



# FY2020

## SUPPLEMENTARY BUDGET

# INTRODUCTION

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.

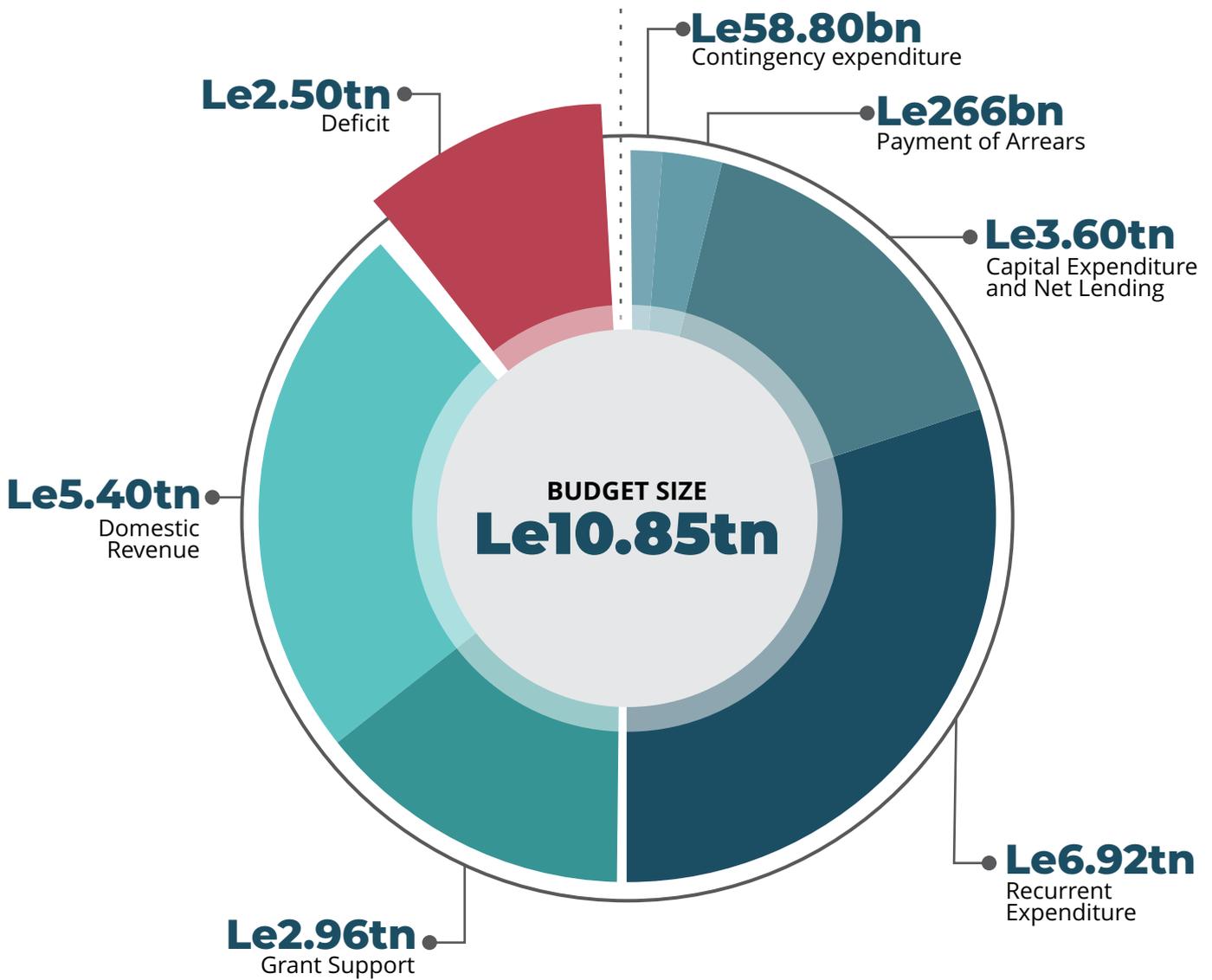


***Budget 2020: Saving Lives and Livelihoods***

# FY2020

## SUPPLEMENTARY BUDGET

### FISCAL FRAMEWORK



*GoSL spending plans for FY2020 is revised upward by 13% from the original budget of Le9.62tn.*

