FY2020
SUPPLEMENTARY BUDGET
The emergence of the COVID-19 pandemic has put the world economy into distress. The sudden outbreak of COVID-19 hit when the Sierra Leone budget was barely a month into implementation. The government’s inability to spend and the lockdown measures have negatively impacted on the country’s economy. Critical sectors such as trade, mining, manufacturing, transportation, agriculture, and tourism are experiencing the largest decline due to the lockdown and less foreign direct investment.

Considering the Sierra Leone economy’s fragility due to the past Ebola outbreak, which left the country with a weak public healthcare system and a huge debt burden, the government has taken some measures to minimize the effect of the COVID-19 pandemic. They developed a supplementary budget to reflect the present realities, such as revenue loss and increased public debt. The budget reflects the government’s short term Quick Action Economic Response Programme (QAERP) to the COVID-19 pandemic. This document illustrates how the government intends to support its citizens during these difficult times.

Budget 2020: Saving Lives and Livelihoods
GoSL spending plans for FY2020 is revised upward by 13% from the original budget of Le9.62tn.
This is the amount of money the government believes it will generate on behalf of the citizens during a fiscal year. Due to economic depression, which stems from the COVID-19 outbreak, the total revenues were revised from **Le8.24tn** to **Le8.36tn**.

**HOW WILL THE GOVERNMENT SOURCE FOR REVENUE?**

The government does not have its own money; they depend on taxes from citizens and businesses, receive grants from foreign governments, and often borrow money to finance the budget.

---

**FY2020 total revenue grew by 25% from the previous year’s total revenue of Le6.67tn**
This is the total sum of money earned within the country. It makes up 64.6% of Sierra Leone’s revenue. The domestic revenue projection FY 2020 was revised from Le 6.47tn to Le 5.40tn.

**BREAKDOWN OF DOMESTIC REVENUE**

- **Income Tax Revenue**: Le 2tn
- **Customs and Excise Department**: Le 1.19tn
- **Goods and Services Tax**: Le 930.64bn
- **Other Departments**: Le 939.18bn
- **Mines Department**: Le 225.25bn
- **Road User Charges & Vehicle Licences**: Le 112.66bn

*Includes revenue from royalties on fisheries, parastatals, TSA, and Timber export.

*Includes royalties Rutile, Bauxite, Diamond, Gold, Iron ore, Licences, and revenue from petroleum.*
This is the amount of money given to the government by donors and partners for a specific purpose. It means the government does not have to pay back the money. This sum makes up about 35.4% of the year’s revenue. External support and project grant pledged was revised upward from Le1.77tn to Le2.96tn.

**HIPC** - Heavily Indebted Poor Country

**CCRT** - Catastrophe Containment and Relief Trust.
This is how the government plans to spend the generated money based on citizens’ needs and improvement. It has two(2) major parts - Recurrent and Capital expenditure. This year, government projected spending increased from Le9.35tn to Le10.53tn. Due to the COVID-19 pandemic and effort to boost the weakened economy, the government plans to spend more on recurrent (Wages & Salaries) and capital (Domestic) expenditure.

**Initial Expenditure**

<table>
<thead>
<tr>
<th>Initial Expenditure</th>
<th>Revised Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Le9.35tn</td>
<td>Le10.53tn</td>
</tr>
</tbody>
</table>

This is the sum of money the government spends on products and services such as salaries, interests and overhead costs. FY 2020, Recurrent Budget was revised upward from Le6.48tn to Le6.92tn and 65% of the total expenditure will be spent on recurrent expenditure, this means that there is less allocation for capital expenditure.
FY 2020
SUPPLEMENTARY BUDGET

RECURRENT EXPENDITURE

Le 3.34tn
Wages & Salaries

Le 1.03tn
Goods and Services

Le 1.29tn
Subsidies and Transfers

Le 1.11tn
Domestic Interest

Le 156bn
Foreign Interest
This is money spent to get fixed assets and implement projects that will enhance economic growth and the needs of the citizens, such as roads, hospitals, and security, etc. and this expense is classified based on the source of financing. The Capital expenditure was revised from Le2.87tn to Le3.60tn FY 2020 and it makes up 35% of the total expenditure.

