

# Sierra Leone 2024 National Budget



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BudgIT Sierra Leone is a civic organization using creative technology to simplify public information, stimulating a community of active citizens and enabling their right to demand accountability, institutional reforms, efficient service delivery, and an equitable society.

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# RESTORING MACROECONOMIC STABILITY WHILE PROTECTING THE POOR AND VULNERABLE



# An Overview of Sierra Leone's 2024 Budget

As Budget Sierra Leone's 2023 budget analysis predicted, the Sierra Leone government has had difficulty raising adequate revenue to fund its priorities. Like most low-income nations with high development needs, Sierra Leone continues to experience the adverse effects of global inflation and tighter monetary policies to manage the impact of the ongoing global crisis. Domestic factors like climate change and food insecurity further exacerbate these external factors. The World Economic Outlook report predicted sluggish global economic growth of 3.5% in 2022, 3.0% in 2023, and 2.9% in 2024, which came after a strong recovery of 6.0% in 2021.

The 2024 budget, themed "Restoring Macroeconomic Stability While Protecting the Poor and Vulnerable," presents another platform for the government to work towards fostering economic growth and implementing plans to alleviate citizens' hardship by protecting them from the high cost of living and enhancing food production in the country. To address this difficult economic situation, the 2024 budget aims to address the following:



Improve public finance management and enhance the effectiveness of monetary and exchange rate policies



Support the implementation of the Feed Salone program to improve agricultural productivity for food self-sufficiency



Expand social safety nets to cushion the impact of multiple shocks on the poor and vulnerable



Consolidate human capital



Invest in infrastructure and technology



Support and promote private sector development for sustainable economic growth and job creation



Support the implementation of appropriate climate adaptation and mitigation measures to minimize the impact of climate change on livelihoods



Support the revamping of public administration to improve the efficiency of public service delivery

The government is aware of the declining domestic revenue and intends to further implement the measures from the Medium-Term Revenue Strategy (MTRS) and new tax policies on goods and services across the country to generate more revenue this year.

The total budget allocation for fiscal year 2024 is NLe23.5 billion, with a projected revenue of NLe20.9 billion, resulting in an NLe2.6 billion deficit. The government expects NLe14.9 billion in domestic revenue (14.8% of GDP), while income tax (NLe5.4 billion) is expected to contribute the lion's share of domestic revenue, and road user charges (NLe129.3 million) will contribute the least to domestic revenue. Additionally, grants are expected to contribute a total of NLe5.9 billion (5.8 percent of GDP) to the overall revenue of NLe20.9 billion, with the World Bank and European Union contributing NLe2.7 billion and NLe3.2 billion in budget and project support, respectively.

The total expenditure and net lending are expected to reach NLe 23.5 billion (23.3 percent of GDP), up from NLe 15.1 billion in 2023. Recurrent expenditure will be NLe 16.4 billion, capital expenditure will be NLe 7.05

billion, and the budget deficit, including grants, will be NLe 2.7 billion, all of which will be funded primarily from domestic sources.

While the budget priorities appear excellent on paper, they lack specificity and clarity about how the government will achieve them. For instance, the education sector (as usual) received the highest sectoral allocation during the last five years, reaching NLe 3 billion. However, there is insufficient information detailing how the funds will be used. The budget vaguely states that the government will spend over NLe 895.5 million on School Feeding Subsidies (NLe 70 million), Free Quality School Education Programme (NLe 477 million), School Feeding Programme (NLe 300 million), Rehabilitation and Expansion of Boarding Schools (NLe 3.5 million), and Examination Fees for WASSCE (NLe 45 million) across the country without providing detailed information for citizens to track the location and primary beneficiaries of these programs, leaving room for corruption and poor service delivery.