# FY2020

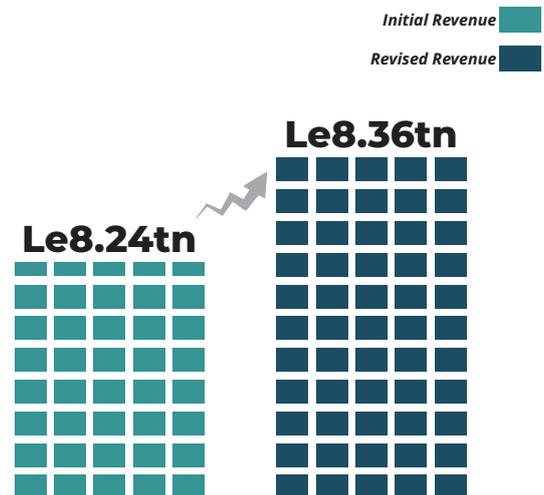
## SUPPLEMENTARY BUDGET

### REVENUE

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%

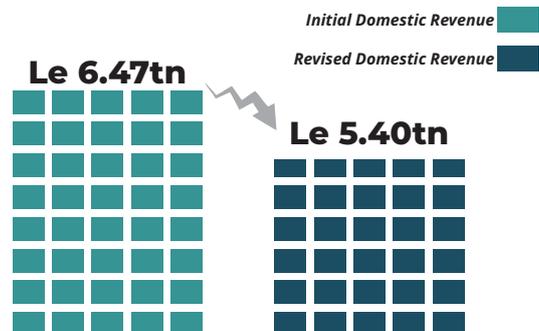
*from the previous year's total revenue of **Le6.67tn***

# FY2020

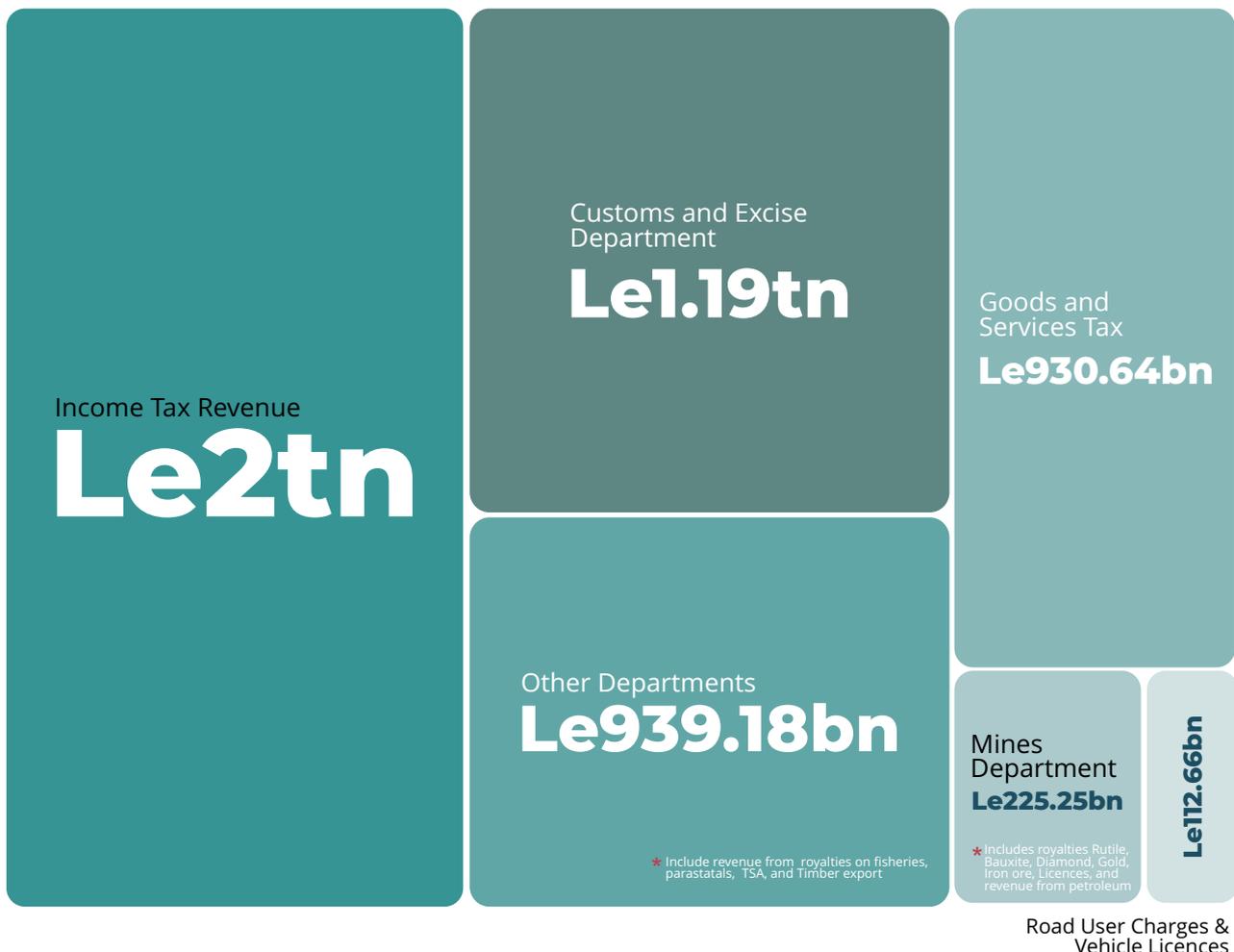
## SUPPLEMENTARY BUDGET

### DOMESTIC REVENUE

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**.



