to the Bank of Sierra Leone only when funds are available, thus eradicating the build-up of unpaid cheques with the Bank of Sierra Leone. Going forward, Government will continue to rollout the EFT to other MDA's mainly Subvented Agencies (SVA's) and self-accounting institutions to enable them make direct payments to their suppliers by sending payment instructions via the EFT platform to the Bank of Sierra Leone where their accounts are held.

To ensure efficient cash management, the Government will continue implementing Phase II of the TSA in 2023. This will further broaden the scope of the TSA to include all sub vented and semiautonomous agencies. The Accountant-General's Department has transferred the balances of Subvented Agencies in commercial banks to the Bank of Sierra Leone, with the exception on balances related to donor-funded projects. The Accountant-General will convert all departmental accounts held at the Bank of Sierra Leone into treasury accounts. This will provide a comprehensive framework for the calculation for computation of ways and means daily. In addition to improving the management of cash balances of Government, this reform will reduce the amount of interest paid by Government on outstanding ways and means balances.

The Cash Management Unit will continue to use the Cash Forecasting Tool to produce and update cash forecasts to inform the decisions and recommendations of the Expanded Cash and Debt Management Committee (ECDMC) on budget execution. The Committee will increase the duration of cash flow forecasts to at least three months and incorporate arrears repayment plans into cash planning. Quarterly budget allocations will be based on the cash flow forecasts discussed and approved by the ECDMC. Furthermore, the issuance of allocations to MDAs will now be done on the basis of contractual and no contractual expenditure categories, thereby improving on realistic and timely release of funds. Government will update and publish the Arrears Clearance Strategy and incorporate all outstanding domestic arrears as of end June 2023 including unpaid checks into a newly published arrears clearance strategy after verification by the Audit Service Sierra Leone with view to fully budgeting for their clearance starting with the 2024 budget. This will help Government to strengthen debt and cash management and prevent the accumulation of arrears and expenditure overruns. To increase transparency and improve budget execution, the Government is also committed to deploy an arrears profiling system to track arrears payments across MDAs.

Follow-up on Audit Recommendations

In an effort to address the numerous issues in the annual audit report as audit recommendations, the Ministry of Finance has developed and will operationalize the Standard Operating Procedures (SOPs) for the follow-up on audit recommendations provided by the Auditor General and will also established and strengthen the capacity of Audit Committees in all MDAs.

Strengthening Public Investment Management

Government's objective is to ensure that the preparation and execution of the public investment programme is enhanced in order to ensure that selected projects are not only

consistent with the National Development Plan and the BIG FIVE Agenda but also technically feasible, as well as financially and economically viable.

To strengthen implementation of capital expenditure, the Ministry of Planning and Economic Development (MoPED) will issue policy guidelines and frameworks on the management of the Public Investment Programme (PIP) spelling out clear roles and responsibilities of key institutions in relation to project identification, design, appraisal, implementation, monitoring and evaluation. The Cabinet approved National Public Investment Management Policy is the guiding instrument for the management of the Public Investment Programme

In order to ensure quality and efficiency of our capital expenditure management, Government is committed to implementing the provisions of the National Public Investment Management policy approved in 2021. The development of the Pre-Investment Manual in March 2022 and the project appraisal guide have provided the framework for rolling out the policy.

Government will activate the governance architecture of the Public Investment Management systems and rationalize the Public Investment Programme across Ministries Departments and Agencies (MDAs) and Local Councils to focus on Government priorities as encapsulated in the **Big Five Game Changers**.

Going forward, development expenditure projection for projects and programmes will be based on the following:

- projects and programmes alignment to the aspirations of the Medium-Term National Development Plan and Government's Big Five Game Changers with emphasis on agriculture, human capital development, youth employment, revamping the public service, technology and infrastructure;
- rationalize ongoing projects and programmes in tandem with Government broad policy objectives and the availability of funds; priority will be given to the completion of ongoing projects;
- project and programmes that are critical to the statutory functioning of the MDAs and LCs as contained in the Statutory Mandate;

4.4.2 Measures for Achieving the Public Debt Target

The stock of disbursed outstanding public debt including verified domestic supplier arrears amounted to NLe51.70 billion (USD2.75 billion) at end-December 2022, of which external and domestic debt accounted for NLe35.64 billion (USD1.9 billion) and NLe16.06 billion respectively. The public debt stock increased by 49.3 percent relative to its end-December 2021 position. The growth was as a result of sharp depreciation of the local currency in 2022 and new domestic borrowing to implement the national budget. As at end-December 2022 public debt stood at 92.2 percent of GDP and is projected to average 82.38 percent of GDP in 2024-2027 under the baseline public debt and macroeconomic assumptions.

To improve on the public debt situation, Government has updated the Medium-Term Debt Strategy (MTDS) 2023-2027 which would be approved by Cabinet and published in October 2023. The MTDS 2023-2027 calibrated four strategies:

Strategy 1: (Baseline)—assumes that government will follow the agreed borrowing limits with the IMF under the Extended Credit Facility programme. This includes prioritizing and maximizing external concessional borrowing as possible, keeping borrowing from multilateral and bilateral as in past trends;

Strategy 2: (Inception of Market Development) which assumes domestic and external borrowing in the same proportion as in the baseline, but over time issuing 2-5-year treasury bonds to the market while proportionately reducing treasury bills in line with development of the domestic debt market;

Strategy 3: (External Financing and Market Development) assumes a decline in domestic borrowing compared to strategies 1 and 2, but maturities of domestic instruments are similar to Strategy 2. The decline in domestic borrowing in Strategy 3 is assumed by enhanced domestic revenue mobilization and prioritization of expenditures toward achieving the Big Five Development Agenda of Government. The rationale of this strategy is to increase the Average Time to Maturity (ATM) of domestic debt and reduce interest rate costs as well as rollover risk; and

Strategy 4: (Introduction of Special Purpose Vehicle linked mainly to mining revenue which leverage on rapid new external private sector/PPP financing of highly productive projects in the economic sector to achieve the Big Five priorities. Financing through Special Purpose Vehicle would come mainly in 2024 to be backed by solid structural measures that supports the creation of institutions that would support transformative infrastructure projects that are self-financing and growth drivers. The idea is to reduce the size of Government fiscal deficit and external debt service payments in the medium to long-run whilst at the same time supporting the expansion of the private sector in the domestic economy.

Implementation of the last MTDS 2021-2025 faced repeated external shocks especially the prolonged Russian-Ukraine challenges, which resulted in decline in domestic revenue, making it difficult to implement Strategy 3. The updated MTDS 2023-2027 recommends Strategy 4 because of its feasibility to implement and potential to significantly reduce the cost and risk of the existing debt portfolio. The implementation of Strategy 4 will also reduce the debt service burden on Government because the transformative projects to be financed would be modelled to repay the debt service from their project cash flows. This would also create the opportunity for Government to utilize the fiscal space to be created by the reduced external debt service going forward to drive additional policies on improving the medium-term domestic debt to reduce the refinancing risks. In addition, the proposed Strategy 4 is consistent with the recent international financing challenges that comes with the combined effects of the Russian-Ukraine war and CoVID-19 recovery challenges.

To achieve debt sustainability objectives, Cabinet also endorsed the recommendations of the Debt Sustainability Analysis (DSA). The DSA was updated in 2022 and annual DSAs would be conducted

to track the impact of new financing, fiscal and macroeconomic developments on the medium-to-long term debt sustainability. Based on the results of the DSAs, Government will continue to:

- (a) Prioritise mobilization of grants over loans and ensuring that new borrowing meets the concessionality threshold of a minimum of 35 percent grant element;
- (b) Pursue diversification of the export base to avoid over-reliance on mineral earnings given its vulnerabilities;
- (c) Step up domestic revenue mobilization through the implementation of the MTRS the current collection efforts is below potential relative to regional average;
- (e) Adopt measures to prudently manage public expenditures in order to reduce the budget deficit and the need for increased domestic borrowing;
- (f) Take action to lengthen the maturity of the existing debt instruments.

5.0

MEDIUM-TERM FSS EXPENDITURE FRAMEWORK (MTEF)

5.1 Medium-Term Expenditure Priorities and Ceilings, 2024-2028

The priorities of Government for the next five years (THE BIG FIVE) are articulated in the Peoples' Manifesto and include Agriculture and Food Security (FEED SALONE) as the topmost priority. Government will continue to give priority to Human Capital Development, followed by Infrastructure and Technology. The Government also prioritises initiatives that will create 500,000 jobs over the next five years and revamping public administration.

The allocation of recurrent and domestic capital expenditures reflects these priorities. These allocations are shown in the Medium-term Expenditure Framework (MTEF) ceilings for nonsalary, non-interest recurrent expenditures and the Public Investment Programme (PIP) for domestic funded capital expenditure (Annexes 1 and 2).

5.2 Non-Salary, Non-Interest Recurrent Expenditures Ceilings/Allocations

The share of Agriculture and Food Security (FEED SALONE) in the non-salary, non-interest recurrent expenditure increased from 2.6 percent in 2023 to 4.1 percent in 2024 and 4.2 percent in 2025. The share of agriculture and food security increase further to an average of 4.3 percent during 2026-2028. Human capital development will increase from 10.3 percent of non-salary, non-interest recurrent expenditure in 2023 to 10.8 percent in 2024 and average 10.9 percent during 2025-2028. Of this Education will account for 4.6 percent in 2024 and average 4.7 percent during 2025-2028. The share of Health will increase from 4.4 percent in 2023 to 4.8 percent in 2024 and 2025 and increase further to 4.9 percent during 2026-2028. The share of Infrastructure and technology will increase from 27.9 percent in 2023 to 28.4 percent in 2024 before declining to an average of 27.4 percent during 2025-2028.

5.3 Domestic Capital Budget Allocations/Ceilings

The budgetary allocations under the Public Investment Programme (PIP) for the period 2022-2028 reflects the priority Government attaches to the BIG FIVE agenda as articulated in the People's Manifesto. The indicative allocations in the PIP showed that the share of Agriculture and food security including fisheries in the domestic capital budget increased significantly to 39 percent of the domestic capital expenditure over the medium-term (2024-2028) from 4.0 percent in 2023, in line with the priority accorded to the sector. Human Capital Development accounts for 33 percent of the domestic capital budget in the medium-term from 31 percent in 2023, with the share of the Free Quality School Education Programme averaging 23.0 percent over the period. The share of Infrastructure and Technology dropped from 58 percent in 2023 to 20 percent over the MTEF period. (See Annex 2)

Figure9: Chart showing Non-Salary Non-Interest Recurrent Expenditure for Government's BIG FIVE Priorities