Similarly, the Feed Salone and other ancillary projects

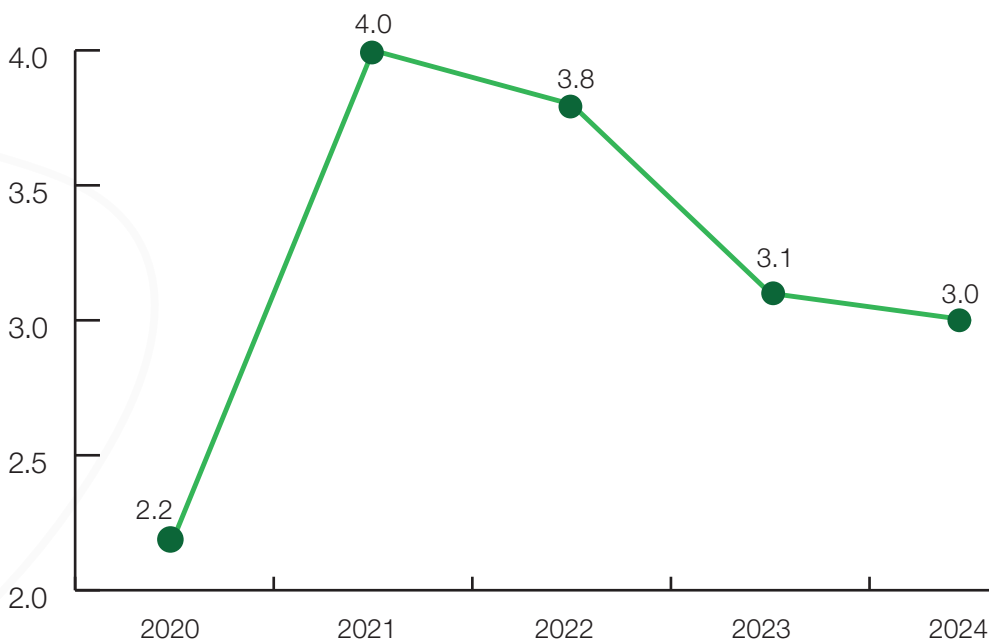
are estimated to cost NLe1.9 billion, with no information on the projects or where they will be implemented, raising serious concerns about the government's lack of budget openness.

The 2024 budget also suggests a high reliance on programs such as "Feed Salone" and the International Monetary Fund (IMF) to achieve food security and economic stability, raising concerns about long-term self-sufficiency. Now, more than ever, citizens and other stakeholders must ensure the extended credit facilities and grants provided by the IMF and the World Bank are used to serve a larger population and not a selected few.

To restore macroeconomic growth, strengthen the Leone, and improve Sierra Leoneans' lives, the government must first embrace transparency and accountability, and address underlying issues such as public sector inefficiency and corruption—which may result in unsustainable costs—before expanding its social safety net programs. It is more crucial than ever that citizens demand an equitable use of public funds for development.