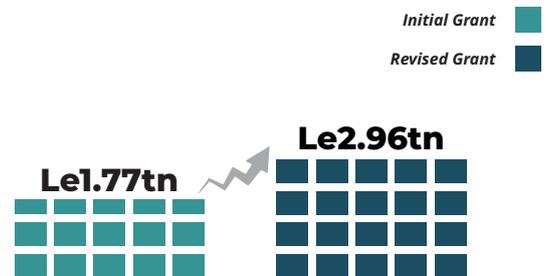
### BREAKDOWN OF DOMESTIC REVENUE



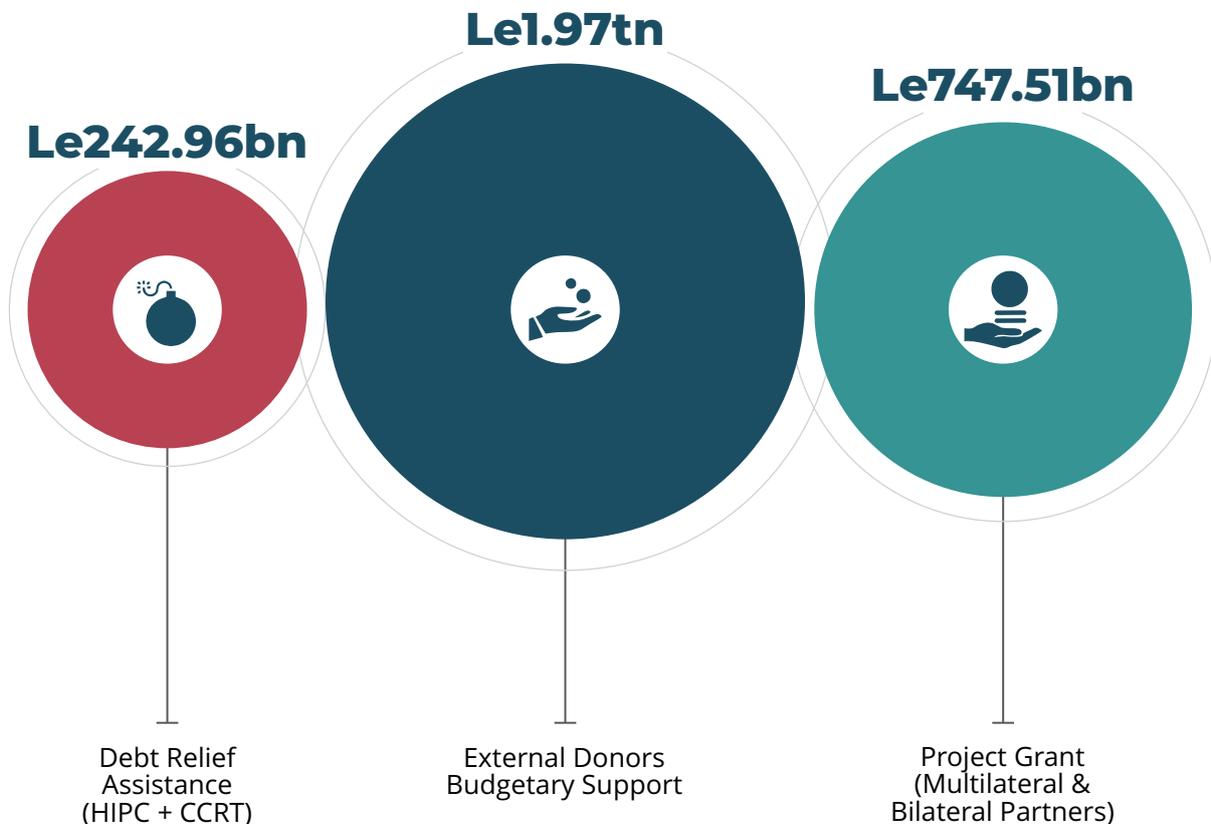
# FY2020 SUPPLEMENTARY BUDGET

## GRANT SUPPORT

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**.



## GRANT SUPPORT



**HIPC** - Heavily Indebted Poor Country  
**CCRT** - Catastrophe Containment and Relief Trust.

# FY2020

## SUPPLEMENTARY BUDGET

### WHERE WILL THE MONEY GO TO?

#### EXPENDITURE

Initial Expenditure   
Revised Expenditure 

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.



#### RECURRENT EXPENDITURE

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.



