



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.

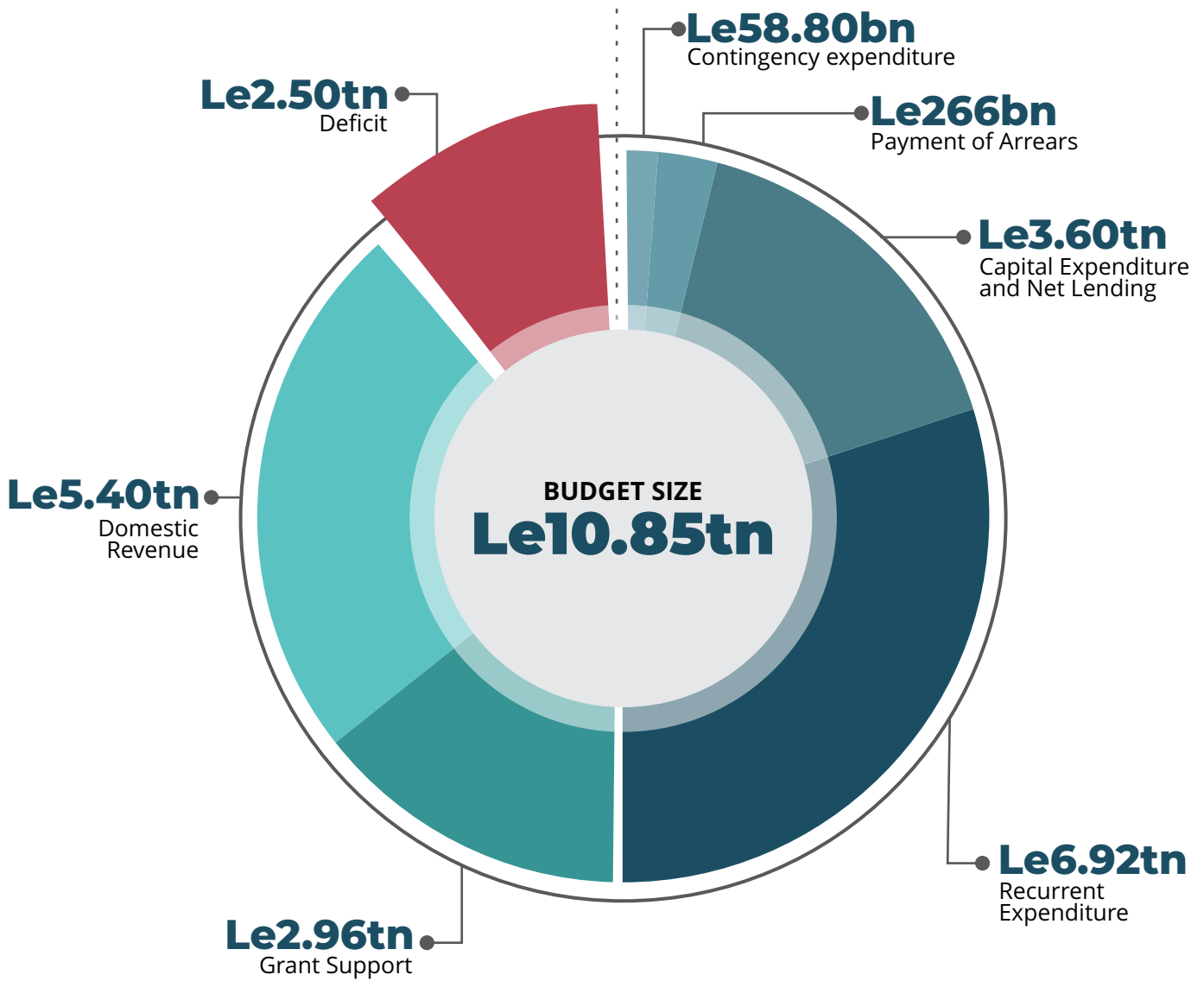


Budget 2020: Saving Lives and Livelihoods

FY2020

SUPPLEMENTARY BUDGET

FISCAL FRAMEWORK



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

FY2020

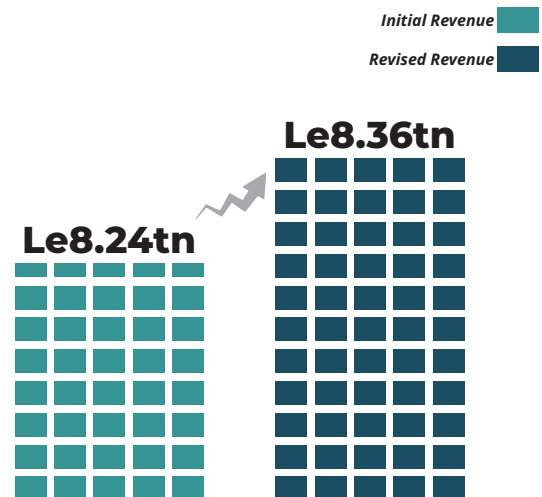
SUPPLEMENTARY BUDGET

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%

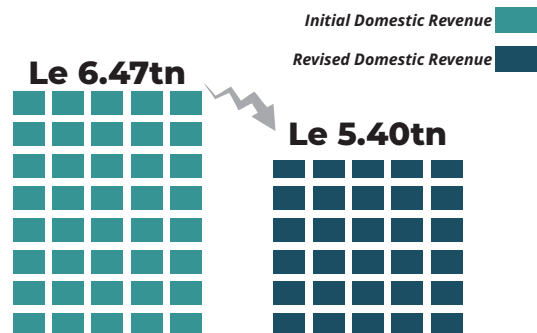
*from the previous year's total revenue of **Le6.67tn***