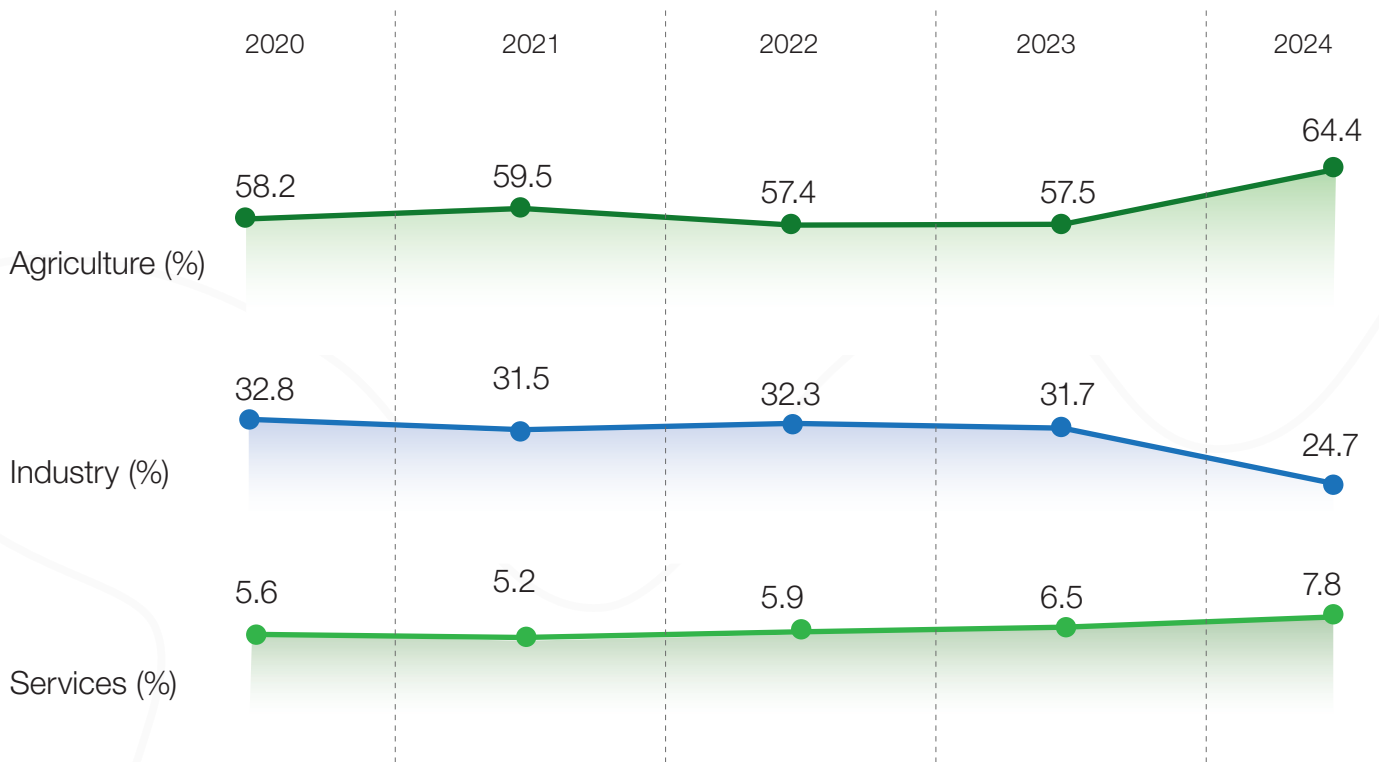
## Sierra Leone's Macroeconomic Trend

### GDP Growth Rate over the Last Five Years



Source: Statistics Sierra Leone

### Percentage Contributions to GDP by Sector for five years ( 2019-2023)



Source: Statistics Sierra Leone

### Key Assumptions of the 2024 Budget Framework



GDP at constant prices

**\$4.74**



GDP at market prices (billions of Leone)

**Nle 3.97bn**



GDP per capita (US\$)

**\$461**



Consumer prices (end-of-period)