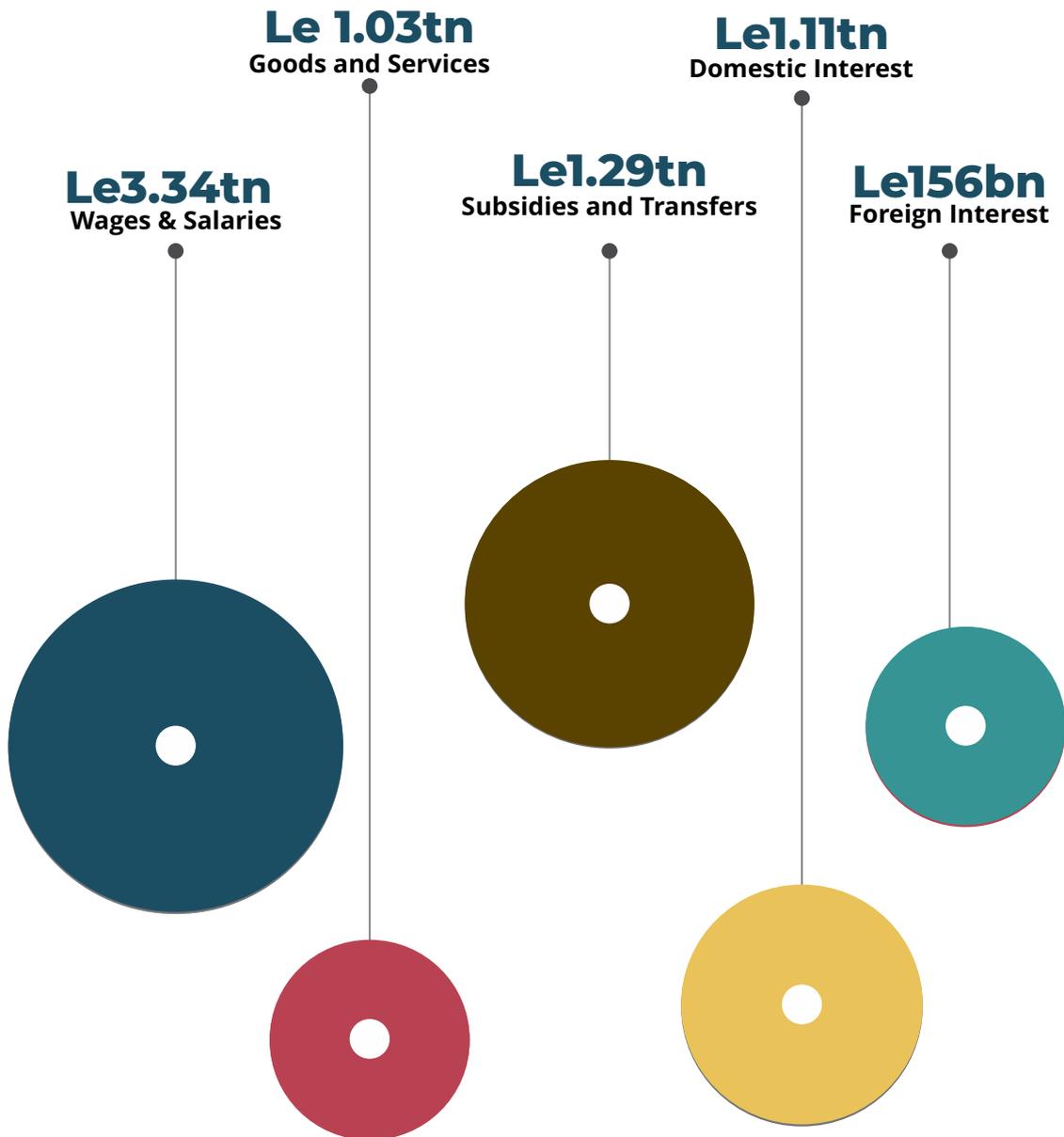
# 65%

*of the total expenditure will be spent on recurrent expenditure, this means that there is less allocation for capital expenditure.*