FY2020

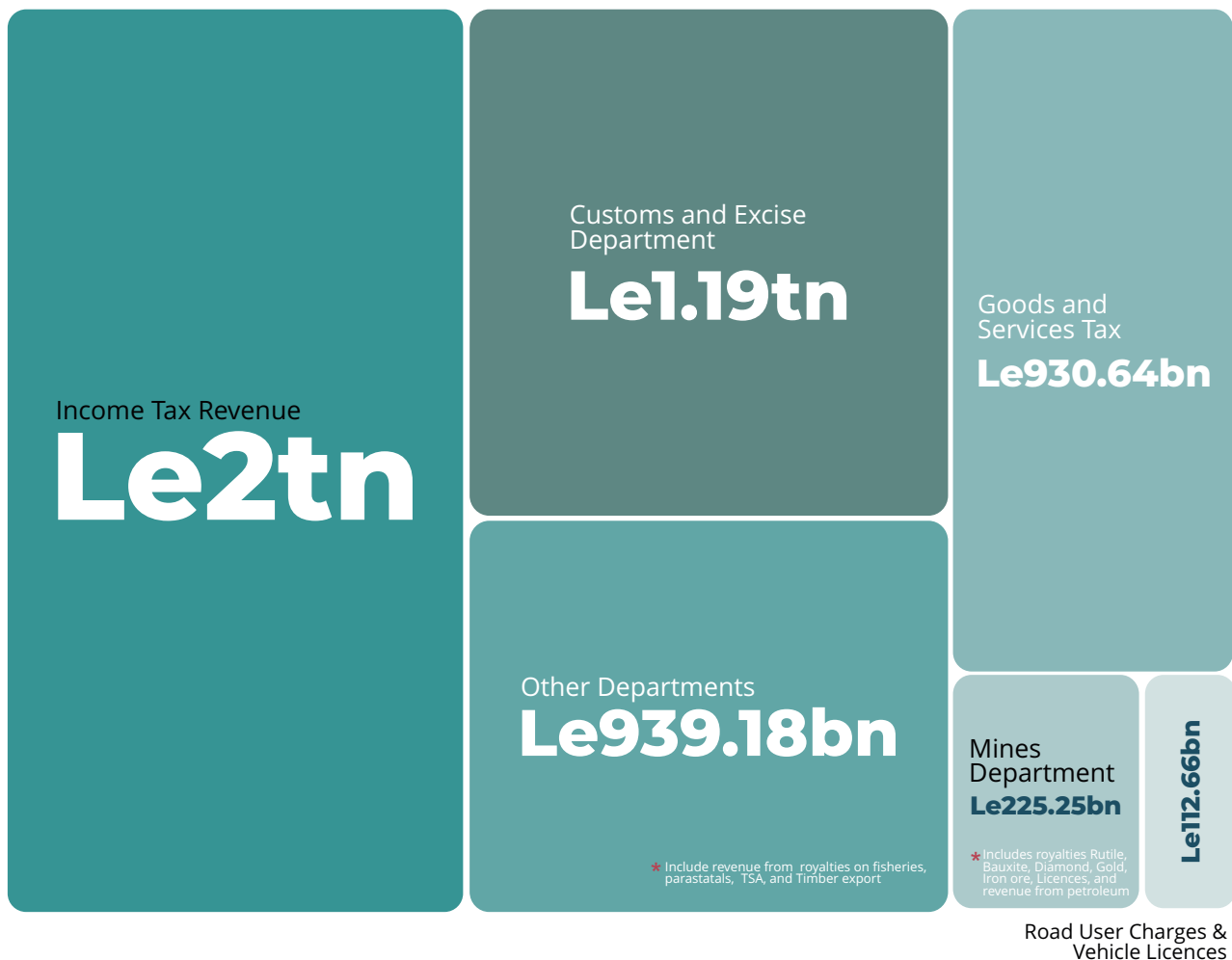
SUPPLEMENTARY BUDGET

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

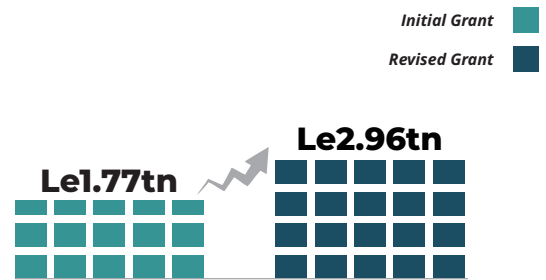


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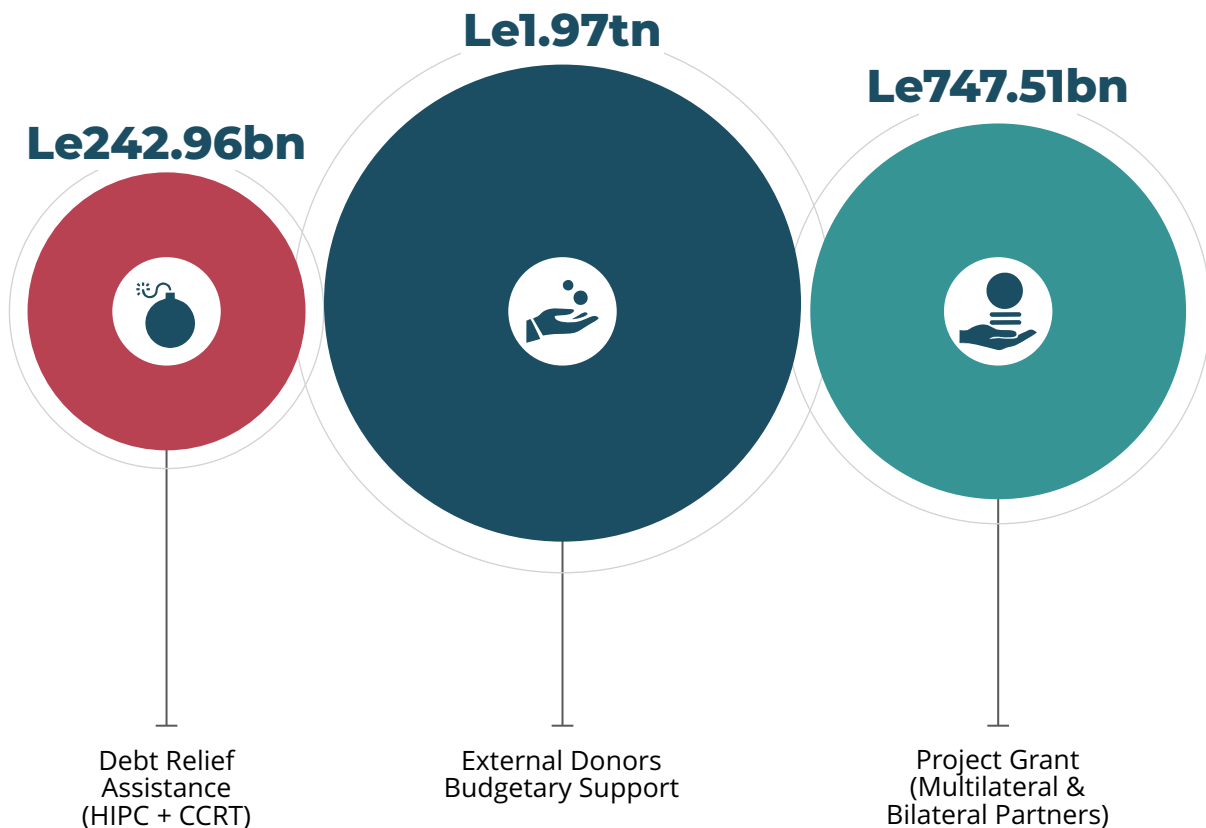
SUPPLEMENTARY BUDGET

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

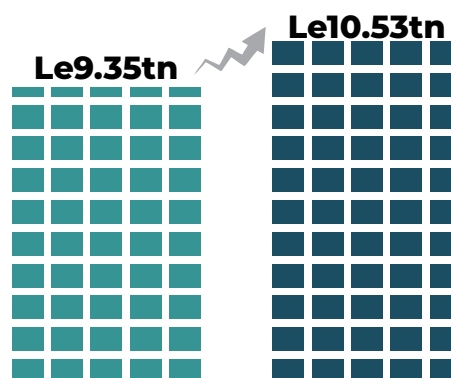
SUPPLEMENTARY BUDGET

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.