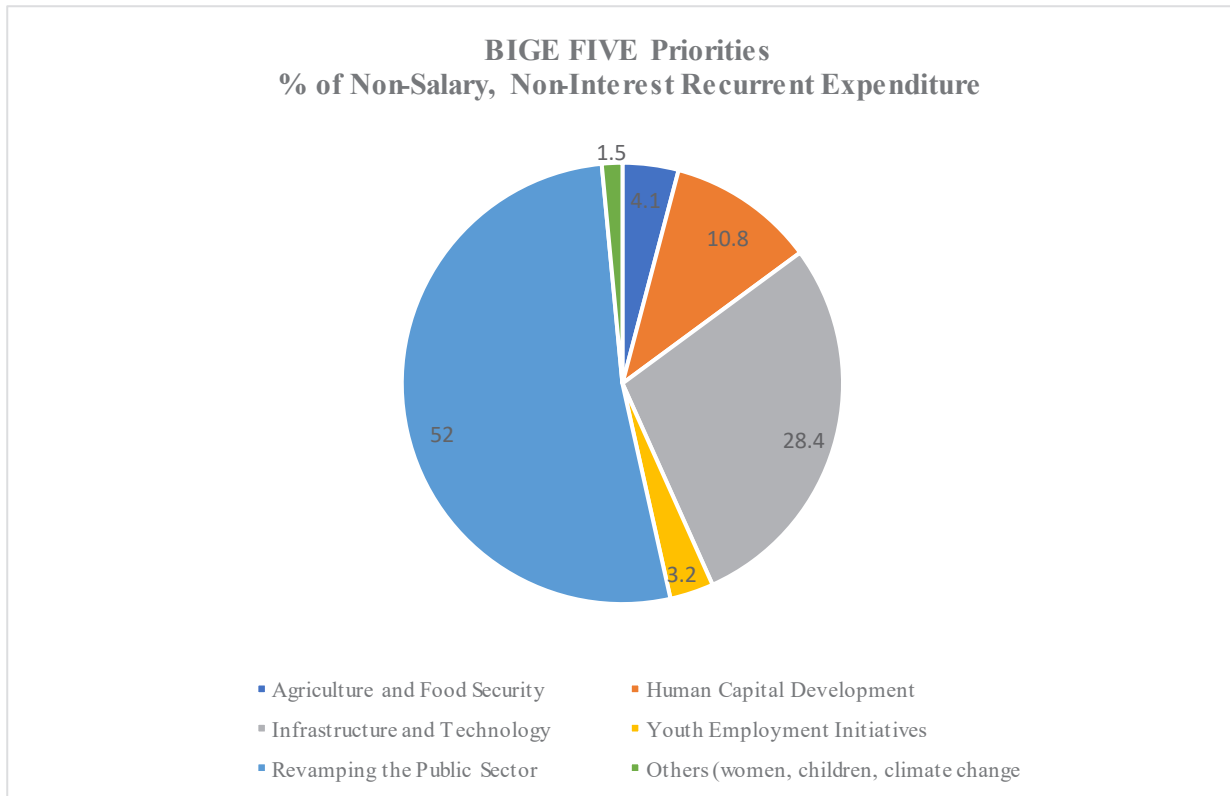
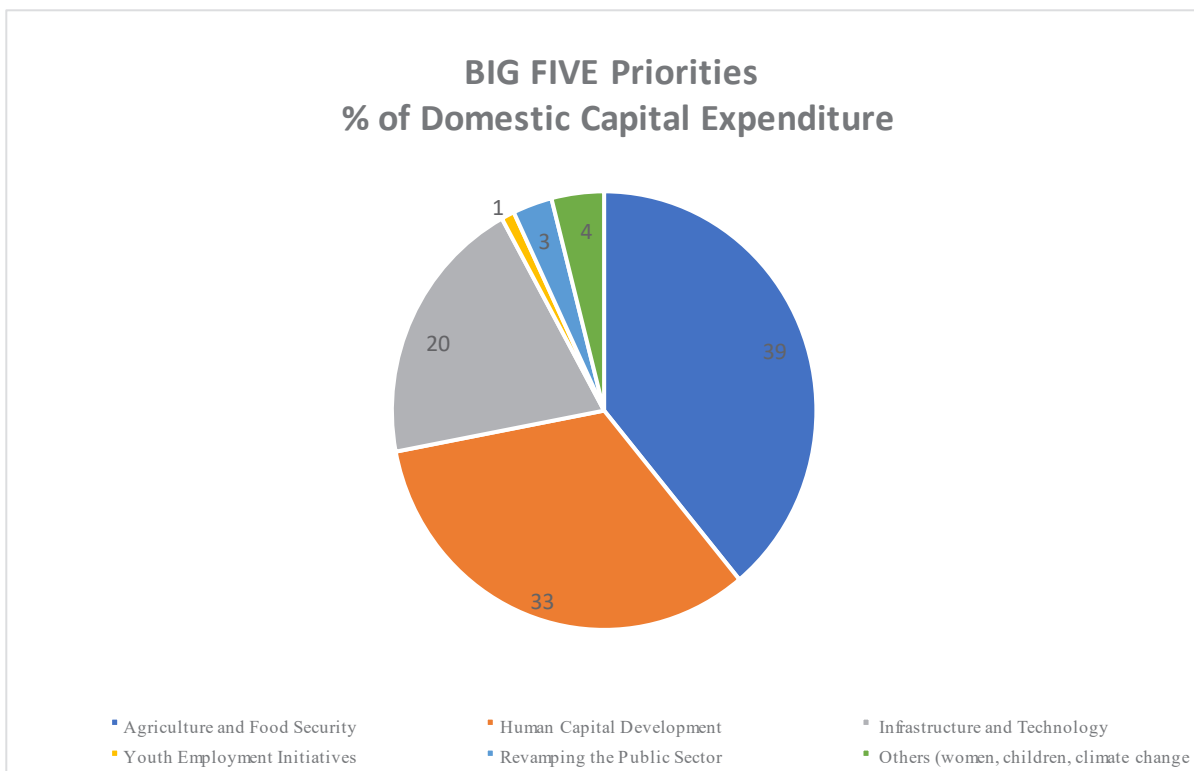


Figure 10: Chart showing the proportion of Domestic Capital Expenditure for Government's BIG FIVE Priorities



6.0 FISCAL RISK STATEMENT

Fiscal risks refer to events that could cause fiscal outturns to deviate from fiscal projections with the potential to jeopardize the achievement of strategic fiscal objectives. Fiscal risks could be due to external shocks including adverse terms of trade, epidemics/pandemics, natural disasters as well as inappropriate macroeconomic policies that could lead to macroeconomic instability (low and volatile economic growth, high inflation, unstable exchange rates, rising debt levels and high domestic interest rates). Fiscal risks can also arise when contingent liabilities materialize such as failure to meet minimum revenue guarantees in the case of public private partnerships; default on loans guaranteed by government, litigations by contractors for not fulfilling certain contractual obligations. The poor operational and financial management of State-Owned Enterprises is also a major source of fiscal risk. Fiscal risks can be explicit, while others are implicit.

Government's ability to cope with fiscal risk depends on the quality of its information about risks, its powers to limit its exposure to those risks as well as its financial capacity to absorb the fiscal consequences of risks that cannot be mitigated. The major sources of fiscal risks in Sierra Leone could be sub-divided into two broad categories: Macroeconomic risks and Specific risks.

Macroeconomic risks include shocks to GDP growth, high inflation, adverse terms of trade (increase in the price of key imports or fall in the price of key exports), sharp depreciations in the exchange rate and rise in domestic interest rates.

Specific risks include shocks emanating from natural disasters, contingent liabilities of stateowned enterprises, Public-Private Partnership transactions, and litigation against public institutions as well as weak implementation of policy reforms.

6.1 Macroeconomic Risks

6.1.1 Volatile Economic Growth

The Sierra Leone economy is relatively undiversified and vulnerable to internal and external shocks. The result has been volatile economic growth with adverse implications for domestic revenue collection. After recovering by 4.1 percent in 2001 from the contraction of 2.0 percent in 2020, economic growth slowed down to 3.6 percent in 2022 and is projected to further moderate to 2.6 percent in 2023 on concerns of the global economic uncertainty, higher food and energy prices, depreciation of the Leone and the tight fiscal stance being adopted to stabilise the economy. Domestic revenue performance has mirrored the trend in GDP growth over the period. Domestic revenue dropped to 13.8 percent of GDP in 2020 from 14.6 percent in 2019 following the contraction of the economy induced by the COVID-19 pandemic. Domestic revenue increased to 14.1 percent in 2021 following the recovery of the economy and dipped to 13.0 percent of GDP in 2022 as the economy slowed down to 3.6 percent. Because movement in domestic revenue collections are directly linked to growth outturns, domestic revenues tend to be very volatile too and this will also tend to complicate the budget implementation. In the midst of increasing expenditures, this will lead to widening of the budget deficit and undermine Government efforts in achieving its fiscal targets.

Latest simulations indicate that a one percentage point slowdown in the economy will lead to drop in domestic revenue by two percentage points.

6.1.2 Higher Inflationary Pressures

Inflation remained persistently high and above 40.0 percent throughout the first half of the year. The prices of domestic goods and services rose to 44.6 percent in June 2023 from 37.1 percent in December, 2022. The rapid rise in headline inflation has deleterious effect on budget execution through increase in the cost of goods and services budget, energy subsidies and the domestic capital budget. Volatile and rapid increases in domestic prices in recent years has led to huge overruns in the goods and services budget, energy subsidies and the domestic capital budget, leading to a deterioration of the budget deficit and undermining Government efforts in achieving its medium-term fiscal objectives. Recent simulations indicate that a one percentage point increase in inflation will increase expenditure on goods and services by 3 percent.

6.1.3 Exchange Rate Volatility

Successive external shocks in recent years including the COVID-1 pandemic, ongoing war in Ukraine and an appreciating US dollar coupled with policy slippages continue to undermining the stability of the Leone /US dollar exchange rate. The exchange rate of the Leone to the US dollar depreciated by about 70.0 percent in 2022 and although the pace of the depreciation has slowed, the Leone has already depreciated by more than 25.0 percent as at end July 2023. As such Government external obligations including external debt service payment, payment to foreign missions, international organization subscriptions in local currency have increased sharply. The impact of the exchange rate depreciation on the budget if this trend continues unabated will increase Government expenditures above the budgeted levels. Given the weak revenue performance, the budget deficit will widen and the target/ceiling projected in the medium term. Simulations indicate that a one percentage depreciation in the exchange rate of the Leone to the US dollar will increase Government expenditures by 5 percent.

The impact of exchange rate depreciation has also resulted in sharp increase in the stock of external debt when expressed in local currency, thereby increasing the stock of total debt above the projected levels. External debt increased to 67.7 percent of GDP in 2022 from 51.1 percent in 2021 mainly due to the impact of depreciation of the Leone. Simulations indicated that a 10 percent depreciation in the Leone will increase the stock of external debt by 2.0 percentage points of GDP.

6.1.4 Rising Interest rates on Government Securities

Sierra Leone also has a substantial stock of domestic debt in the form of marketable and nonmarketable securities. As at end-June 2023, the stock of domestic debt amounted to NLe18.16 billion, while projected domestic interest payment for 2023 is NLe2.87 billion or 21.25 percent of recurrent expenditure.

Interest rates for the mostly traded domestic debt instrument (364-days Treasury Bills) rose to 28.78 percent in August 2023 from 25 percent in 2022, reflecting the Government stance of rolling over stock of domestic debt amidst high inflation. Further increases in domestic interest rates would increase overall government spending and contribute to the widening the budget deficit, above the specified target. The Medium-Term Debt Strategy (MTDS) Analysis showed that an increase in the 364 days T-bills rate by 300 basis point will increase the ratio of interest payments to domestic revenue by 5 percentage points over the medium-term.

6.1.5 Adverse Terms of Trade

Adverse terms of trade shock could be perceived in two perspectives; reduction in the prices of our key exports such as iron ore or the increase in the prices of our key imports such as fuel and/or food products could lead to an adverse balance of payments position. This could also have serious budgetary implication particularly in the form of drop in taxes including import duty and import GST. Similarly, a drop in the price of our major export commodity such as iron ore due to, for instance, a slowdown in the Chinese economy, could dampened demand for iron ore. This in turn will result in drop in price of iron ore and related tax payments such as royalties, corporate and personnel income taxes consequently, the reduction in domestic revenue will complicate the implementation of the budget and undermine Government effort in achieving its fiscal deficit target.

6.2 Specific Fiscal Risks

6.2.1 Contingent Liabilities of State-Owned Enterprise

The operations of state-owned enterprises (SoEs) continue to pose threats to the national budget due to their weak financial health, a situation that has been exacerbated by the twin shocks of the Russian/Ukraine war and the lingering impact of the COVID-19 pandemic. The rise in input prices, particularly energy prices, and the depreciation of the Leone are challenging the financial sustainability of several SoEs.

In particular, the Electricity Distribution and Supply Authority (EDSA) is putting significant stress on the budget due mainly to the mismatch between the Authority's buying and selling tariffs, as well as its technical and commercial losses. EDSA cannot meet its operational expenses without recourse to the national budget. In FY 2022, Government provided a subsidy of NLe729.6 million to assist EDSA in meeting its payments obligation to Karpower and CLSG TRANSCO, and in the first half of 2023, Government has already provided a subsidy of NLe274.6 million. Notwithstanding, arrears to these two power suppliers is still huge, estimated at US\$39.0 million as at end June 2023.

To understand fully the impact of the downward operations of these SoEs, the Ministry undertook an assessment of the financial vulnerability and risks emanating from SoEs by rolling out the IMF Health Check tool. Results from the tool indicated that most of the SOEs are making persistent losses to the extent that more than 60% of SOEs are running high deficits and huge liabilities. Analysis further points out that low revenue streams are major drivers of fiscal risks in the form of Government support, subsidies, soft loans and guarantees. It showed that with the exception of the two State-owned Banks, most SOEs is not financially sustainable. EDSA, SLAA and SLRTC, for example, are battling with low profitability, tight liquidity and insolvency issues. However, the poor financial performance of some of these SoEs can partly be attributed to the burden of undertaking quasi-fiscal operations without full reimbursement from Government, and weak corporate governance structure. The Government of Sierra Leone has not issued any guarantee in recent years.