# FY2020

SUPPLEMENTARY BUDGET

## RECURRENT EXPENDITURE

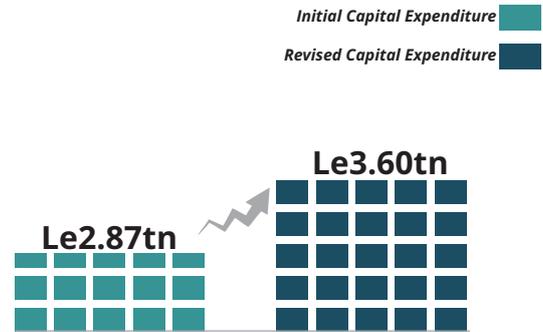


# FY2020

## SUPPLEMENTARY BUDGET

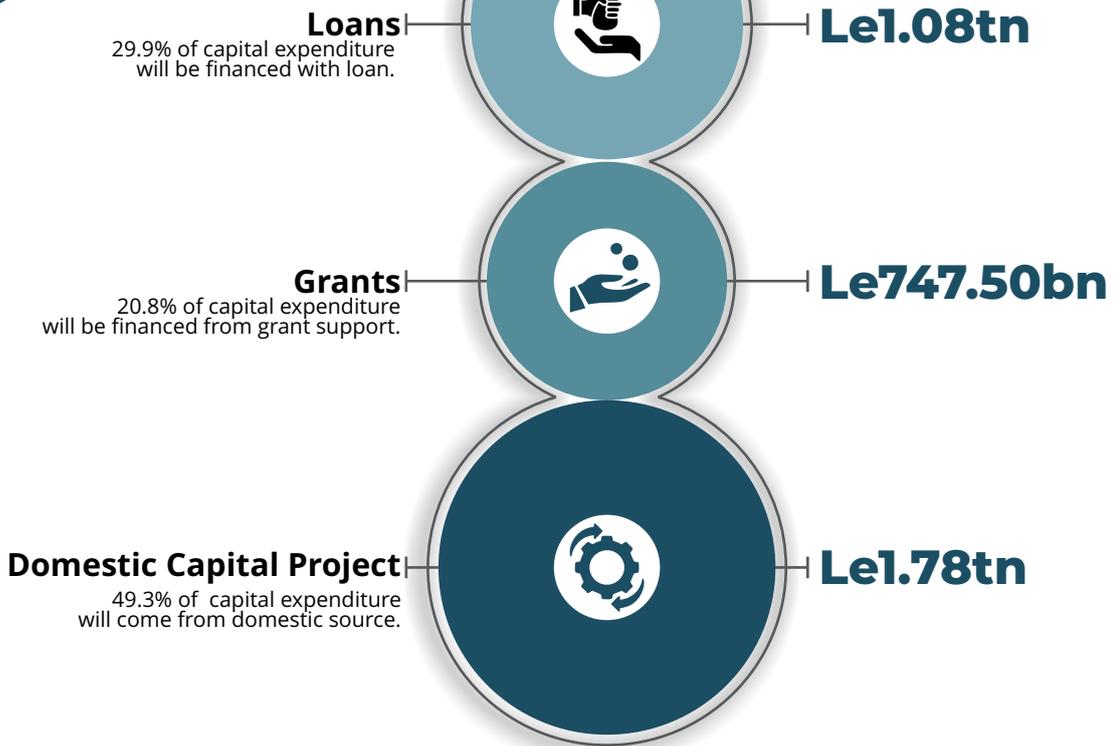
### CAPITAL EXPENDITURE

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 **Le3.6tn** FY 2020 and it makes up **35%** of the total expenditure.



### BREAKDOWN OF CAPITAL EXPENDITURE

**34.2%**  
of total expenditure is committed to capital expenditure



# FY2020

## SUPPLEMENTARY BUDGET

### BREAKDOWN OF HOW THE MONEY WILL BE SPENT

#### STATUTORY TRANSFERS

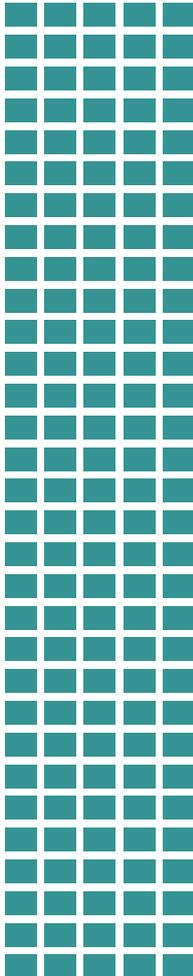


A total sum of

# Le3.19tn

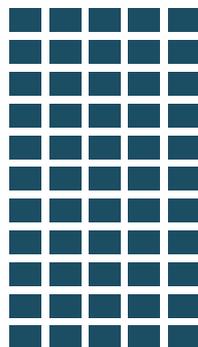
is committed to statutory transfers

**Le1.67tn**



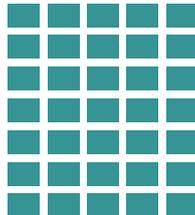
Salaries Jul - Dec  
(Ring Fenced Two  
Months Salaries)

**Le48.30bn**



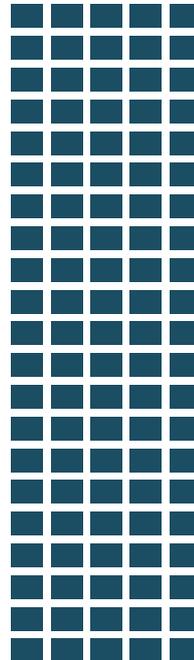
Outstanding NASSIT  
Contributions for  
March and April,  
2020

**Le36.21bn**



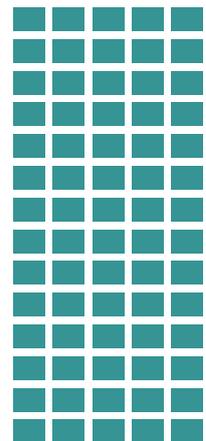
Balance 50%  
Gratuity  
Payment to  
Ex-Ministers

**Le897.03bn**



Debt Service  
Payments  
(Jul - Dec)