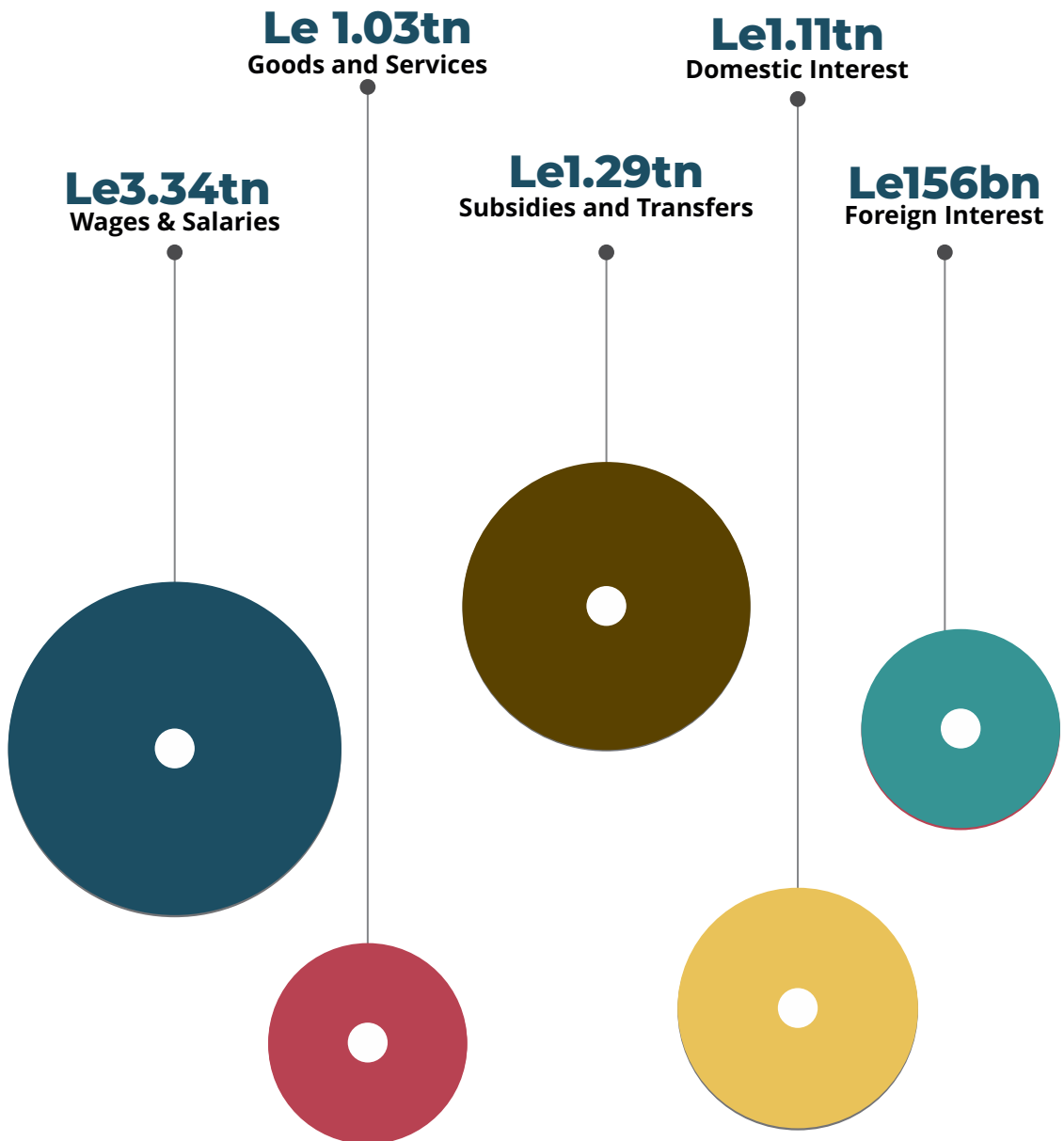
65%

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SUPPLEMENTARY BUDGET

RECURRENT EXPENDITURE

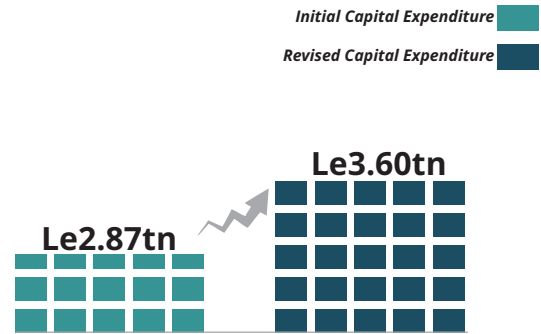


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SUPPLEMENTARY BUDGET

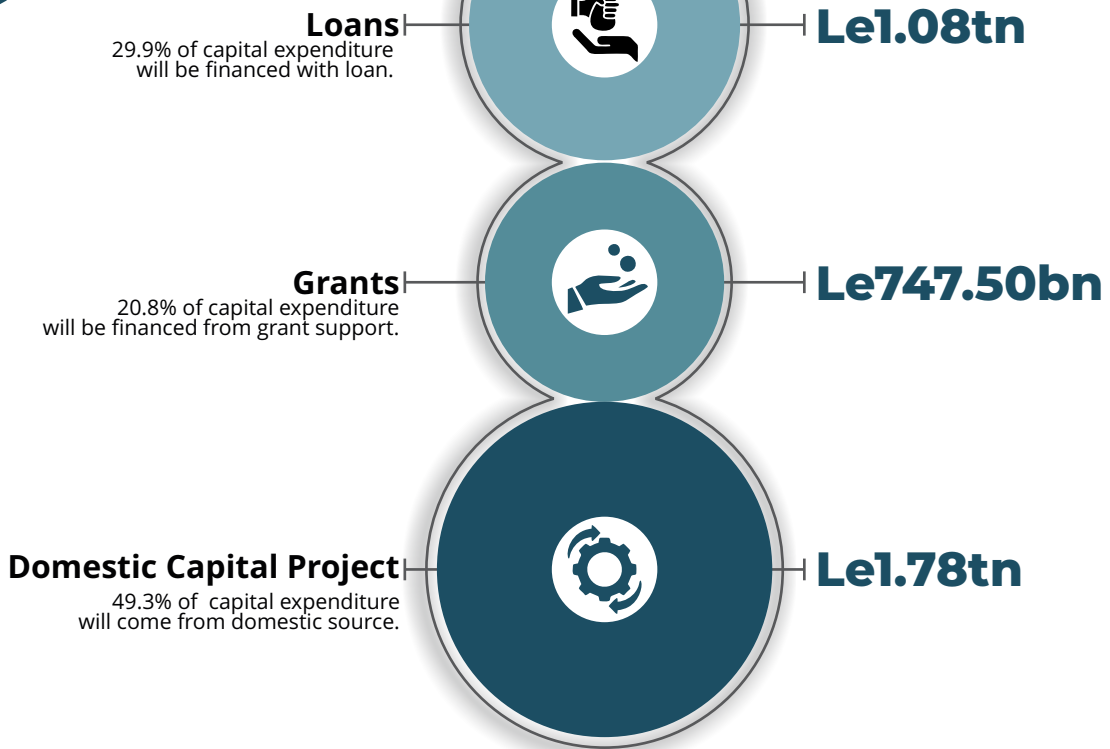
CAPITAL EXPENDITURE

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



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BREAKDOWN OF HOW THE MONEY WILL BE SPENT