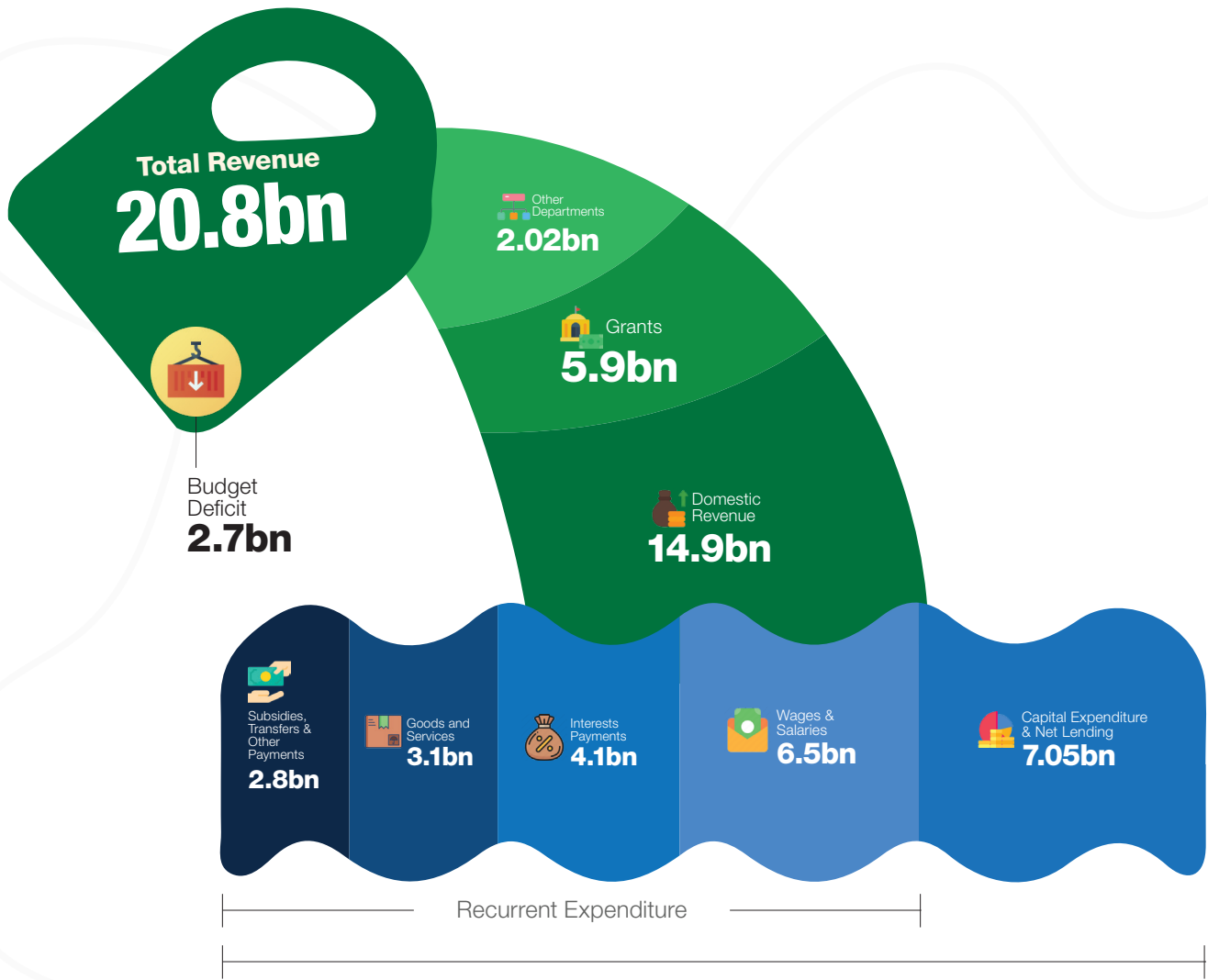
**52.16%**



Gross International Reserves (excl. swaps, US dollars)