**Le544bn**



Repayment of  
Bridge Financing

NASSIT - National Social Security & Insurance Trust

# FY2020

## SUPPLEMENTARY BUDGET

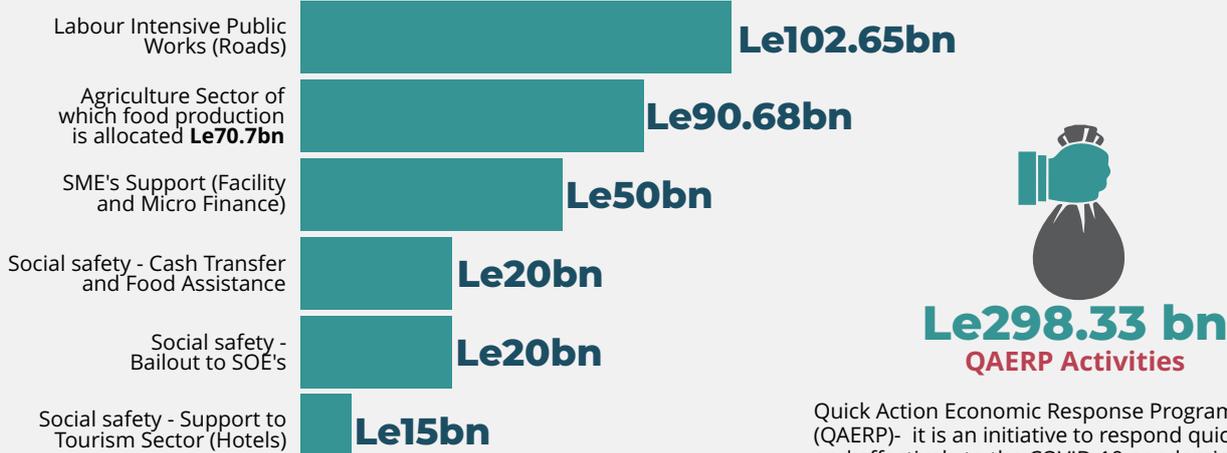
### COVID-19 INTERVENTION EXPENSES



A total sum of

# Le607.11tn

is allocated to COVID-19 Intervention Expenses



NaCOVERC - National CoronaVirus Response Emergency Centre



**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.

**FY2020**  
SUPPLEMENTARY BUDGET

**FY 2020 SECTORAL ALLOCATION**

**Le881.62bn**



**Health**

**Le1.77tn**



**Education**

**Le479.51bn**



**Agriculture**

**Le415.86bn**



**Roads**

**Le114.15bn**



**Energy**

**Le190.76bn**



**Water**

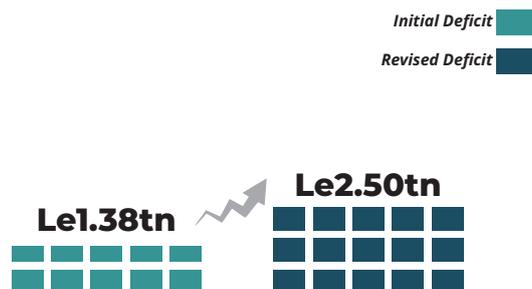
# FY2020

## SUPPLEMENTARY BUDGET

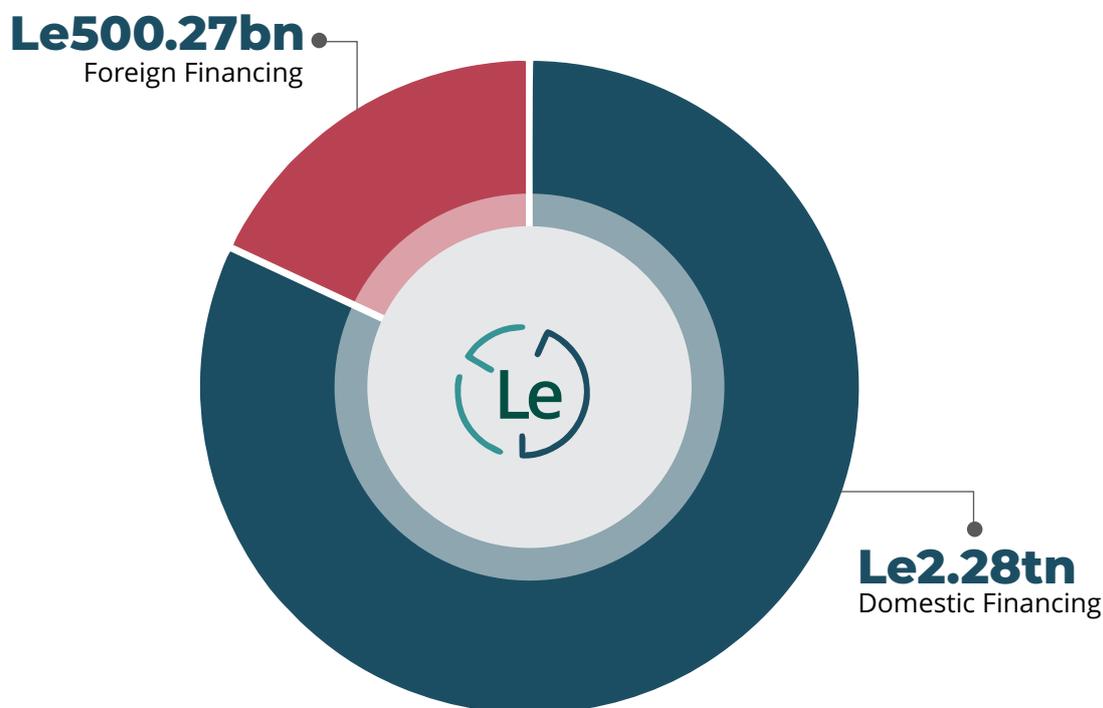
### HOW WILL THE GOVERNMENT FUND THE DEFICIT?