A significant proportion of Sierra Leone's population live along the coastal lines, mountain areas and lowlands that are prone to disaster. In the recent past, Sierra Leone has experienced bouts of recurrent natural disasters such as flood, mudslide, tropical storms, fire, epidemics and

pandemics. As a result, the Country remain vulnerable not just to the occurrences of disaster, but also to the financial impact of natural disasters and its related shocks. The higher frequency and intensity of climate-related disasters imply a greater risk of a negative fiscal shock as there are multiple channels through which public finances can be affected. On the one hand, it tends to decrease Government revenue due to lower tax collection from the affected productive sectors such as agriculture, fisheries and tourism. On the other hand, public expenditure is likely to increase because of rising financial needs due to the emergency response and the reconstruction of damaged public infrastructure.

Over the past eight (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 COVID-19 pandemic in 2020. In particular, economic growth contracted by 2 percent in 2020, as the COVID-19 pandemic led to a contraction in the services and industrial sectors following global supply chain disruptions, suspension of international travel, lockdowns, and the closure of land borders. GDP per capita fell by 4 percent during the same year reversing some of the gains in poverty reduction. This led to drop in domestic revenue collection to 13.8 percent of GDP in 2020 at the height of COVID-19 from 14.6 percent of GDP in 2019. Also, following the Ukraine crisis and associated uncertainty domestic revenue drop to 13.8 percent of GDP in 2022 after recovering to 14.1 percent of GDP in 2021 partly due to the reduction in petroleum excise duties to keep fuel pump prices at subsidized levels. At the same time expenditure rose during the two years to 30.8 percent of GDP in 2022, owing partly to the implementation of programmes to mitigate the impact of the crisis on the population such as subsidized electricity tariffs, support to hospitality workers etc. Non-farm households who depend on income from the private sector (whether through self-employment or salary) disproportionately saw drop in incomes across the board during the height of the pandemic. The poverty rate jumped from 40.6 percent in 2019 to 43.5 percent in 2020, primarily affecting urban households (Sierra Leone Authorities and World Bank estimates).

6.2.2 Public Private Partnership (PPP) Projects

Public Private Partnerships (PPP) arrangements reflects the collaboration between the public sector and private investor for the delivery of public infrastructure and services. This arrangement could be seen in the energy sector (Karpower and Webuild), the road sector (Wellington-Masiaka Toll Road); Health services (Connaught Cost recovery Pharmacy) and the Transport sector (Freetown International Airport) to name but a few.

Presently, the energy sector accounts for more than 38 percent of the total active PPPs projects distributed across various sectors in the country. These PPP projects represent huge investment outlays that may result to contingent liabilities for government in the immediate future. Typical risk associated with PPP arrangements includes minimum revenue guarantees, foreign exchange risks, tax waivers as well as construction, force majeure, and termination risks.

Due to the complex nature of PPPs, it is expected that contractual obligations from PPPs may give rise to implicit as well as explicit contingent liabilities that will negatively impact

Government's budget and debt profile. Therefore, Government continues to strengthen the 'gateway' processes of managing PPPs and emphasize, among others, the assessment and monitoring of all fiscal risks emanating from PPP arrangements.

In other to facilitate and maintain fair, equitable, transparent, competitive, and effective procurement processes for PPPs, Government has strengthened the enabling legal and institutional framework to guide PPP investments in the country. Important among others is the gate-keeping role performed by PPP Units in the Office of the Vice President, the Public Investment Management Unit at the Ministry of Economic Development and a dedicated PPP section within the Fiscal Risks Management Division of the Ministry of Finance.

6.2.3 Public Sector Litigation

Legal actions against public institutions are becoming a growing risk to the national budget. Public institutions such as SLRA, EDSA, Sierratel, SLCB, Law Officers' Department and local councils etc. are battling with litigations. The estimated cost of total claims is NLe50.0 billion. However, it is highly unlikely that most of these claims would ever eventuate, but there is need for continuous monitoring of the progress and outcome of these litigations.

6.2.4 Policy Risks

Poor policy design as well as lack of implementation of agreed policies weaken public financial management and pose significant threat to the national budget. Slow pace of implementing policy reforms and recommendations agreed with development partners will delay the disbursement of budget support and thus complicate budget management.

In the event triggers agreed with development partners are not met or there is delay in implementing policy reforms, this will pose a great risk to budget implementation including the accumulation of arrears.

6.3 Fiscal Risks Mitigating Measures

6.3.1 Mitigating Macroeconomic Risks

6.3.1.1 Implementation of the Economic and Financial Programme with the IMF Following the weak macroeconomic situation at the end of the 2022 and the first half of 2023 characterised by high budget deficit, high inflation, accelerated depreciation of the Leone and high debt level, Government will adopt tighter macroeconomic policies in the medium-term to restore macroeconomic stability and boost the resilience of the economy against external shocks. A decisive tightening of macroeconomic policies is critical to restoring macroeconomic stability and keeping debt on a sustainable path. In this context, Government will reintroduce fiscal consolidation, which requires continued efforts to raise revenues and curtail expenditures while protecting social spending and seeking grant financing. This will complement the efforts of the Bank of Sierra Leone. To this end, the implementation of the economic and financial programme supported under the Extended Credit Facility (ECF) of the IMF remains on track. The IMF Executive Board has successfully concluded seven (5) reviews. The combined sixth and seventh reviews were concluded in June 2023. As articulated in the Memorandum of Economic and Financial Policies for these reviews, Government will adopt tighter macroeconomic policies going forward aimed at

strengthening public finances and addressing debt vulnerabilities to stabilize the economy and boost its resilience. There is also a need to continue governance and other structural reforms to boost the resilience of the economy. The current ECF arrangement with the IMF will expire by the end of 2023. Government will renegotiate a successor programme with the IMF in 2024 to sustain the implementation of prudent fiscal policies.

6.3.1.2 Diversification of the Economy

Efforts continue to diversify the economy in order to strengthen its capacity to withstand shocks that have the potential to disrupt economic activities and exports with adverse implications for real GDP growth, domestic revenue collection, price and exchange rate stability. In **the agricultural sector**, the Policy Shift to encourage private sector participation in the delivery of agriculture inputs and mechanization services to farmers is progressing well. In **the fisheries sector**, Government is sustaining efforts to combat illegal, unregulated and illegal fishing practices and promote fish conservation practices including the observation of the 'closed season'. In **the tourism sector**, Government with support from the World Bank under the Sierra Leone Economic Diversification Project (SLEDP) will embark on the upgrading of tourist destination sites in Freetown, starting with the Leceister Peak, Tacugama Sanctuary and Bureh Beach in 2022. Efforts to rebrand the country and promote domestic tourism are on-going. The project also support Government's efforts to improve the business environment and access to finance to support private investments in order to promote sustainable and resilient economic growth.

6.3.2 Mitigation Strategies for SoEs Fiscal Risks and Guarantees

The Ministry, with support from the World Bank and IMF, has developed a State-owned Enterprises Ownership and Governance Policy, which is currently being transform into Act under the supervision of the Office of the Chief Minister. The Policy, and eventually the Act, would strengthen the performance management of SOEs, re-enforce the motivation for the ownership of SoEs through binding contract, improve accountability, transparency, internal control systems as well as create the enabling environment for private sector participation to restore efficiency in the operations of SoEs.

In addition, with support from IMF-AFRITAC West 2, the Ministry of Finance has developed an SOE monitoring framework for both Financial and Non-financial SOEs to effectively monitor potential fiscal risks emanating from SOEs. The framework identifies roles and responsibilities of relevant stakeholders to avoid overlap and fragmentation in oversight responsibilities between the line ministries, NCP and MoF.

The Fiscal Risks and SoE oversight Division continues to provide regular fiduciary oversight as well as monitor and assess the full range of potential risks of SOEs to the national budget. On an annual basis, the Ministry conducts contingent liability survey to identify possible contingent liabilities that would emerge as threats to fiscal sustainability.

The Ministry is building staff capacity in managing risks relating to guarantees for a proper assessment of PPP, SOEs, projects and other specific areas before the issuance of such guarantees.

As a way to cap guarantees, Government is in conformity with policy regulation with development partners such as the IMF and World Bank.

Currently, issuance of guarantees for external debt for both private and public sectors is restricted and in line with the Extended Credit Facility program as well as with the Memorandum of Economic and Financial Policies (MEFP). Nonetheless, 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.

6.3.4 Mitigating Risks from Natural Disasters

Due to current effect of climate change on the economy, it is indicated that the Long-term Goals for mitigating climate change is reduction in human contribution to climate change. Government seeks to reduce CO2 emission levels by 5% by 2025, 10% by 2030, and 25% by 2050. This is in line with the transformational shift toward a low-emission development pathway. Strategies such as targeting priority sectors that lead to climate change, implementing Reducing Emissions from Deforestation and Forest Degradation (REDD+) as well as promoting innovation and technology transfer for sustainable breakthroughs in energy, waste would greatly improve on climate conditions in the country. Through determined collaboration and management of these sectors, Technology transfer through private sector partnerships will also create new markets, provide jobs, and support economic growth, while reducing GHG emissions.

To mitigate risks from natural disasters generally, Government has established the National Disaster Management Agency and developed Disaster Risk Financing Strategy

6.3.5 Strengthening Policy Implementation

In the mist of poor revenue mobilization due to low export, low production and increase import, it is significant to implement Policy reform of those related to the World Bank Country Policy and Institutional Assessment (CPIA) framework. Government continues to make significant efforts to meet it budget and other fiscal policy commitments to the CPIA.

In mitigating the potential fiscal risks emanating from weak policy implementation, the Ministry established a committed technical team in the Research and Delivery Department to restore stability, achieve government outlined programs. The Macro fiscal Division is specifically responsible for monitoring and reporting on progress in the implementation of policy reforms as stated by the CPIA, and World Bank DPOs. Regular update on each policy is done on a quarterly basis to review government exposure and commitment in DPOs.

Projects undertaken by government are streamline, to indicate the importance and financial capacity to avoid carryover and increase in public debt.

6.3.6 Measures to Mitigate PPP Risks

- (i) Government continues to benefit from IMF and World bank technical support to build capacity of the staff of the Fiscal Risks Management Division in assessing PPP- Fiscal Risk using the PFRAM and FRAT model;
- (ii) Government commits to measured and provisioned for contingent liabilities arising from the PPP risks assumed in the National budget;
- (iii) The Government continue to use regulatory frameworks such as the PPP Act 2014, Procurement Acts 2016 and the PFM Acts 2016 to guide the implementation of PPP projects;
- (iv) The Ministry is proposing to develop measures to set limit on exposure relating to guarantees and insurance securitization.