STATUTORY TRANSFERS

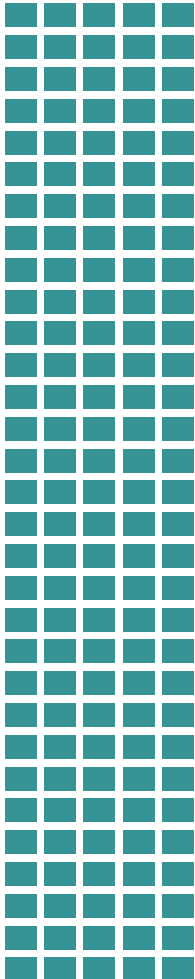


A total sum of

Le3.19tn

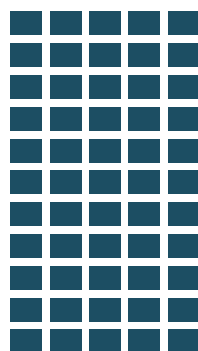
is committed to statutory transfers

Le1.67tn



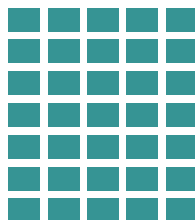
Salaries Jul - Dec
(Ring Fenced Two
Months Salaries)

Le48.30bn



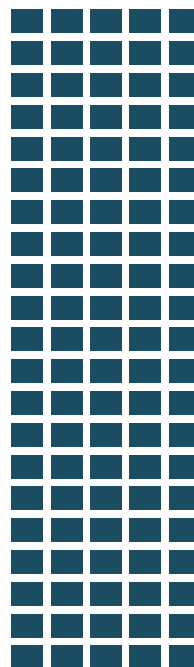
Outstanding NASSIT
Contributions for
March and April,
2020