#### 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



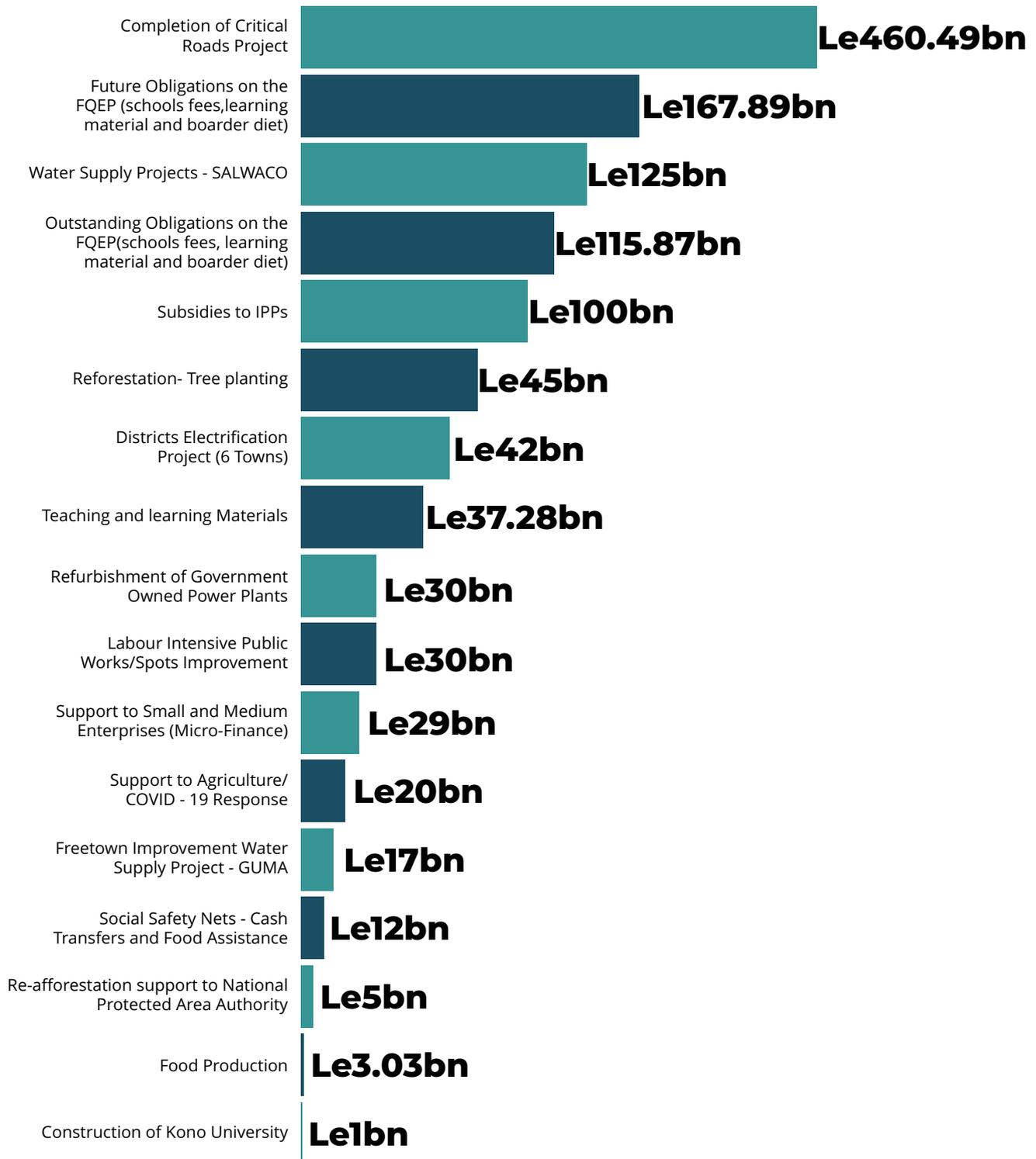
#### Note

Domestic primary deficit now stands at Le 2.10tn compared to Le156.20bn in the initial FY2020 budget.