ANNEX1. MTEF ALLOCATION OF NON SALARY, NON INTEREST RECURRENT EXPENDITURES FOR FY 2024 - 2028 BY THE BIG FIVE PRIORITIES
In thousands of Leones (NLe't)

		FY2023 Estimate	% of Total Non Int/Sal Recurr Exp	FY2024 Budget	% of Total Non Int/Sal Recurr Exp	FY2025 Indicative	% of Total Non Int/Sal Recurr Exp	FY2026 Indicative	% of Total Non Int/Sal Recurr Exp	FY2027 Indicative	% of Total Non Int/Sal Recurr Exp	FY2028 Indicative	% of Total Non Int/Sal Recurr Exp
		NLe't		NLe't		NLe't		NLe't		NLe't		NLe't	
CLUSTER 1	BIG FIVE CLUSTERS												
	FEED SALONE	133,769.0	2.6%	254,301.3	4.1%	321,792.7	4.2%	385,546.9	4.3%	441,538.9	4.3%	497,530.5	4.3%
	1.1 AGRICULTURE	64,717.0	1.2%	163,251.0	2.6%	213,825.1	2.8%	259,602.9	2.9%	297,279.7	2.9%	334,792.5	2.9%
	401 Ministry of Agriculture and Food Security	39,200.0	0.8%	97,860.2	1.6%	122,593.2	1.6%	144,399.5	1.6%	165,325.5	1.6%	185,954.4	1.6%
	410 National Protected Area Authority	5,100.0	0.1%	7,271.3	0.1%	9,109.1	0.1%	10,729.4	0.1%	12,284.3	0.1%	13,817.1	0.1%
	418 Sierra Leone Agricultural Research Institute	5,100.0	0.1%	10,031.9	0.2%	12,567.3	0.2%	14,802.7	0.2%	16,947.9	0.2%	19,062.6	0.2%
	426 Sierra Leone Seed Certification Agency	1,750.0	0.0%	3,480.4	0.1%	4,360.0	0.1%	5,135.5	0.1%	5,879.7	0.1%	6,613.4	0.1%
	427 National Fertilizer Regulatory Agency	1,650.0	0.0%	3,367.2	0.1%	4,218.2	0.1%	4,968.6	0.1%	5,688.7	0.1%	6,398.5	0.1%
	701 Devolved Function - Agriculture and Food Security Services	11,917.0	0.2%	41,240.1	0.7%	60,977.3	0.8%	79,567.2	0.9%	91,153.7	0.9%	102,946.5	0.9%
	1.2 FISHERIES	69,052.0	1.3%	91,050.3	1.5%	107,967.5	1.4%	125,944.0	1.4%	144,259.2	1.4%	162,738.0	1.4%
CLUSTER 2	402 Ministry of Fisheries and Marine Resources	17,900.0	0.3%	23,756.3	0.4%	29,760.4	0.4%	35,054.1	0.4%	40,134.0	0.4%	45,141.8	0.4%
	415 Sierra Leone Maritime Administration	48,269.0	0.9%	62,961.1	1.0%	73,171.6	1.0%	85,037.8	1.0%	97,420.9	1.0%	110,024.6	1.0%
	701 Devolved Function - Fisheries and Marine Resources	2,883.0	0.1%	4,332.8	0.1%	5,035.5	0.1%	5,852.1	0.1%	6,704.3	0.1%	7,571.6	0.1%
	HUMAN CAPITAL DEVELOPMENT	218,348.0	4.2%	284,973.5	4.6%	357,455.7	4.7%	417,872.1	4.7%	478,593.2	4.7%	539,544.5	4.7%
	2.1 DELIVERING FREE QUALITY EDUCATION	63,968.0	1.2%	91,553.4	1.5%	111,015.5	1.5%	130,021.4	1.5%	148,902.2	1.5%	167,770.5	1.5%
	301 Ministry of Basic and Secondary Education	34,900.0	0.7%	44,494.1	0.7%	55,739.5	0.7%	65,654.2	0.7%	75,168.6	0.7%	84,548.0	0.7%
	312 Teaching Service Commission	3,500.0	0.1%	6,460.7	0.1%	8,093.6	0.1%	9,533.3	0.1%	10,914.8	0.1%	12,276.7	0.1%
	321 Student's Loan Scheme Secretariat	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	701 Devolved Function - Education Services	25,568.0	0.5%	40,598.5	0.7%	47,182.4	0.6%	54,834.0	0.6%	62,818.8	0.6%	70,945.9	0.6%
	2.2 STRENGTHENING TECHNICAL AND HIGHER EDUCATION	154,380.0	3.0%	193,420.1	3.1%	246,440.2	3.2%	287,850.7	3.2%	329,691.0	3.2%	371,773.9	3.2%
CLUSTER 3	300 Ministry of Technical and Higher Education	149,580.0	2.9%	187,488.3	0.1	239,009.1	3.1%	279,097.8	0.1	319,669.7	3.1%	360,502.2	3.1%
	316 Civil Service Training College	800.0	0.0%	1,405.3	0.0%	1,760.5	0.0%	2,073.6	0.0%	2,374.1	0.0%	2,670.4	0.0%
	321 Student's Loan Scheme Secretariat	4,000.0	0.1%	4,526.5	0.1%	5,670.6	0.1%	6,679.2	0.1%	7,647.2	0.1%	8,601.4	0.1%
	OTHER HUMAN DEVELOPMENT	313,816.1	6.1%	379,395.6	6.2%	469,019.4	6.2%	551,183.6	6.2%	631,125.2	6.2%	710,367.5	6.2%
	3.1 HEALTHCARE IMPROVEMENT	227,915.0	4.4%	295,255.1	4.8%	367,359.6	4.8%	432,196.1	4.9%	494,855.1	4.9%	556,798.7	4.9%
	304 Ministry of Health and Sanitation	112,500.0	2.2%	123,159.1	2.0%	154,286.2	2.0%	181,729.9	2.0%	208,065.7	2.0%	234,027.7	2.0%
	307 National Medical Supplies Agency	65,100.0	1.3%	123,104.4	2.0%	154,217.7	2.0%	181,649.1	2.0%	207,973.2	2.0%	233,923.6	2.0%
	309 Dental and Medical Board	700.0	0.0%	792.1	0.0%	992.4	0.0%	1,168.9	0.0%	1,338.3	0.0%	1,505.2	0.0%

ANNEX1, MTEF ALLOCATION OF NON SALARY, NON INTEREST RECURRENT EXPENDITURES FOR FY 2024 - 2028 BY THE BIG FIVE PRIORITIES
In thousands of Leones (NLe's t)

	BIG FIVE CLUSTERS												
	FY2023 Estimate	% of Total Non Int/Sal Recurr Exp	FY2024 Budget	% of Total Non Int/Sal Recurr Exp	FY2025 Indicative	% of Total Non Int/Sal Recurr Exp	FY2026 Indicative	% of Total Non Int/Sal Recurr Exp	FY2027 Indicative	% of Total Non Int/Sal Recurr Exp	FY2028 Indicative	% of Total Non Int/Sal Recurr Exp	
CLUSTER 4	311 Health Service Commission	4,000.0	0.1%	6,026.5	0.1%	7,549.7	0.1%	8,892.6	0.1%	10,181.3	0.1%	11,451.7	0.1%
	314 National HIV and AIDS Commission	2,500.0	0.0%	2,829.1	0.0%	3,544.1	0.0%	4,174.5	0.0%	4,779.5	0.0%	5,375.9	0.0%
	315 Teaching Hospitals Complex Administration	2,300.0	0.0%	2,602.8	0.0%	3,260.6	0.0%	3,840.6	0.0%	4,397.1	0.0%	4,945.8	0.0%
	317 Post Graduate College of Health Specialists	2,900.0	0.1%	3,281.7	0.1%	4,111.2	0.1%	4,842.4	0.1%	5,544.2	0.1%	6,236.0	0.1%
	345 Pharmacy Board Services	5,000.0	0.1%	5,658.2	0.1%	7,088.2	0.1%	8,349.0	0.1%	9,559.0	0.1%	10,751.7	0.1%
	614 Transfers to NaCOVERC	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	701 Devolved Function - Health Care Services	32,915.0	0.6%	27,801.0	0.5%	32,309.5	0.4%	37,549.1	0.4%	43,017.0	0.4%	48,582.2	0.4%
	3.2 IMPROVING WATER SANITATION	65,301.1	1.3%	60,828.8	1.0%	72,456.3	1.0%	84,589.5	1.0%	96,887.2	1.0%	109,270.7	1.0%
	414 Ministry of Water Resources and Sanitation	17,200.0	0.3%	19,464.2	0.3%	24,383.5	0.3%	28,720.7	0.3%	32,882.8	0.3%	36,985.9	0.3%
	701 Devolved Function - Solid Waste Management Services	40,763.1	0.8%	34,716.3	0.6%	40,346.3	0.5%	46,889.2	0.5%	53,717.2	0.5%	60,866.7	0.5%
	701 Devolved Function - Rural Water Services	7,338.0	0.1%	6,648.4	0.1%	7,726.6	0.1%	8,979.6	0.1%	10,287.2	0.1%	11,618.1	0.1%
	3.3 SOCIAL PROTECTION	12,800.0	0.2%	14,484.9	0.2%	18,145.9	0.2%	21,373.5	0.2%	24,470.9	0.2%	27,524.4	0.2%
	305 Social Protection Programmes	9,700.0	0.2%	10,976.9	0.2%	13,751.2	0.2%	16,197.1	0.2%	18,544.4	0.2%	20,858.3	0.2%
	308 National Commission for Social Action	3,100.0	0.1%	3,508.1	0.1%	4,394.7	0.1%	5,176.4	0.1%	5,926.6	0.1%	6,666.1	0.1%
	3.4 POPULATION, LANDS AND HOUSING	7,800.0	0.2%	8,826.8	0.1%	11,057.6	0.1%	13,024.5	0.1%	14,912.0	0.1%	16,772.7	0.1%
	306 Ministry of Lands and Country Planning	3,800.0	0.1%	4,300.2	0.1%	5,387.1	0.1%	6,345.3	0.1%	7,264.8	0.1%	8,171.3	0.1%
	322 National Land Commission of Sierra Leone	4,000.0	0.1%	4,526.5	0.1%	5,670.6	0.1%	6,679.2	0.1%	7,647.2	0.1%	8,601.4	0.1%
	YOUTH EMPLOYMENT SCHEME	154,157.0	3.0%	197,913.2	3.2%	244,082.3	3.2%	286,722.2	3.2%	328,313.5	3.2%	369,582.1	3.2%
	4.1 EMPLOYMENT, YOUTH EMPOWERMENT AND MIGRATION	89,662.0	1.7%	93,016.6	1.5%	115,757.3	1.5%	136,192.8	1.5%	155,937.5	1.5%	175,455.4	1.5%
	302 Ministry of Sports	4,000.0	0.1%	4,526.5	0.1%	5,670.6	0.1%	6,679.2	0.1%	7,647.2	0.1%	8,601.4	0.1%
320 National Sports Authority	58,200.0	1.1%	57,570.3	0.9%	72,120.6	1.0%	84,949.0	1.0%	97,259.6	1.0%	109,395.5	1.0%	
310 Ministry of Youth Affairs	3,000.0	0.1%	3,394.9	0.1%	4,252.9	0.1%	5,009.4	0.1%	5,735.4	0.1%	6,451.0	0.1%	
310 National Youth Commission	3,200.0	0.1%	3,621.2	0.1%	4,536.5	0.1%	5,343.4	0.1%	6,117.7	0.1%	6,881.1	0.1%	
313 National Youth Service	3,000.0	0.1%	3,394.9	0.1%	4,252.9	0.1%	5,009.4	0.1%	5,735.4	0.1%	6,451.0	0.1%	
407 Ministry of Employment, Labour and Social Security	12,100.0	0.2%	12,026.3	0.2%	15,065.8	0.2%	17,745.6	0.2%	20,317.3	0.2%	22,852.4	0.2%	
701 Devolved Function - Youth and Sports Services	6,162.0	0.1%	8,482.4	0.1%	9,858.0	0.1%	11,456.7	0.1%	13,125.0	0.1%	14,823.0	0.1%	
4.2 TOURISM	17,250.0	0.3%	21,125.8	0.3%	26,465.1	0.3%	31,172.6	0.4%	35,690.1	0.4%	40,143.4	0.4%	
303 Ministry of Tourism and Cultural Affairs	7,150.0	0.1%	9,696.3	0.2%	12,146.9	0.2%	14,307.6	0.2%	16,381.0	0.2%	18,424.9	0.2%	

ANNEX1, MTEF ALLOCATION OF NON SALARY, NON INTEREST RECURRENT EXPENDITURES FOR FY 2024 - 2028 BY THE BIG FIVE PRIORITIES
In thousands of Leones (NLé t)