**\$432.9m**

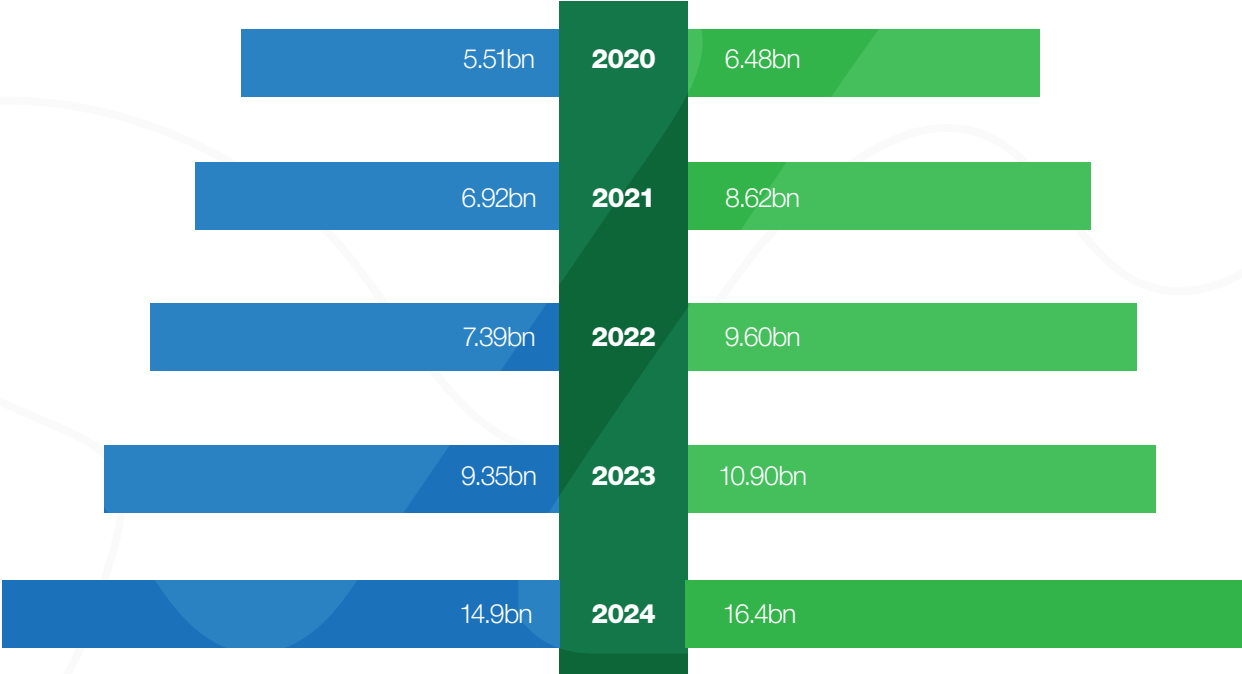
# Fiscal Framework



# An Overview of the Domestic Revenue and Recurrent Expenditure in the Last Five Years (NLe)

Domestic Revenue

Recurrent Expenditure



Domestic Revenue Recurrent Expenditure



# 2024 BUDGET REVENUE

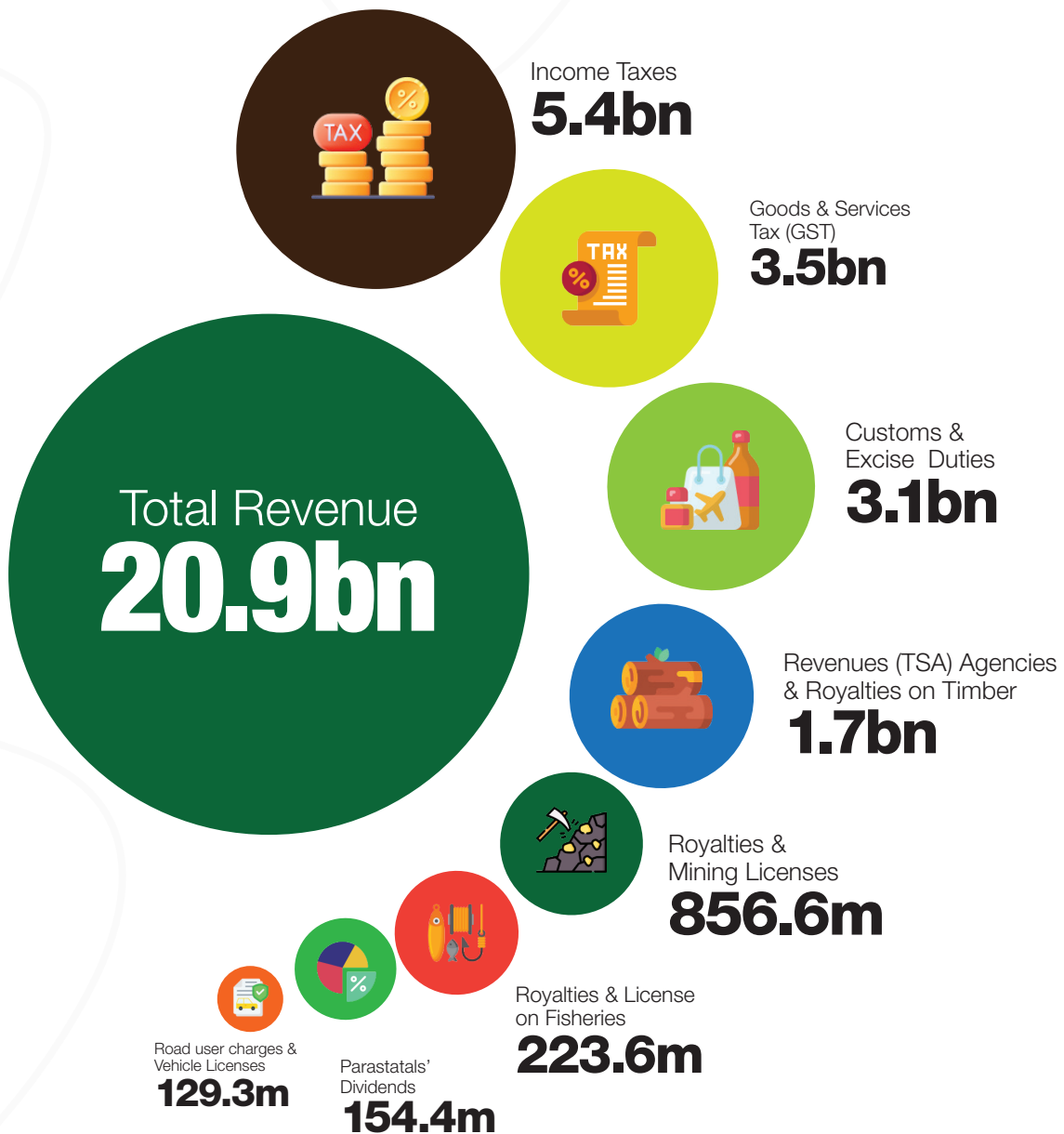


# 2024 Budget Revenue

Revenue refers to the total amount of money earned during a specific period. Sierra Leone's national revenue is primarily made up of taxes, customs duties, mining royalties, and other fees. This year, the government expects to make a total of NLe20.9 billion (20.7% of GDP).

The estimated domestic revenue for 2024 is NLe14.9 billion, or 14.8% of GDP. This projected increase is due to the implementation of the Medium-Term Revenue Strategy (MTRS), which was initiated with the New Finance Act 2023. Additionally, grants from development partners total NLe5.9 billion, contributing to a projected revenue of NLe20.9 billion.

## Main Revenue Components



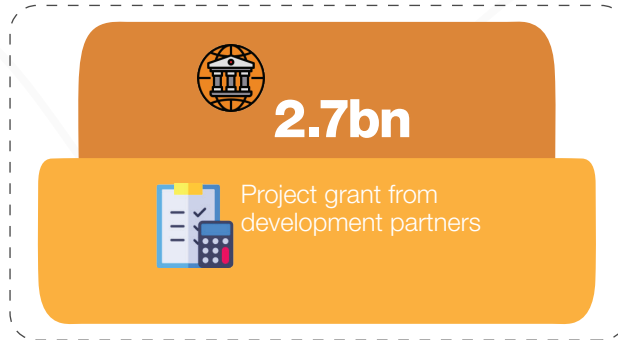
## Grants

Unit = NLe

Total grants expected from development partners like the World Bank, European Union, and others amounted to NLe5.9 billion, which is (5.8% of GDP).