**BREAKDOWN OF CAPITAL EXPENDITURE**

- **Loans**: 29.9% of capital expenditure will be financed with loan. Le1.08tn
- **Grants**: 20.8% of capital expenditure will be financed from grant support. Le747.50bn
- **Domestic Capital Project**: 49.3% of capital expenditure will come from domestic source. Le1.78tn

34.2% of total expenditure is committed to capital expenditure.
FY 2020
SUPPLEMENTARY BUDGET

BREAKDOWN OF HOW THE MONEY WILL BE SPENT

STATUTORY TRANSFERS

A total sum of
Le3.19tn
is committed to statutory transfers

Le1.67tn
Salaries Jul - Dec
(Ring Fenced Two Months Salaries)

Le48.30bn
Outstanding NASSIT Contributions for March and April, 2020

Le36.21bn
Balance 50% Gratuity Payment to Ex-Ministers

Le897.03bn
Debt Service Payments (Jul - Dec)

Le544bn
Repayment of Bridge Financing

NASSIT - National Social Security & Insurance Trust
## FY 2020 Supplementary Budget

### COVID-19 Intervention Expenses

A total sum of **Le607.11tn** is allocated to COVID-19 Intervention Expenses.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GoSL Contribution to Operations of the NaCOVERC</td>
<td>Le200bn</td>
</tr>
<tr>
<td>18 Hospitals Laboratory and X-Ray Services</td>
<td>Le50.80bn</td>
</tr>
<tr>
<td>Ambulance Operations</td>
<td>Le26.58bn</td>
</tr>
<tr>
<td>20 Hospitals Mortuary Services</td>
<td>Le16.40bn</td>
</tr>
<tr>
<td>Rehabilitation of District Hospitals</td>
<td>Le15bn</td>
</tr>
</tbody>
</table>

#### Health Response Intervention
- **Le308.78bn**

#### Labour Intensive Public Works (Roads)
- **Le102.65bn**
  - Agriculture Sector of which food production is allocated **Le70.7bn**
  - SME’s Support (Facility and Micro Finance) **Le50bn**
  - Social safety - Cash Transfer and Food Assistance **Le20bn**
  - Social safety - Bailout to SOE’s **Le20bn**
  - Social safety - Support to Tourism Sector (Hotels) **Le15bn**

#### QAERP Activities
- **Le298.33 bn**

Quick Action Economic Response Programme (QAERP)- it is an initiative to respond quickly and effectively to the COVID-19 pandemic.

**Note:**
- 49.1% of the allocated fund to COVID-19 responses will go towards funding QAERP Activities.
- 50.9% of the COVID-19 fund will be used to finance health response intervention.
- Le55bn will be used to support the major affected sectors and vulnerable citizens.
FY 2020 SECTORAL ALLOCATION

- **Health**: Le811.62bn
- **Education**: Le1.77tn
- **Agriculture**: Le479.51bn
- **Roads**: Le415.86bn
- **Energy**: Le114.15bn
- **Water**: Le190.76bn
HOW WILL THE GOVERNMENT FUND THE DEFICIT?

This is a shortfall in revenue; it means the government does not have enough money to cover its expenses. The total amount of money the government plans to borrow is **Le 2.78tn** of which a net of **Le282.21bn** will be deducted for clearing of a cheque payable and the balance of **Le2.50tn** will be used to finance its FY2020 budget deficit.