BIG FIVE CLUSTERS	FY2023 Estimate	% of Total Non Int/Sal Recurr Exp	FY2024 Budget	% of Total Non Int/Sal Recurr Exp	FY2025 Indicative	% of Total Non Int/Sal Recurr Exp	FY2026 Indicative	% of Total Non Int/Sal Recurr Exp	FY2027 Indicative	% of Total Non Int/Sal Recurr Exp	FY2028 Indicative	% of Total Non Int/Sal Recurr Exp
Administrative and Operating Costs Promoting Local and International Tourism	2,100.0	0.0%	5,244.8	0.1%	6,570.4	0.1%	7,739.1	0.1%	8,860.6	0.1%	9,966.2	0.1%
	5,050.0	0.1%	4,451.5	0.1%	5,576.6	0.1%	6,568.5	0.1%	7,520.4	0.1%	8,458.7	0.1%
405 Ministry of Tourism and Cultural Affairs National Tourist Board o/w Development and Implementation of Tourism Marketing Strategy Monuments and Relics Commission National and Railway Museums	10,100.0	0.2%	11,429.5	0.2%	14,318.2	0.2%	16,865.1	0.2%	19,309.1	0.2%	21,718.5	0.2%
	5,400.0	0.1%	6,110.8	0.1%	7,655.3	0.1%	9,017.0	0.1%	10,323.7	0.1%	11,611.8	0.1%
	2,000.0	0.0%	2,263.3	0.0%	2,835.3	0.0%	3,339.6	0.0%	3,823.6	0.0%	4,300.7	0.0%
	3,000.0	0.1%	3,394.9	0.1%	4,252.9	0.1%	5,009.4	0.1%	5,735.4	0.1%	6,451.0	0.1%
	1,700.0	0.0%	1,923.8	0.0%	2,410.0	0.0%	2,838.7	0.0%	3,250.0	0.0%	3,655.6	0.0%
4.3 TRADE AND INDUSTRY	26,440.0	0.5%	36,920.5	0.6%	46,251.7	0.6%	54,478.7	0.6%	62,373.6	0.6%	70,156.5	0.6%
409 Ministry of Trade and Industry Administrative and Operating Costs Export Development Sierra Leone Standards Bureau Department of Co-operatives Support to Sierra Leone Produce Marketing Company Produce Monitoring and Marketing Board Sierra Leone Business Forum Coordination of Doing Business Reforms Unit Industrial Planning and Development Consumer Protection Agency	14,440.0	0.3%	18,840.8	0.3%	23,602.6	0.3%	27,801.0	0.3%	31,829.8	0.3%	35,801.5	0.3%
	3,000.0	0.1%	5,894.9	0.1%	7,384.8	0.1%	8,698.3	0.1%	9,958.9	0.1%	11,201.5	0.1%
	11,440.0	0.2%	12,945.9	0.2%	16,217.9	0.2%	19,102.6	0.2%	21,870.9	0.2%	24,599.9	0.2%
	4,300.0	0.1%	4,866.0	0.1%	6,095.9	0.1%	7,180.2	0.1%	8,220.7	0.1%	9,246.5	0.1%
	1,200.0	0.0%	1,358.0	0.0%	1,701.2	0.0%	2,003.8	0.0%	2,294.2	0.0%	2,580.4	0.0%
	1,000.0	0.0%	1,131.6	0.0%	1,417.6	0.0%	1,669.8	0.0%	1,911.8	0.0%	2,150.3	0.0%
	3,200.0	0.1%	3,621.2	0.1%	4,536.5	0.1%	5,343.4	0.1%	6,117.7	0.1%	6,881.1	0.1%
	290.0	0.0%	328.2	0.0%	411.1	0.0%	484.2	0.0%	554.4	0.0%	623.6	0.0%
	400.0	0.0%	452.7	0.0%	567.1	0.0%	667.9	0.0%	764.7	0.0%	860.1	0.0%
	250.0	0.0%	282.9	0.0%	354.4	0.0%	417.5	0.0%	477.9	0.0%	537.6	0.0%
	800.0	0.0%	905.3	0.0%	1,134.1	0.0%	1,335.8	0.0%	1,529.4	0.0%	1,720.3	0.0%
421 Small and Medium Enterprises Development Agency (SMEDA)	1,900.0	0.0%	2,150.1	0.0%	2,693.5	0.0%	3,172.6	0.0%	3,632.4	0.0%	4,085.6	0.0%
428 National Investment Board Administrative and Operating Costs Investment Promotion Sierra Leone Investment and Export Promotion Agency Corporate Affairs Commission Public Private Partnership Unit	10,100.0	0.2%	15,929.5	0.3%	19,955.5	0.3%	23,505.1	0.3%	26,911.4	0.3%	30,269.4	0.3%
	1,600.0	0.0%	3,810.6	0.1%	4,773.7	0.1%	5,622.8	0.1%	6,437.7	0.1%	7,241.0	0.1%
	8,500.0	0.2%	12,118.9	0.2%	15,181.8	0.2%	17,882.3	0.2%	20,473.8	0.2%	23,028.4	0.2%
	5,200.0	0.1%	5,884.5	0.1%	7,371.8	0.1%	8,683.0	0.1%	9,941.3	0.1%	11,181.8	0.1%
	1,800.0	0.0%	2,197.5	0.0%	2,752.8	0.0%	3,242.5	0.0%	3,712.4	0.0%	4,175.6	0.0%
	1,800.0	0.0%	4,036.9	0.1%	5,057.2	0.1%	5,956.8	0.1%	6,820.0	0.1%	7,671.0	0.1%
4.4 MADE IN SIERRA LEONE	3,200.0	0.1%	3,621.2	0.1%	4,536.5	0.1%	5,343.4	0.1%	6,117.7	0.1%	6,881.1	0.1%
419 Local Content Agency	3,200.0	0.1%	3,621.2	0.1%	4,536.5	0.1%	5,343.4	0.1%	6,117.7	0.1%	6,881.1	0.1%
4.5 MANAGING NATURAL RESOURCES	17,605.0	0.3%	43,229.0	0.7%	51,071.6	0.7%	59,534.7	0.7%	68,194.6	0.7%	76,945.8	0.7%
403 Ministry of Mines and Mineral Resources Administrative and Operating Costs Mines Division Review the legal framework for mines and minerals Support to the National Minerals Agency Support to Artisanal Miners and Small Scale Mining Entrepreneurs	5,020.0	0.1%	9,188.4	0.1%	11,510.7	0.2%	13,558.2	0.2%	15,523.0	0.2%	17,459.9	0.2%
	1,200.0	0.0%	3,358.0	0.1%	4,206.7	0.1%	4,954.9	0.1%	5,673.0	0.1%	6,380.8	0.1%
	3,820.0	0.1%	5,830.5	0.1%	7,304.1	0.1%	8,603.3	0.1%	9,850.0	0.1%	11,079.1	0.1%
	470.0	0.0%	539.5	0.0%	675.8	0.0%	796.1	0.0%	911.4	0.0%	1,025.1	0.0%
	2,400.0	0.0%	4,215.9	0.1%	5,281.5	0.1%	6,220.9	0.1%	7,122.4	0.1%	8,011.1	0.1%
	950.0	0.0%	1,075.1	0.0%	1,346.8	0.0%	1,586.3	0.0%	1,816.2	0.0%	2,042.8	0.0%
424 Sierra Leone Petroleum Directorate	12,585.0	0.2%	34,040.6	0.6%	39,560.9	0.5%	45,976.5	0.5%	52,671.6	0.5%	59,485.8	0.5%
REVAMPING THE PUBLIC SERVICE ARCHITECTURE AND GOVERNANCE	2,776,181.5	53.6%	3,193,667.8	51.8%	3,957,762.0	52.1%	4,632,594.8	52.2%	5,304,993.2	52.2%	5,974,860.6	52.1%
105 Ministry of Public Administration and Political Affairs Office of the Chief Minister 106 Office of Presidential Infrastructure Initiative 106 Directorate of Science, Technology and Innovation Ministry of Local Government and Rural Development Southern Province Eastern Province	3,400.0	0.1%	3,847.6	0.1%	4,820.0	0.1%	5,677.3	0.1%	6,500.1	0.1%	7,311.2	0.1%
	31,850.0	0.6%	27,518.4	0.4%	34,473.4	0.5%	40,605.4	0.5%	46,489.8	0.5%	52,290.7	0.5%
	1,200.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	3,500.0	0.1%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	6,505.0	0.1%	9,361.3	0.2%	11,727.3	0.2%	13,813.0	0.2%	15,815.0	0.2%	17,788.4	0.2%
	4,150.0	0.1%	4,630.5	0.1%	5,800.8	0.1%	6,832.6	0.1%	7,822.7	0.1%	8,798.9	0.1%
	4,300.0	0.1%	4,234.4	0.1%	5,304.6	0.1%	6,246.2	0.1%	7,153.6	0.1%	8,046.2	0.1%