# 5.9bn

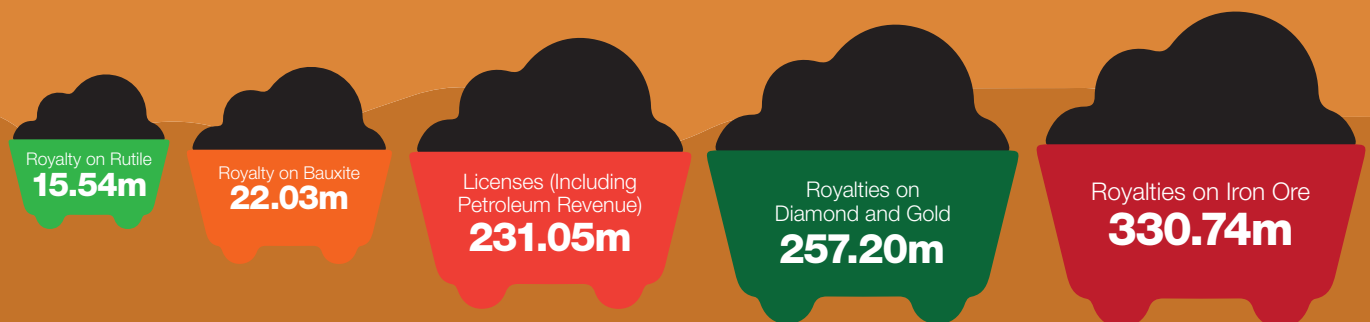
Total Grants 



## Mining Industry Revenue

Mining revenue remains a cornerstone of Sierra Leone's economy, contributing up to 65% of export earnings. Recognizing its significance, the government has taken proactive steps to enhance its management. The establishment of the Mineral Wealth Fund Sierra Leone Limited, announced in the 2024 budget, underscores this commitment. This Specialpurpose Vehicle (SPV), operated by the Sierra Leone Mines and Minerals Development and

Management Corporation, aims to oversee the government's commercial interests in the mining sector. By diversifying revenue streams beyond the traditional 3.0% royalty levy on mineral exports, the initiative seeks to reduce reliance on this source of income. Instead, it directs funds toward transformative projects geared toward sustainable development and economic growth.