---

**2020 BUDGET DEFICIT AND FINANCING**

- **Le500.27bn** Foreign Financing
- **Le2.28tn** Domestic Financing

---

**Note**

Domestic primary deficit now stands at **Le 2.10tn** compared to **Le156.20bn** in the initial FY2020 budget.
SECOND HALF-YEAR PROJECT ALLOCATION

- Completion of Critical Roads Project: Le460.49bn
- Future Obligations on the FQEP (schools fees, learning material and boarder diet): Le167.89bn
- Water Supply Projects - SALWACO: Le125bn
- Outstanding Obligations on the FQEP (schools fees, learning material and boarder diet): Le115.87bn
- Subsidies to IPPs: Le100bn
- Reforestation - Tree planting: Le45bn
- Districts Electrification Project (6 Towns): Le42bn
- Teaching and learning Materials: Le37.28bn
- Refurbishment of Government Owned Power Plants: Le30bn
- Labour Intensive Public Works/Spots Improvement: Le30bn
- Support to Small and Medium Enterprises (Micro-Finance): Le29bn
- Support to Agriculture/COVID - 19 Response: Le20bn
- Freetown Improvement Water Supply Project - GUMA: Le17bn
- Social Safety Nets - Cash Transfers and Food Assistance: Le12bn
- Re-afforestation support to National Protected Area Authority: Le5bn
- Food Production: Le3.03bn
- Construction of Kono University: Le1bn

FQEP - Free Quality Education Programme
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER SUPPLEMENTARY EXPENDITURE</td>
<td></td>
</tr>
<tr>
<td>Repayment of Crystallized Arrears</td>
<td>Le368.21bn</td>
</tr>
<tr>
<td>Transfers to NaCOVERC</td>
<td>Le275.49bn</td>
</tr>
<tr>
<td>Repayment of Uncrystallized Arrears (10% Option - $18m)</td>
<td>Le180bn</td>
</tr>
<tr>
<td>MDA’S Salaries &amp; Wages (Jul - Dec)</td>
<td>Le164.34bn</td>
</tr>
<tr>
<td>FY2020 Current Cheques</td>
<td>Le107.31bn</td>
</tr>
<tr>
<td>Contingency Fund (25% FM Act 2016)</td>
<td>Le55.04bn</td>
</tr>
<tr>
<td>Public Debt Charges (Jul - Dec)</td>
<td>Le44.59bn</td>
</tr>
</tbody>
</table>
MINISTRIES, DEPARTMENT AND AGENCIES ALLOCATION

SECOND HALF-YEAR ALLOCATION

- Ministry of Works and Public Assets: Le198.85bn
- Ministry of Energy: Le156.02bn
- Ministry of Water Resources: Le142.12bn
- Ministry of Health and Sanitation: Le108.78bn
- Ministry of Basic and Senior Secondary Education: Le85.17bn
- Ministry of Environment: Le33bn
- Ministry of Trade and Industry: Le29bn
- Ministry of Agriculture and Forestry: Le23.02bn
- Ministry of Finance: Le20bn
- Ministry of Tourism: Le20bn
- Ministry of Defence: Le13bn
- National Commission for Social Action: Le12bn
- National Protected Area Authority: Le5bn
# LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>ACRONYM</th>
<th>FULL FORM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FQEP</td>
<td>Free Quality Education Programme</td>
</tr>
<tr>
<td>CCRT</td>
<td>Catastrophe Containment and Relief Trust</td>
</tr>
<tr>
<td>HIPC</td>
<td>Heavily Indebted Poor Country</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>GoSL</td>
<td>Government of Sierra Leone</td>
</tr>
<tr>
<td>H2</td>
<td>Second Half Year</td>
</tr>
<tr>
<td>QAERP</td>
<td>Quick Action Economic Response Programme</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>NPAA</td>
<td>National Protected Area Authority</td>
</tr>
<tr>
<td>EU</td>
<td>(Engineering Unit)</td>
</tr>
<tr>
<td>RSLAF</td>
<td>Republic of Sierra Leone Armed Forces</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>MDA</td>
<td>Ministries, Department and Agencies</td>
</tr>
<tr>
<td>NASSIT</td>
<td>National Social Security &amp; Insurance Trust</td>
</tr>
<tr>
<td>NaCOVERC</td>
<td>National CoronaVirus Response Emergency Centre</td>
</tr>
</tbody>
</table>

*Source*: Supplementary Budget & mof.gov.slhttps://