Le36.21bn



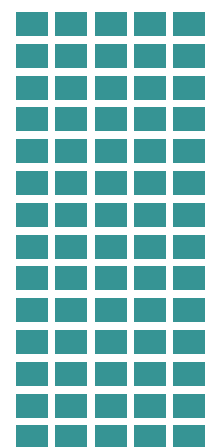
Balance 50%
Gratuity
Payment to
Ex-Ministers

Le897.03bn



Debt Service
Payments
(Jul - Dec)

Le544bn



Repayment of
Bridge Financing

NASSIT - National Social Security & Insurance Trust

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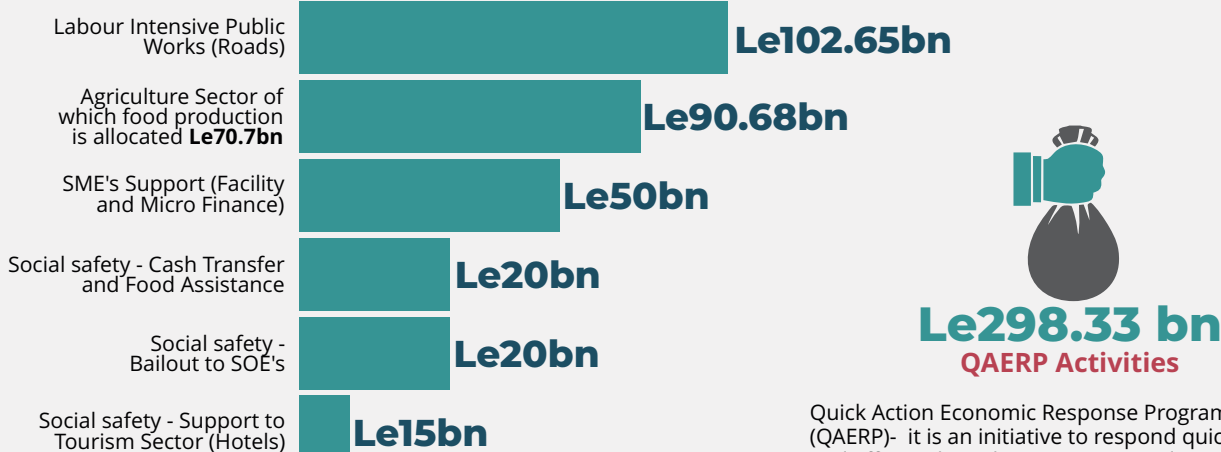
COVID-19 INTERVENTION EXPENSES



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.

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SUPPLEMENTARY BUDGET

FY 2020 SECTORAL ALLOCATION

Le881.62bn



Health

Le1.77tn



Education

Le479.51bn



Agriculture

Le415.86bn



Roads

Le114.15bn



Energy

Le190.76bn



Water

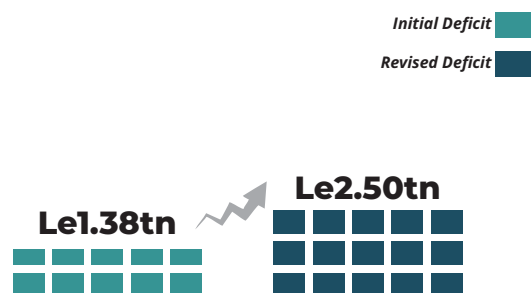
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SUPPLEMENTARY BUDGET

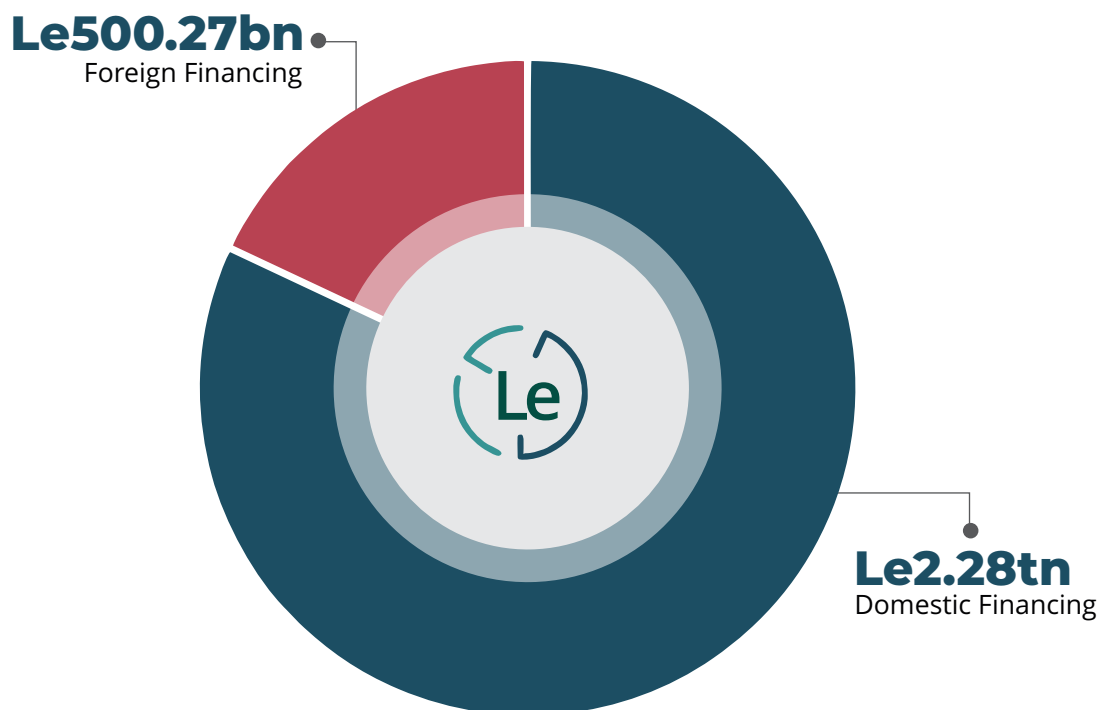
HOW WILL THE GOVERNMENT FUND THE DEFICIT?