# FY2020

## SUPPLEMENTARY BUDGET

### SECOND HALF-YEAR PROJECT ALLOCATION



FQEP - Free Quality Education Programme

FY2020  
SUPPLEMENTARY BUDGET

OTHER SUPPLEMENTARY EXPENDITURE

**Le368.21bn**

Repayment of Crystallized Arrears

**Le 275.49bn**

Transfers to NaCOVERC

**Le180bn**

Repayment of Uncrystallized Arrears (10% Option - \$18m)

**Le164.34bn**

MDA'S Salaries & Wages (Jul - Dec)

**Le107.31bn**

FY2020 Current Cheques

**Le55.04bn**  
Contingency Fund  
(S36 PFM Act 2016)

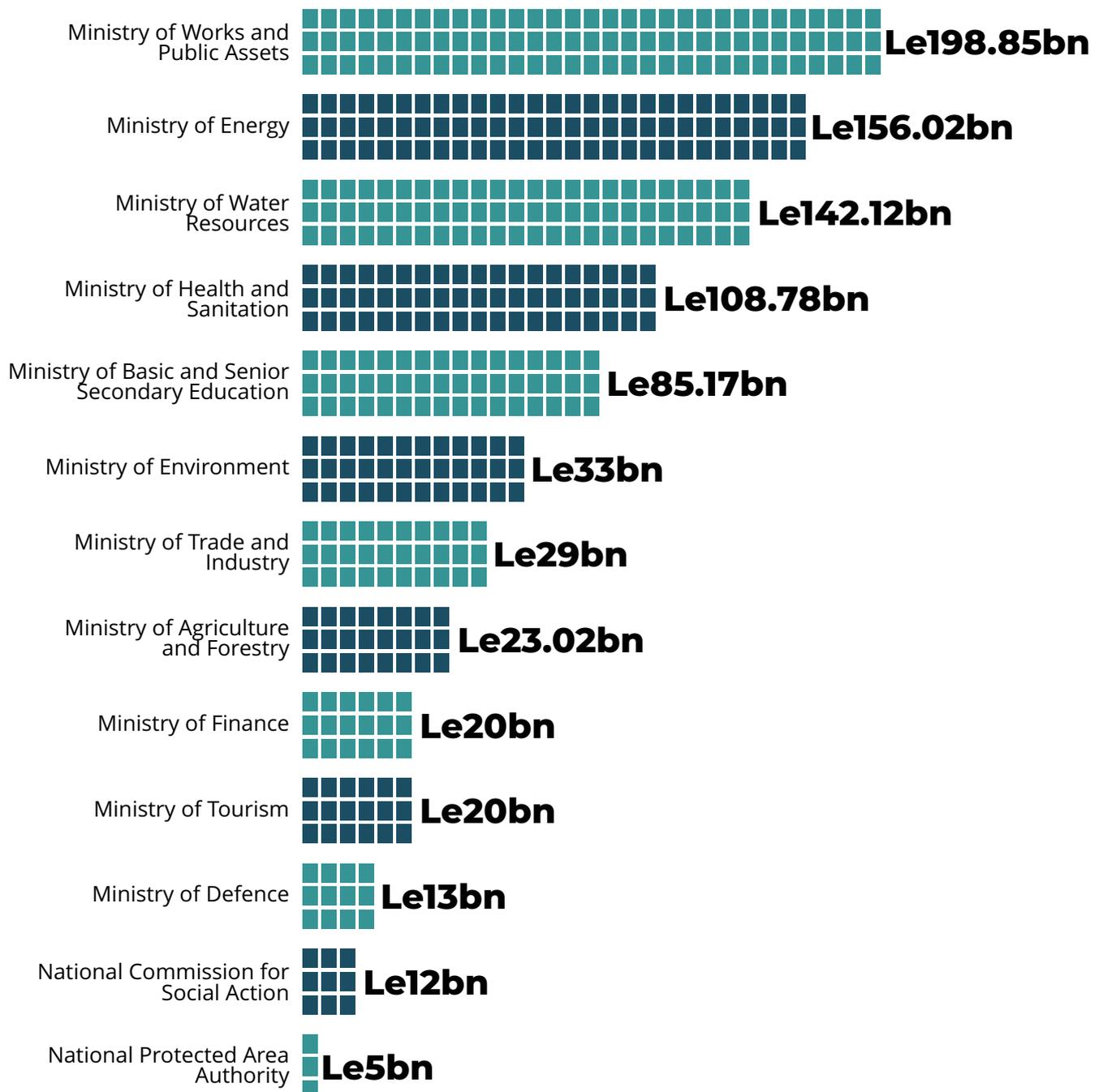
**Le44.59bn**  
Public Debt Charges (Jul - Dec)

# FY2020

## SUPPLEMENTARY BUDGET

### MINISTRIES, DEPARTMENT AND AGENCIES ALLOCATION

#### SECOND HALF-YEAR ALLOCATION



# FY2020

## SUPPLEMENTARY BUDGET

### ACRONYMS

#### LIST OF ACRONYMS

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

*SOURCE : Supplementary Budget & mof.gov.sl/https:/*