# 2024 BUDGET EXPENDITURE

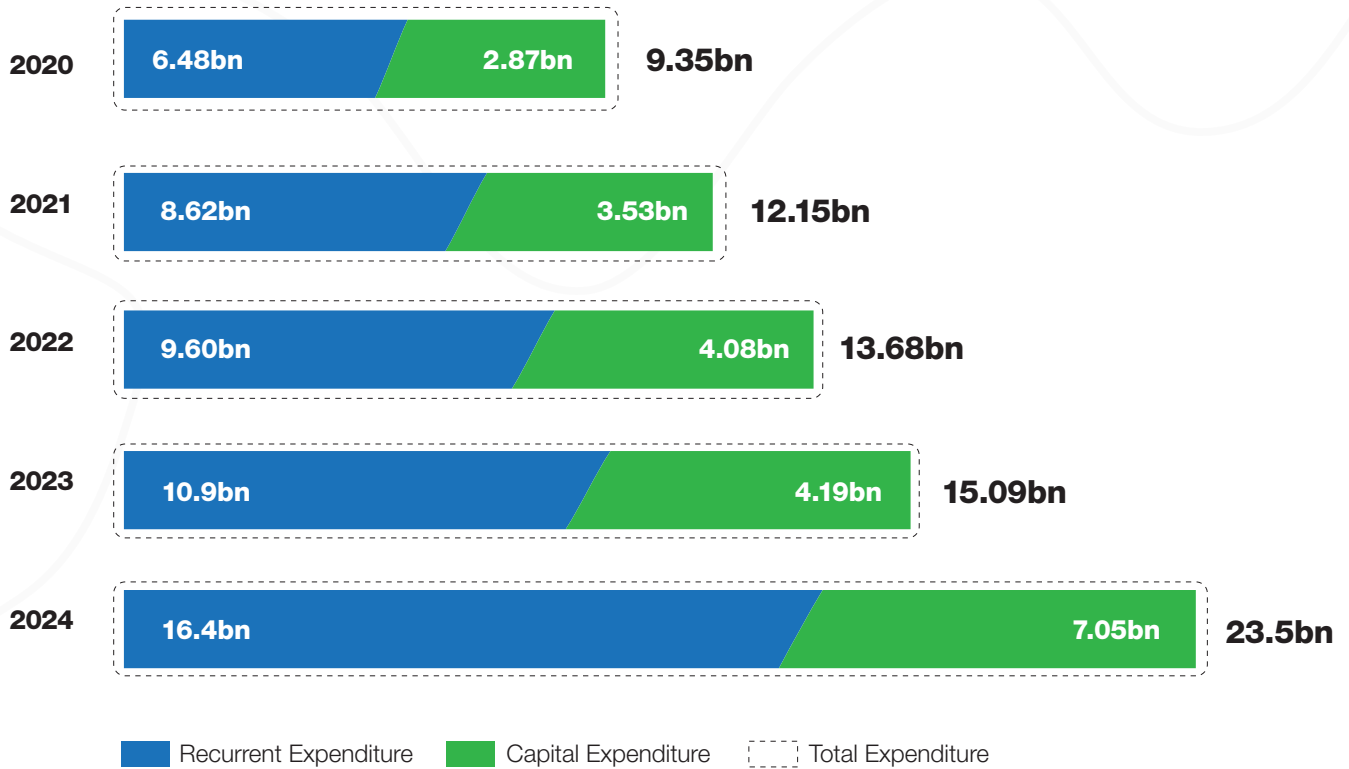


# 2024 Budget Expenditure

Unit = NLe

Expenditure refers to how the government intends to spend taxpayers' money. This year, Sierra Leone's total expenditure is projected to reach NLe23.5 billion.

## Government Expenditures over the Last Five Years

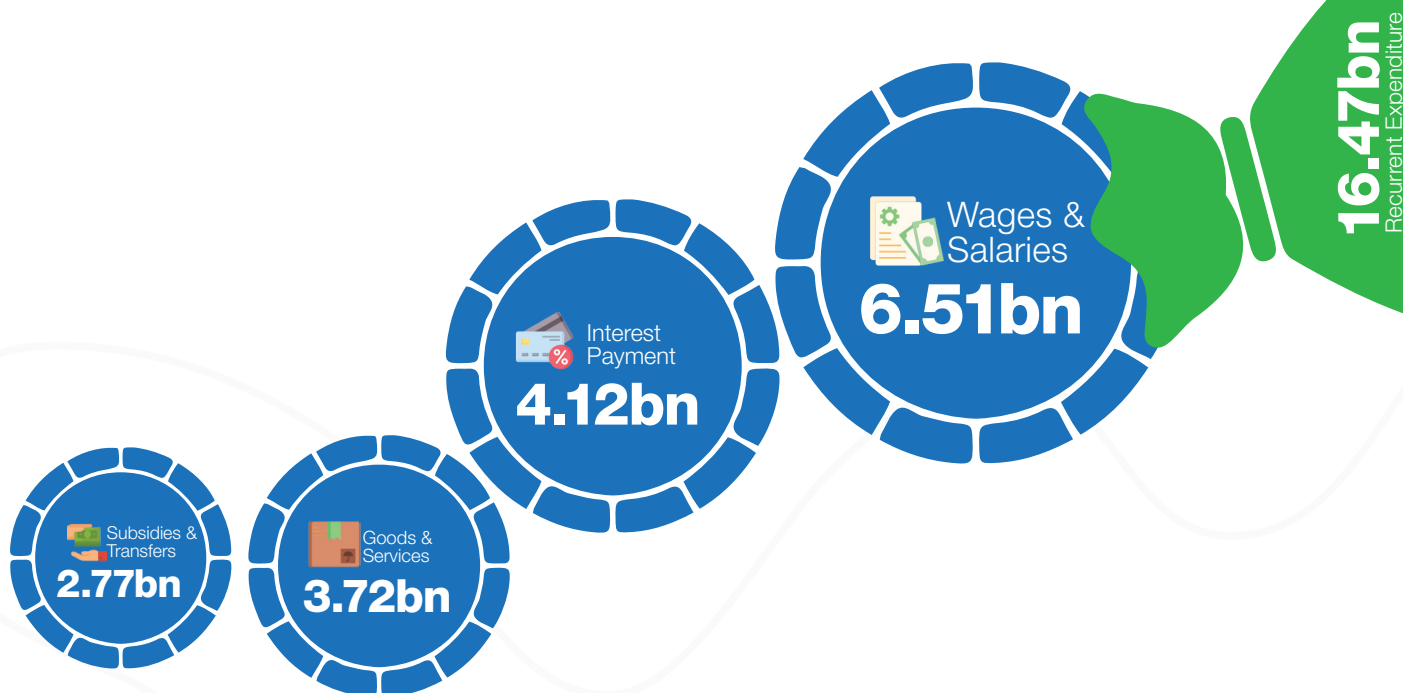


Recurrent expenditures are like everyday household expenses. It is the money the government spends to keep things running, such as salaries for government employees (teachers, doctors, and police), utilities for government buildings (electricity, water), maintenance