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



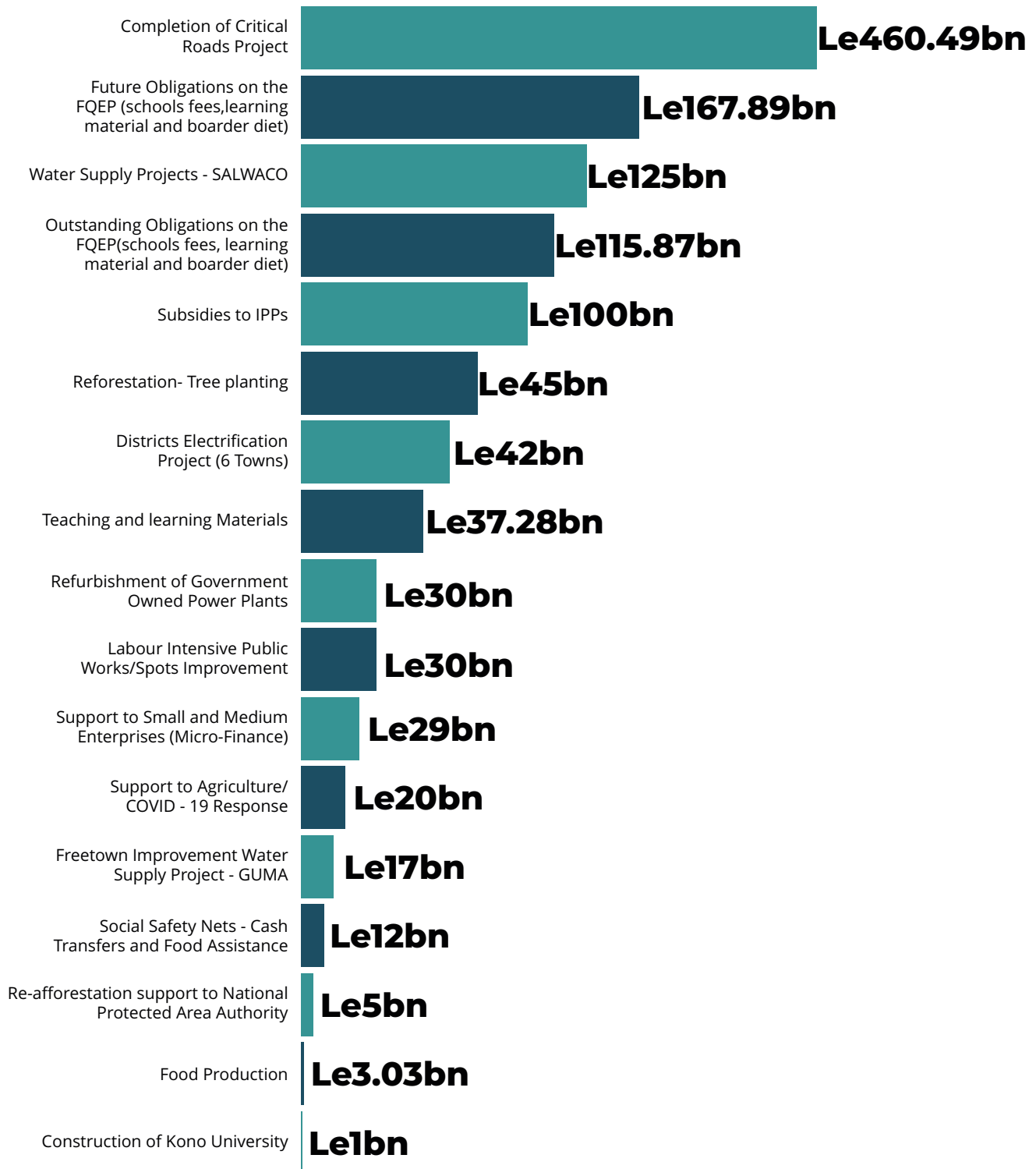
Note

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

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SECOND HALF-YEAR PROJECT ALLOCATION