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107 Northern Province	4,100.0	0.1%	0.1%	4,573.9	0.1%	0.1%	5,729.9	0.1%	0.1%	6,749.1	0.1%	0.1%	7,727.2	0.1%	0.1%	8,691.3	0.1%	0.1%
107 North West Province	3,600.0	0.1%	0.1%	4,008.1	0.1%	0.1%	5,021.1	0.1%	0.1%	5,914.2	0.1%	0.1%	6,771.3	0.1%	0.1%	7,616.2	0.1%	0.1%
108 Sierra Leone Small Arms Commission	2,000.0	0.0%	0.0%	3,763.3	0.1%	0.1%	4,714.4	0.1%	0.1%	5,591.4	0.1%	0.1%	6,357.7	0.1%	0.1%	7,151.0	0.1%	0.1%
109 Independent Commission for Peace and National Cohesion	3,500.0	0.1%	0.1%	8,960.7	0.1%	0.1%	11,225.5	0.1%	0.1%	13,222.2	0.1%	0.1%	15,138.3	0.1%	0.1%	17,027.2	0.1%	0.1%
110 Office of the Secretary to the President	137,929.0	2.7%	1.7%	103,580.0	2.7%	1.7%	129,758.7	1.7%	1.7%	152,839.5	1.7%	1.7%	174,988.6	1.7%	1.7%	196,823.3	1.7%	1.7%
110 National Assets and Government Property Commission	1,000.0	0.0%	0.0%	1,131.6	0.0%	0.0%	1,417.6	0.0%	0.0%	1,669.8	0.0%	0.0%	1,911.8	0.0%	0.0%	2,150.3	0.0%	0.0%
110 Public Sector Reform Unit (PSRU)	1,100.0	0.0%	0.0%	1,244.8	0.0%	0.0%	1,559.4	0.0%	0.0%	1,836.8	0.0%	0.0%	2,103.0	0.0%	0.0%	2,365.4	0.0%	0.0%
110 Anti-Corruption Commission	10,000.0	0.2%	0.2%	11,316.4	0.2%	0.2%	14,176.5	0.2%	0.2%	16,698.1	0.2%	0.2%	19,117.9	0.2%	0.2%	21,503.4	0.2%	0.2%
110 Office of the Ombudsman	2,500.0	0.0%	0.0%	2,829.1	0.0%	0.0%	3,544.1	0.0%	0.0%	4,174.5	0.0%	0.0%	4,779.5	0.0%	0.0%	5,375.9	0.0%	0.0%
110 Independent Media Commission	1,500.0	0.0%	0.0%	1,697.5	0.0%	0.0%	2,126.5	0.0%	0.0%	2,504.7	0.0%	0.0%	2,867.7	0.0%	0.0%	3,225.5	0.0%	0.0%
110 Political Parties Registration Commission	9,500.0	0.2%	0.2%	3,618.9	0.1%	0.1%	4,533.6	0.1%	0.1%	5,340.0	0.1%	0.1%	6,113.8	0.1%	0.1%	6,878.7	0.1%	0.1%
110 Law Reform Commission	1,000.0	0.0%	0.0%	1,131.6	0.0%	0.0%	1,417.6	0.0%	0.0%	1,669.8	0.0%	0.0%	1,911.8	0.0%	0.0%	2,150.3	0.0%	0.0%
110 Sierra Leone Insurance Commission	2,000.0	0.0%	0.0%	2,263.3	0.0%	0.0%	2,835.3	0.0%	0.0%	3,339.6	0.0%	0.0%	3,823.6	0.0%	0.0%	4,300.7	0.0%	0.0%
110 Local Government Service Commission	1,600.0	0.0%	0.0%	1,810.6	0.0%	0.0%	2,268.2	0.0%	0.0%	2,671.7	0.0%	0.0%	3,068.9	0.0%	0.0%	3,440.5	0.0%	0.0%
110 National Monitoring and Evaluation Department	4,000.0	0.1%	0.1%	4,526.5	0.1%	0.1%	5,670.6	0.1%	0.1%	6,679.2	0.1%	0.1%	7,647.2	0.1%	0.1%	8,601.4	0.1%	0.1%
110 Presidential Initiative for Climate Change, Renewable Energy and Food Security	7,000.0	0.1%	0.1%	12,000.0	0.2%	0.2%	15,032.9	0.2%	0.2%	17,706.8	0.2%	0.2%	20,272.9	0.2%	0.2%	22,802.5	0.2%	0.2%
112 Office of the Vice President	34,040.0	0.7%	0.6%	39,941.3	0.6%	0.6%	50,036.0	0.7%	0.7%	58,936.1	0.7%	0.7%	67,477.0	0.7%	0.7%	75,896.6	0.7%	0.7%
116 Parliament	46,000.0	0.9%	0.9%	54,002.2	0.9%	0.9%	67,650.6	0.9%	0.9%	79,684.0	0.9%	0.9%	91,231.6	0.9%	0.9%	102,615.3	0.9%	0.9%
117 Cabinet Secretariat	3,700.0	0.1%	0.1%	4,268.8	0.1%	0.1%	5,287.8	0.1%	0.1%	6,228.4	0.1%	0.1%	7,131.0	0.1%	0.1%	8,020.8	0.1%	0.1%
118 The Judiciary	18,000.0	0.3%	0.3%	18,869.5	0.3%	0.3%	23,638.5	0.3%	0.3%	27,843.2	0.3%	0.3%	31,878.2	0.3%	0.3%	35,855.8	0.3%	0.3%
121 Audit Service Sierra Leone	14,500.0	0.3%	0.3%	17,145.5	0.3%	0.3%	21,478.8	0.3%	0.3%	25,299.3	0.3%	0.3%	28,966.6	0.3%	0.3%	32,579.9	0.3%	0.3%
122 Human Resource Management Office	4,500.0	0.1%	0.1%	5,082.4	0.1%	0.1%	6,379.4	0.1%	0.1%	7,514.1	0.1%	0.1%	8,603.1	0.1%	0.1%	9,676.5	0.1%	0.1%
123 Public Service Commission	3,500.0	0.1%	0.1%	3,960.7	0.1%	0.1%	4,961.8	0.1%	0.1%	5,844.3	0.1%	0.1%	6,691.3	0.1%	0.1%	7,526.2	0.1%	0.1%
124 Law Officers' Department	27,500.0	0.5%	0.5%	32,720.0	0.5%	0.5%	40,989.6	0.5%	0.5%	48,280.6	0.5%	0.5%	55,277.4	0.5%	0.5%	62,174.7	0.5%	0.5%
125 Local Courts	6,000.0	0.0%	0.0%	979.0	0.0%	0.0%	1,226.4	0.0%	0.0%	1,444.6	0.0%	0.0%	1,653.9	0.0%	0.0%	1,860.3	0.0%	0.0%
126 Independent Police Complaints Board	1,400.0	0.0%	0.0%	1,584.3	0.0%	0.0%	1,984.7	0.0%	0.0%	2,337.7	0.0%	0.0%	2,676.5	0.0%	0.0%	3,010.5	0.0%	0.0%
127 Ministry of Planning and Economic Development	129,495.0	2.5%	2.5%	15,503.4	0.3%	0.3%	19,421.7	0.3%	0.3%	22,876.4	0.3%	0.3%	26,191.6	0.3%	0.3%	29,459.7	0.3%	0.3%
128 Ministry of Foreign Affairs & International Co-operation	16,200.0	0.3%	0.3%	20,672.9	0.3%	0.3%	25,872.3	0.3%	0.3%	30,537.0	0.3%	0.3%	34,924.2	0.3%	0.3%	39,219.8	0.3%	0.3%
129 Ministry of Finance	170,801.8	3.3%	3.3%	606,137.3	9.8%	9.8%	760,305.7	10.0%	10.0%	895,544.9	10.1%	10.1%	1,025,325.0	10.1%	10.1%	1,153,262.8	10.1%	10.1%
130 National Revenue Authority	254,728.0	4.9%	4.9%	338,384.6	4.9%	4.9%	393,260.6	5.2%	5.2%	457,035.8	5.1%	5.1%	523,588.6	5.1%	5.1%	591,326.9	5.2%	5.2%
131 Revenue Appellate Board	1,000.0	0.0%	0.0%	1,131.6	0.0%	0.0%	1,417.6	0.0%	0.0%	1,669.8	0.0%	0.0%	1,911.8	0.0%	0.0%	2,150.3	0.0%	0.0%
132 Accountant-General's Department	30,000.0	0.6%	0.6%	39,849.1	0.6%	0.6%	49,820.5	0.7%	0.7%	58,800.1	0.7%	0.7%	67,321.3	0.7%	0.7%	75,721.5	0.7%	0.7%
133 Ministry of Information and Communication	7,400.0	0.1%	0.1%	9,808.3	0.2%	0.2%	12,287.2	0.2%	0.2%	14,772.8	0.2%	0.2%	16,570.2	0.2%	0.2%	18,637.8	0.2%	0.2%
134 Electoral Commission Sierra Leone	395,000.0	7.6%	7.6%	15,000.0	0.2%	0.2%	32,432.6	0.4%	0.4%	37,692.2	0.4%	0.4%	43,180.8	0.4%	0.4%	48,767.3	0.4%	0.4%
137 National Commission For Democracy	3,400.0	0.1%	0.1%	2,847.6	0.0%	0.0%	3,567.3	0.0%	0.0%	4,201.8	0.0%	0.0%	4,810.7	0.0%	0.0%	5,411.0	0.0%	0.0%
138 Statistics - Sierra Leone	7,000.0	0.1%	0.1%	7,921.5	0.1%	0.1%	9,923.5	0.1%	0.1%	11,688.7	0.1%	0.1%	13,382.5	0.1%	0.1%	15,052.4	0.1%	0.1%
139 National Commission for Privatisation	2,300.0	0.0%	0.0%	2,602.8	0.0%	0.0%	3,260.6	0.0%	0.0%	3,840.6	0.0%	0.0%	4,397.1	0.0%	0.0%	4,945.8	0.0%	0.0%
140 Mass Media Services	4,000.0	0.1%	0.1%	4,526.5	0.1%	0.1%	5,670.6	0.1%	0.1%	6,679.2	0.1%	0.1%	7,647.2	0.1%	0.1%	8,601.4	0.1%	0.1%
141 Government Printing Department	3,600.0	0.1%	0.1%	4,073.9	0.1%	0.1%	5,103.5	0.1%	0.1%	6,011.3	0.1%	0.1%	6,882.5	0.1%	0.1%	7,741.2	0.1%	0.1%
142 National Public Procurement Authority	5,800.0	0.1%	0.1%	6,563.5	0.1%	0.1%	8,222.3	0.1%	0.1%	9,684.9	0.1%	0.1%	11,088.4	0.1%	0.1%	12,472.0	0.1%	0.1%
143 Justice and Legal Service Commission	5,000.0	0.0%	0.0%	965.8	0.0%	0.0%	1,203.9	0.0%	0.0%	1,425.1	0.0%	0.0%	1,631.7	0.0%	0.0%	1,835.3	0.0%	0.0%
144 National Commission for Human Rights	4,500.0	0.1%	0.1%	3,894.9	0.1%	0.1%	4,879.3	0.1%	0.1%	5,747.2	0.1%	0.1%	6,560.1	0.1%	0.1%	7,401.1	0.1%	0.1%
145 Rights to Access Information Commission	2,500.0	0.0%	0.0%	3,829.1	0.1%	0.1%	4,796.9	0.1%	0.1%	5,650.1	0.1%	0.1%	6,468.9	0.1%	0.1%	7,276.1	0.1%	0.1%
146 Ministry of Western Region	2,000.0	0.0%	0.0%	2,763.3	0.0%	0.0%	3,461.7	0.0%	0.0%	4,077.4	0.0%	0.0%	4,688.3	0.0%	0.0%	5,250.8	0.0%	0.0%
201 Ministry of Defence	262,600.0	5.1%	4.3%	266,535.3	4.3%	4.3%	333,899.1	4.4%	4.4%	393,291.4	4.4%	4.4%	450,286.2	4.4%	4.4%	506,471.9	4.4%	4.4%

ANNEX1. MTEF ALLOCATION OF NON SALARY, NON INTEREST RECURRENT EXPENDITURES FOR FY 2024 - 2028 BY THE BIG FIVE PRIORITIES
In thousands of Leones (NL'e t)

	BIG FIVE CLUSTERS											
	FY2023 Estimate	% of Total Non Int/Sal Recurr Exp	FY2024 Budget	% of Total Non Int/Sal Recurr Exp	FY2025 Indicative	% of Total Non Int/Sal Recurr Exp	FY2026 Indicative	% of Total Non Int/Sal Recurr Exp	FY2027 Indicative	% of Total Non Int/Sal Recurr Exp	FY2028 Indicative	% of Total Non Int/Sal Recurr Exp
203 National Civil Registration Authority	6,200.0	0.1%	5,884.5	0.1%	7,371.8	0.1%	8,683.0	0.1%	9,941.3	0.1%	11,181.8	0.1%
205 Ministry of Internal Affairs	4,100.0	0.1%	4,639.7	0.1%	5,812.3	0.1%	6,846.2	0.1%	7,838.4	0.1%	8,816.4	0.1%
206 Sierra Leone Police	313,960.0	6.1%	307,806.4	5.0%	385,601.1	5.1%	454,189.7	5.1%	520,009.8	5.1%	584,985.4	5.1%
207 Sierra Leone Correctional Services	126,150.0	2.4%	152,983.6	2.5%	191,648.5	2.5%	225,737.9	2.5%	258,451.3	2.5%	290,700.2	2.5%
208 National Fire Authority	13,400.0	0.3%	12,808.3	0.2%	16,045.4	0.2%	18,899.5	0.2%	21,638.4	0.2%	24,338.4	0.2%
209 Central Intelligence & Security Unit	13,000.0	0.3%	12,211.3	0.2%	14,383.4	0.2%	16,941.8	0.2%	19,396.9	0.2%	21,817.3	0.2%
210 Office of National Security	48,000.0	0.9%	10,474.5	0.2%	13,121.9	0.2%	15,455.9	0.2%	17,695.8	0.2%	19,903.8	0.2%
211 Immigration Department	7,900.0	0.2%	8,939.9	0.1%	11,199.4	0.1%	13,191.5	0.1%	15,103.2	0.1%	16,987.7	0.1%
212 National Drugs Law Enforcement Agency	950.0	0.0%	1,075.1	0.0%	1,346.8	0.0%	1,586.3	0.0%	1,816.2	0.0%	2,042.8	0.0%
213 National Disaster Management Agency	15,000.0	0.3%	16,974.5	0.3%	21,264.7	0.3%	25,047.1	0.3%	28,676.9	0.3%	32,255.1	0.3%
214 National Cybersecurity Coordination Centre	1,000.0	0.0%	3,631.6	0.1%	4,549.5	0.1%	5,358.7	0.1%	6,135.3	0.1%	6,900.9	0.1%
412 National Telecommunications Authority (NatCA)	275,595.0	5.3%	365,107.4	5.9%	449,317.0	5.9%	522,182.9	5.9%	598,222.2	5.9%	675,616.2	5.9%
416 Civil Aviation Authority	57,406.0	1.1%	76,315.7	1.2%	103,691.8	1.4%	120,507.5	1.4%	138,055.6	1.4%	155,916.3	1.4%
423 Sierra Leone Petroleum Regulation Agency	21,136.7	0.4%	39,638.4	0.6%	46,066.6	0.6%	53,537.3	0.6%	61,353.3	0.6%	69,268.1	0.6%
615 GoSL Cargo Tracking/SLPA	156,829.0	3.0%	212,920.9	3.5%	246,647.4	3.2%	277,946.1	3.1%	318,420.2	3.1%	359,615.2	3.1%
701 Devolved Function - Sensitisation on Fire Prevention Services	1,569.0	0.0%	3,508.3	0.1%	4,077.2	0.1%	4,738.4	0.1%	5,428.4	0.1%	6,130.7	0.1%
701 Local Government Administration Grants	10,187.0	0.2%	23,072.2	0.4%	26,812.8	0.4%	31,160.1	0.4%	35,697.6	0.4%	40,315.9	0.4%
CLUSTER 6	1,444,543.4	27.9%	1,754,919.1	28.4%	2,093,414.0	27.6%	2,435,553.3	27.4%	2,790,075.0	27.4%	3,149,990.4	27.5%
INFRASTRUCTURE AND ECONOMIC COMPETITIVENESS												
6.1 IMPROVING SUPPLY OF ENERGY	1,116,983.4	21.5%	1,351,224.3	21.9%	1,570,916.5	20.7%	1,825,795.1	20.6%	2,091,657.8	20.6%	2,362,213.9	20.6%
406 Ministry of Energy	1,115,783.4	21.5%	1,349,866.3	21.9%	1,569,215.4	20.7%	1,823,791.4	20.5%	2,089,363.6	20.5%	2,359,633.5	20.6%
413 Sierra Leone Electricity and Water Regulatory Commission	1,200.0	0.0%	1,358.0	0.0%	1,701.2	0.0%	2,003.8	0.0%	2,294.2	0.0%	2,580.4	0.0%
6.2 ADVANCING NATIONAL TRANSPORT SYSTEM	104,792.0	2.0%	158,261.6	2.6%	211,315.6	2.8%	247,189.8	2.8%	283,100.8	2.8%	319,093.0	2.8%
404 Ministry of Transport and Aviation	50,000.0	1.0%	81,581.8	1.3%	102,200.7	1.3%	120,379.7	1.4%	137,824.8	1.4%	155,022.2	1.4%
425 Sierra Leone Road Safety Authority	54,792.0	1.1%	76,679.7	1.2%	109,114.9	1.4%	126,810.1	1.4%	145,276.0	1.4%	164,070.8	1.4%
6.3 IMPROVING ROADS NETWORK SYSTEM	218,768.0	4.2%	236,472.6	3.8%	299,956.4	4.0%	349,346.3	3.9%	400,178.3	3.9%	451,556.3	3.9%
408 Ministry of Works and Public Assets	20,830.0	0.4%	37,913.8	0.6%	47,496.1	0.6%	55,944.5	0.6%	64,051.8	0.6%	72,044.0	0.6%
411 Road Maintenance Fund	197,938.0	3.8%	198,558.8	3.2%	252,460.3	3.3%	293,401.8	3.3%	336,126.5	3.3%	379,612.3	3.3%
6.4 IMPROVING COMMUNICATION AND TECHNOLOGY	4,000.0	0.1%	8,960.7	0.1%	11,225.4	0.1%	13,222.1	0.1%	15,138.3	0.1%	17,027.2	0.1%
135 Ministry of Communication, Technology and Innovation	4,000.0	0.1%	8,960.7	0.1%	11,225.4	0.1%	13,222.1	0.1%	15,138.3	0.1%	17,027.2	0.1%
CLUSTER 7	21,905.0	0.4%	24,375.4	0.4%	29,681.2	0.4%	34,768.5	0.4%	39,838.9	0.4%	44,877.0	0.4%
ADDRESSING WOMEN AND CHILDREN												
7.1 WOMEN ISSUES	15,205.0	0.3%	17,546.6	0.3%	21,529.8	0.3%	25,268.4	0.3%	28,934.9	0.3%	32,560.8	0.3%
305 Ministry of Social Welfare	7,800.0	0.2%	8,826.8	0.1%	11,057.6	0.1%	13,024.5	0.1%	14,912.0	0.1%	16,772.7	0.1%
319 Ministry of Gender and Children's Affairs	3,300.0	0.1%	3,734.4	0.1%	4,678.2	0.1%	5,510.4	0.1%	6,308.9	0.1%	7,096.1	0.1%
701 Devolved Function - Social Welfare	4,105.0	0.1%	4,985.4	0.1%	5,793.9	0.1%	6,733.5	0.1%	7,714.0	0.1%	8,712.0	0.1%
7.2 CHILDREN ISSUES	6,700.0	0.1%	6,828.8	0.1%	8,151.4	0.1%	9,520.1	0.1%	10,903.9	0.1%	12,296.1	0.1%
319 National Children's Commission	2,100.0	0.0%	2,376.4	0.0%	2,977.1	0.0%	3,506.6	0.0%	4,014.8	0.0%	4,515.7	0.0%

ANNEX1. MTEF ALLOCATION OF NON SALARY, NON INTEREST RECURRENT EXPENDITURES FOR FY 2024 - 2028 BY THE BIG FIVE PRIORITIES
In thousands of Leones (NLLe't)

BIG FIVE CLUSTERS		FY2023 Estimate	% of Total Non Int/Sal Recurr Exp	FY2024 Budget	% of Total Non Int/Sal Recurr Exp	FY2025 Indicative	% of Total Non Int/Sal Recurr Exp	FY2026 Indicative	% of Total Non Int/Sal Recurr Exp	FY2027 Indicative	% of Total Non Int/Sal Recurr Exp	FY2028 Indicative	% of Total Non Int/Sal Recurr Exp
CLUSTER 8	701 Devolved Function - Children's Affairs Services	4,600.0	0.1%	4,452.3	0.1%	5,174.3	0.1%	6,013.5	0.1%	6,889.1	0.1%	7,780.4	0.1%
	ENVIRONMENT, CLIMATE CHANGE AND DISASTER MANAGEMENT	52,865.0	1.0%	79,039.5	1.3%	118,401.7	1.6%	137,938.4	1.6%	158,007.1	1.6%	178,316.6	1.6%
	318 Ministry of Environment and Climate Change	4,150.0	0.1%	9,696.3	0.2%	12,146.9	0.2%	14,307.6	0.2%	16,381.0	0.2%	18,424.9	0.2%
	417 Nuclear Safety and Radiation Protection Authority	4,500.0	0.1%	5,092.4	0.1%	6,379.4	0.1%	7,514.1	0.1%	8,603.1	0.1%	9,676.5	0.1%
	420 Sierra Leone Environment Protection Agency	42,215.0	0.8%	61,987.5	1.0%	97,040.1	1.3%	112,777.1	1.3%	129,199.5	1.3%	145,914.4	1.3%
CLUSTER 9	422 Sierra Leone Meteorological Agency	2,000.0	0.0%	2,263.3	0.0%	2,835.3	0.0%	3,339.6	0.0%	3,823.6	0.0%	4,300.7	0.0%
	OTHERS	68,467.0	1.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
	610 Contingency Fund	68,467.0	1.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GRAND TOTAL		5,184,052.0	100.0%	6,168,585.3	100.0%	7,591,608.8	100.0%	8,882,199.9	100.0%	10,172,485.1	100.0%	11,465,069.2	100.0%

ANNEX 2: SIERRA LEONE PUBLIC INVESTMENT PROGRAMME BY THE BIG FIVE PRIORITIES
In thousands of Leones

MDA Code	2023 Estimate	FY 2024 Budget	FY 2025 Indicative	FY 2026 Indicative	FY 2027 Indicative	FY 2028 Indicative
	Domestic	Domestic	Domestic	Domestic	Domestic	Domestic
	% of Total Cap Exp	% of Total Cap Exp	% of Total Cap Exp	% of Total Cap Exp	% of Total Cap Exp	% of Total Cap Exp
BIG FIVE CLUSTERS /Ministry, Department and Agency (MDAs)						
GRAND TOTAL	2,065,613	2,263,109	2,806,485	2,972,886	3,585,612	3,685,036
Cluster One: Feed Salone						
401 Ministry of Agriculture and Food Security	80,200	878,127	1,088,968	1,153,534	1,391,283	1,429,861
1 Smallholder Commercialisation and Agribusiness Development Project (SCADeP)	70,200	865,230	1,072,973	1,136,592	1,370,849	1,408,860
	950	1,225	1,519	1,610	1,941	1,995
2 Palm Oil Production Project in Sierra Leone in the Framework of Capacity Building (POPSLCB)	1,850	22,366	27,761	29,407	35,468	36,451
3 Rural Finance and Community Improvement Project Phase 11	950	21,225	26,321	27,882	33,629	34,561
4 Agriculture Value Chain Development	950	16,225	20,121	21,314	25,707	26,420
5 Regional Rice Value Chain Development	950	6,225	7,720	8,178	9,863	10,137
6 Sierra Leone Agribusiness and Rice Value Chain Support	950	1,225	1,519	1,610	1,941	1,995
7 Support to Chiefdom Youth Farms	3,600	119,332	147,984	156,758	189,067	194,309
8 Livestock Development Project	-	-	-	-	-	-
9 Tree Crops Development Project	-	-	-	-	-	-
10 Onion Production Project	-	-	-	-	-	-
11 Capacity Building and Support to Agricultural Development	5,000	6,449	7,987	8,471	10,217	10,501
12 Input System: E-Vouchers for Rice Production (Seeds, Fertilizers and Tractor Services)	55,000	670,837	832,030	881,362	1,063,015	1,092,491
402 Ministry of Fisheries and Marine Resources (MoFMR)	10,000	12,898	15,994	16,943	20,435	21,001
1 Construction of Fish Harbour	-	-	-	-	-	-
2 Rehabilitation and Development of Fishing Infrastructure	5,000	6,449	7,987	8,471	10,217	10,501
3 Support to Artisanal Fisheries	-	-	-	-	-	-
4 Support to Women in Fishery	-	-	-	-	-	-
5 Strengthening Inland Fisheries and Aquaculture Production	-	-	-	-	-	-
6 Fish Stock Assessment, Policy and Management Planning	-	-	-	-	-	-
7 Financing Monitoring Control and Surveillance Systems	5,000	6,449	7,987	8,471	10,217	10,501
8 Improving Quality Safety Standards for Fishery Products	-	-	-	-	-	-
9 Institutional Capacity Building	-	-	-	-	-	-
Cluster Two: Human Capital Development						
301 Ministry of Basic and Secondary Education (MoBSE)	638,688	742,406	920,659	975,246	1,176,248	1,208,864
1 Focused Resources on Equity and Excellence (FREE)	486,688	552,786	685,510	726,155	875,520	900,105
2 Free Quality School Education Programme	2,800	3,620	4,568	4,829	5,822	6,000
3 Free Quality School Education Programme	468,018	528,732	655,681	694,557	837,709	860,937
4 School Fee Subsidies	14,658	18,905	23,444	24,834	29,953	30,783
5 School Feeding Programme	92,880	119,767	148,523	157,329	189,756	195,017
6 Examination Fees for WASSCE	299,000	310,740	385,349	408,197	492,328	505,980
7 Diet for Boarding Home Schools	48,400	62,424	77,412	82,002	98,903	101,646
8 Capacity Building for Junior and Senior Secondary Schools	13,100	16,896	20,953	22,195	26,769	27,512
9 Welfare and Hygiene Packages for School Going Girls	3,000	3,869	4,798	5,083	6,130	6,300
300 Ministry of Tertiary and Higher Education (MoTHE)	10,000	12,898	15,994	16,943	20,435	21,001
1 Education Sector Project (Bunumbu and Milton Margai)	42,200	54,428	67,496	71,498	86,234	88,625
2 Construction of University of Science and Technology (UST) in Kono	3,700	4,772	5,918	6,269	7,561	7,770
3 Clearance of Grants-In-Aid Arrears to Tertiary Institutions	8,500	10,963	13,595	14,401	17,369	17,851
11 Feasibility Study for the Construction of 6 Teacher Training Colleges	30,000	38,693	47,983	50,828	61,304	63,004
304 Ministry of Health and Sanitation (MoHS)	-	-	-	-	-	-
1 Global Fund ATM (HIV/AIDS/Tuberculosis/Malaria)	88,620	114,298	141,741	150,146	181,091	186,113
2 Strengthening COVID-19 Response and Essential Health Services Programme	4,435	5,720	7,093	7,514	9,063	9,314
3 Primary Health Care Support Project	-	-	-	-	-	-
4 Reducing Maternal, Neonatal and Child Mortality and Morbidity in Sierra Leone	-	-	-	-	-	-
5 Strengthening Three (3) Tertiary Hospitals in Freetown	-	-	-	-	-	-
6 GAVI Health System Strengthening Support Project	2,500	3,224	3,999	4,236	5,109	5,250
7 Regional Disease Surveillance System Enhancement Project	3,000	3,869	4,798	5,083	6,130	6,300
8 Sector Wide Health Systems Strengthening Project	4,000	5,159	6,398	6,777	8,174	8,400
9 Health Systems Strengthening Project (Save the Mother to Child Project)	40,000	51,590	63,977	67,771	81,738	84,005
10 Construction of National Warehouse at Kerry Town	14,470	18,663	23,144	24,516	29,569	30,389
11 Construction of Cancer and Diagnostic Medical Centre	2,000	2,580	3,199	3,389	4,087	4,200
12 Establishment of National Public Health Agency	215	277	344	364	439	452
13 Procurement of Reproductive Health Commodities	18,000	23,216	28,790	30,497	36,782	37,802
16 Support to National Emergency Medical Services (NEMS) - Ambulance Services	21,000	26,636	33,591	35,497	43,295	44,801
308 National Commission for Social Action (NaCSA)	5,000	6,449	7,987	8,471	10,217	10,501
1 Sierra Leone Community Driven Development Project (SLCDD) 2	8,000	8,869	10,994	11,554	13,948	14,301
2 Sierra Leone Social Safety Net Project	8,000	10,318	12,795	13,554	16,348	16,801
3 Rehabilitation/Construction of Community Facilities (incl. Court Barrays)	-	-	-	-	-	-