FQEP - Free Quality Education Programme

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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)

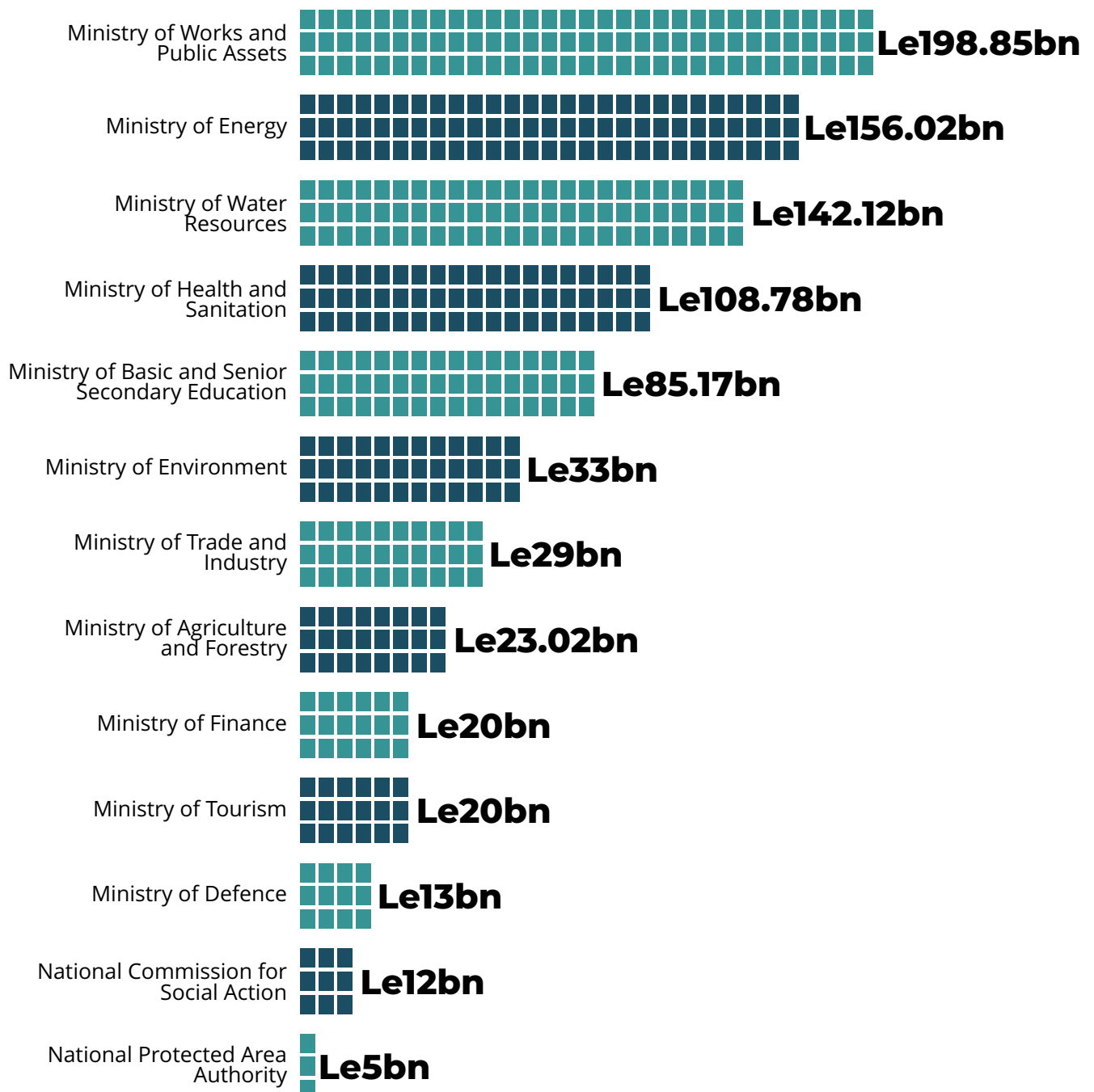
Le44.59bn
Public Debt Charges (Jul - Dec)


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MINISTRIES, DEPARTMENT AND AGENCIES ALLOCATION

SECOND HALF-YEAR ALLOCATION





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ACRONYMS

LIST OF ACRONYMS

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

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