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3	Rural Electrification Project - CLSG (Serving Communities along the Transmission Line)	Ongoing	24,000	30,954	1%	38,386	1%	40,662	1%	49,043	1%	50,403	1%
4	Rehabilitation and Extension of Bo-Kenema Distribution System	Ongoing	100,261	2,580	0%	3,199	0%	3,389	0%	4,087	0%	4,200	0%
5	Supply and Installation of 22KV Double Circuit Transmission Line from Bumbuna II to Waterbo	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
6	Electrification of 7 (Seven) District Towns	Ongoing	63,600	58,813	3%	72,934	3%	77,258	3%	93,182	3%	95,765	3%
7	Installation of Solar Street Lights	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
414	Ministry of Water Resources (MoWR)	Ongoing	26,000	33,534	1%	41,585	1%	44,051	1%	53,130	1%	54,603	1%
1	Lungi Water Supply Project	Ongoing	26,000	33,534	1%	41,585	1%	44,051	1%	53,130	1%	54,603	1%
414	Sierra Leone Water Company (SALWACO)	Ongoing	79,500	76,741	3%	95,166	3%	100,809	3%	121,586	3%	124,957	3%
1	Three (3) Towns - Bo, Kenema and Makeni - Water Supply System Project Phase II	Ongoing	2,000	2,980	0%	3,199	0%	3,389	0%	4,087	0%	4,200	0%
2	Rural Water Supply and Sanitation Project	Ongoing	500	645	0%	800	0%	847	0%	1,022	0%	1,050	0%
3	Construction of 100 Solar Powered Boreholes	Ongoing	4,000	5,759	0%	6,388	0%	6,777	0%	8,174	0%	8,400	0%
4	Four (4) Towns Water Supply Project (Morgon, Matru, Njala and Daru)	Ongoing	2,000	2,980	0%	3,199	0%	3,389	0%	4,087	0%	4,200	0%
5	Construction of 45 Industrial Boreholes (Urban Water Supply)	Ongoing	60,000	71,000	2%	79,977	2%	84,711	2%	102,170	2%	105,010	2%
6	Completion of Water Supply System in Bonthe Municipal	Ongoing	5,000	6,449	0%	7,997	0%	8,471	0%	10,217	0%	10,501	0%
7	Construction of Water Supply System in Bonthe Municipal	Ongoing	11,500	14,832	1%	18,393	1%	19,484	1%	23,500	1%	24,151	1%
414	Guma Valley Water Company (GVWC)	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
1	Freestown WASH and Aquatic Revamping Project	Ongoing	1,000	-	0%	-	0%	-	0%	-	0%	-	0%
2	Freestown Water Supply Rehabilitation Project	Ongoing	1,000	-	0%	-	0%	-	0%	-	0%	-	0%
3	Water Sector Reform Project	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
4	Freestown Emergency Recovery Project	Ongoing	500	645	0%	800	0%	847	0%	1,022	0%	1,050	0%
5	Freestown Water Supply and Sanitation Master Plan	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
6	Extension of the Distribution Pipe Network by 20 kilometres	Ongoing	5,000	6,449	0%	7,997	0%	8,471	0%	10,217	0%	10,501	0%
7	Emergency Water Supply Project in Western Area	Ongoing	4,000	5,759	0%	6,388	0%	6,777	0%	8,174	0%	8,400	0%
8	Restoring Water Supply at IMAT and Hill Station Communities	Ongoing	96,000	123,817	5%	153,545	5%	162,649	5%	196,172	5%	201,612	5%
404	Ministry of Transport and Aviation (MoTA)	Ongoing	4,000	5,759	0%	6,388	0%	6,777	0%	8,174	0%	8,400	0%
1	Integrated and Resilient Urban Mobility Project (IRUMP)	Ongoing	4,000	5,759	0%	6,388	0%	6,777	0%	8,174	0%	8,400	0%
2	Procurement of Vehicles for Other Government Functionaries (Judiciary, ECSL, PPRC, Ministers and Deputies etc.)	New	28,000	36,113	2%	44,784	2%	47,439	2%	57,217	2%	58,803	2%
3	Strengthening Chieftom Governance	Ongoing	68,000	87,703	4%	103,761	4%	115,210	4%	138,955	4%	142,808	4%
408	Ministry of Works and Public Assets (MoWPA)	Ongoing	45,000	9,028	0%	11,196	0%	11,860	0%	14,304	0%	14,701	0%
1	Rehabilitation of Existing Residential Lodge	Ongoing	2,000	2,580	0%	3,199	0%	3,389	0%	4,087	0%	4,200	0%
2	Rehabilitation of Government Administrative Buildings	Ongoing	40,000	2,580	0%	3,199	0%	3,389	0%	4,087	0%	4,200	0%
3	Rehabilitation of Government Residential Buildings	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
4	Construction of Public Buildings (Court House, Police Station, etc.)	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
5	Construction of Districts Magistrate and High Courts Buildings	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
408	Sierra Leone Roads Authority (SLRA)	Ongoing	751,249	105,172	5%	130,424	5%	138,157	5%	166,632	5%	171,252	5%
1	Reconstruction of Bandajuma-Puehun Road	Ongoing	20,000	25,795	1%	31,989	1%	33,885	1%	40,869	1%	42,002	1%
2	Reconstruction of Pendembu - Kallahun Road	Ongoing	5,000	6,449	0%	7,997	0%	8,471	0%	10,217	0%	10,501	0%
3	Reconstruction of Bandajuma - MRU Bridge	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
4	Reconstruction of Moyamba - Moyamba Junction and the 3 Bridges in Magbele, Mabang and Kpangbama	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
5	Completion of Hill Side By Pass Road Phase II	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
6	Completion of Tokoh-Lumey (Fertissal) Road	Ongoing	4,000	5,759	0%	6,388	0%	6,777	0%	8,174	0%	8,400	0%
7	Rehabilitation of Lungkwang (University) Regent Road Project	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
8	Rehabilitation of Lungkwang (University) Regent Road	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
9	Reconstruction of Kpalema - Matru Jong	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
10	Completion of Bo - Tikonko Road	Ongoing	2,000	2,580	0%	3,199	0%	3,389	0%	4,087	0%	4,200	0%
11	Completion of Targrin - Lungi - Conakry Dee Road	Ongoing	9,000	11,608	1%	14,395	1%	15,248	1%	18,391	1%	18,901	1%
12	Completion of Bandajuma-Puehun-Gbondappi	Ongoing	21,000	30,366	1%	37,657	1%	39,890	1%	48,111	1%	49,445	1%
13	Spots Improvement and Regravelling of Trunk Roads	Ongoing	627,249	6,449	0%	7,997	0%	8,471	0%	10,217	0%	10,501	0%
14	Completion of Township Roads	Ongoing	5,000	6,449	0%	7,997	0%	8,471	0%	10,217	0%	10,501	0%
15	Reconstruction of Major Culverts (Mile 1 in Kabala, Kabala Krubula Road and Balima Songa Culvert)	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
16	Construction of 400m Embankment and 40m bridge and 2 No Relief Box Culverts along Molakka-Gbondoma Stretch in Bonthe Island	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
17	Rehabilitation and Reconstruction of Kenema - Zemmi Road	Ongoing	5,000	6,449	0%	7,997	0%	8,471	0%	10,217	0%	10,501	0%
21	Moyamba - Sembahun - Shenge Road	Ongoing	25,000	-	0%	-	0%	-	0%	-	0%	-	0%
23	Kambia - Madina - Kurkuna - Korta - Guinea Border Roads	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
Cluster Six: Empowering Women, Children, and Persons with Disability													
319	Ministry of Gender and Children Affairs	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
1	Women's Economic Empowerment Fund	Ongoing	1,000	1,290	0%	1,599	0%	1,694	0%	2,043	0%	2,100	0%
Cluster Seven: Environment, Climate Change and Disaster Management													
318	Ministry of Environment	Ongoing	12,000	15,477	1%	19,193	1%	20,331	1%	24,521	1%	25,201	1%
1	Institutional Capacity Building	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
2	Rehabilitation and Alternative Livelihood for Degraded Communities	Ongoing	-	-	0%	-	0%	-	0%	-	0%	-	0%
318	Ministry of Environment (Forestry Division)	Ongoing	12,000	15,477	1%	19,193	1%	20,331	1%	24,521	1%	25,201	1%
1	National Tree Planting	Ongoing	12,000	15,477	1%	19,193	1%	20,331	1%	24,521	1%	25,201	1%
Cluster Eight: Means of Implementation													
53,763			53,763	69,480	3%	86,162	3%	91,271	3%	110,082	3%	113,134	3%

127	Ministry of Planning and Economic Development (MoPED)		3,000	3,777	0%	4,961	0%	5,984	0%	6,149	0%
1	Strengthening District and National Level Planning	Ongoing	-	-	0%	-	0%	-	0%	-	0%
2	Project Preparatory Facility (PPF)	Ongoing	500	645	0%	847	0%	1,022	0%	1,050	0%
3	Strengthening District Development Coordination	Ongoing	500	645	0%	847	0%	1,022	0%	1,050	0%
4	Preparatory Work for the Successor to the Medium Term National Development Plan	Ongoing	500	645	0%	847	0%	1,022	0%	1,050	0%
5	Development of Web-based Project Mapping and Information System for the Public Investment Programme (PIP) and NGO Activities	Ongoing	500	645	0%	847	0%	1,022	0%	1,050	0%
6	Support to the Establishment of a National Induced Resettlement Secretariat	Ongoing	500	645	0%	847	0%	1,022	0%	1,050	0%
7	Piloting and Integrating the WAN Fambul National Framework in the Implementation of the MTNDP	Ongoing	500	552	0%	725	0%	875	0%	899	0%
138	Statistics Sierra Leone (Stat SL)		1,500	1,935	0%	2,541	0%	3,065	0%	3,150	0%
1	Surveys	Ongoing	1,500	1,935	0%	2,541	0%	3,065	0%	3,150	0%
2	Mid-Term Population and Housing Census	Ongoing	-	-	0%	-	0%	-	0%	-	0%
129	Ministry of Finance (MoF)		11,900	15,346	1%	20,162	1%	24,317	1%	24,991	1%
1	Sierra Leone Economic Diversification Project	Ongoing	200	258	0%	339	0%	409	0%	420	0%
2	Support to Public Financial Management Unit (PFMU)	Ongoing	6,000	7,739	0%	10,166	0%	12,261	0%	12,601	0%
3	Support to Public Financial Resilient Project	Ongoing	200	258	0%	339	0%	409	0%	420	0%
4	Sierra Leone Urban Resilient Project	Ongoing	1,800	2,322	0%	3,050	0%	3,678	0%	3,780	0%
5	Accountable Governance for Basic Service Delivery	Ongoing	3,700	4,772	0%	6,269	0%	7,561	0%	7,770	0%
6	Support to Medium Term Expenditure Framework (MTEF)	Ongoing	37,363	48,420	2%	63,606	2%	76,716	2%	78,843	2%
701	Transfers to Local Councils		5,000	6,449	0%	8,471	0%	10,217	0%	10,501	0%
1	Local Government Development Grants	Ongoing	11,200	14,445	1%	18,976	1%	22,887	1%	23,521	1%
2	Examination Fees for NPSE	Ongoing	21,163	27,526	1%	36,159	1%	43,612	1%	44,821	1%
3	Examination Fees for BECE	Ongoing									
GRAND TOTAL			2,065,613	2,263,109	100%	2,972,886	100%	3,565,612	100%	3,685,036	100%

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