of roads and bridges, and social programs (pensions, welfare). Over 70% of the total expenditure is earmarked for recurrent spending, at NLe16,471,961 billion.

## 2024 Recurrent Expenditure Breakdown

Unit = NLe



There is also a significant increase in recurrent expenditure. The wage bill is expected to increase to NLe6.5 billion (6.4% of GDP) in 2024, up from NLe5.3 billion (6.7% of GDP) in 2023. It is noted that NLe385.3 million is allocated to Pensions and Gratuities, alongside other allowances. Contributions to the Social Security Fund for government workers are NLe526.4 million.

This increase in the wage bill is attributed to several factors outlined in the budget.

- Continuing the 45 percent increase in salaries for teachers initiated in 2023, with the second tranche of 15 percent scheduled to commence in January 2024.
- Plans to recruit 2,000 additional teachers and review and promote 2,200 teachers, effective from September 2024.
- Recruitment of 2,000 health workers, part of the delayed recruitment for FY2021 and FY2022 quotas, with 1,000 appointments effective from March 2024 and another 1,000 effective from July 2024.
- Recruitment of 500 new employees by subvented

agencies, including newly established entities.

- Recruitment of an additional 500 civil servants, including those for the newly established Ministry of Communication and Technology.
- Recruitment of 500 staff by tertiary educational institutions, effective from April 2024, with allocations for universities, colleges, and technical and vocational institutions.
- Recruitment of 700 military personnel, including 58 military health workers, effective from July 2024.
- Recruitment of 1,000 new employees by the Sierra Leone Correctional Services, effective from July 2024.
- Recruitment of 200 new employees by the Fire Force Authority, effective from July 2024.
- Recruitment of 100 consultants in FY2024.

The adjustment of wages and salaries for civil servants will be in line with the high cost of living. Starting in January 2024, the least paid civil servant will receive a take-home pay of NLe1,000.

## Capital Expenditure

Unit = NLe

Capital expenditures are like savings or investments. It is money the government spends on long-term projects or assets, like building new schools or hospitals, upgrading infrastructure—roads, railways, airports, or buying new equipment for hospitals or schools. These investments are pivotal in fostering economic growth, improving public services, and promoting fairness across generations.

It is the most important aspect of the budget, as it's about building something new or improving what's

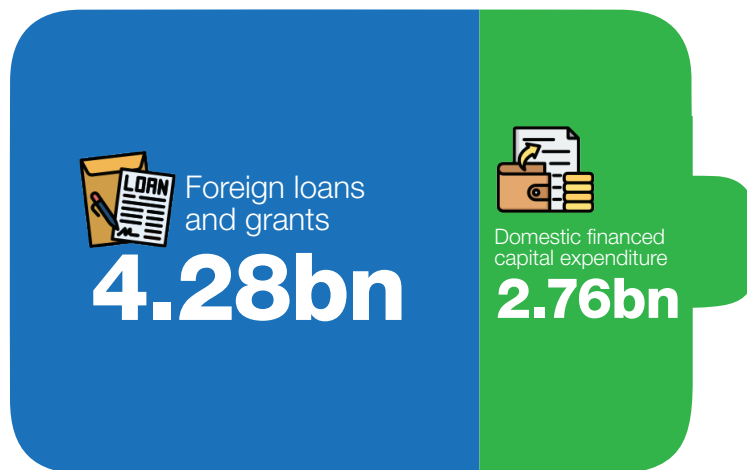
already in place for the future benefit of everyone. Proper allocation of capital expenditures in national budgets can greatly contribute to sustainable development, enhance citizens' welfare, and propel a nation toward long-term growth and prosperity.

The Sierra Leone government only plans to spend NLe7.05 billion (less than 30%) on capital expenditures this year. This is concerning because it contradicts the government's plans to invest more in its people this year.

## 2024 Capital Expenditure

# 7.05bn

Total Capital Expenditure 



# DEBT SERVICE PAYMENTS



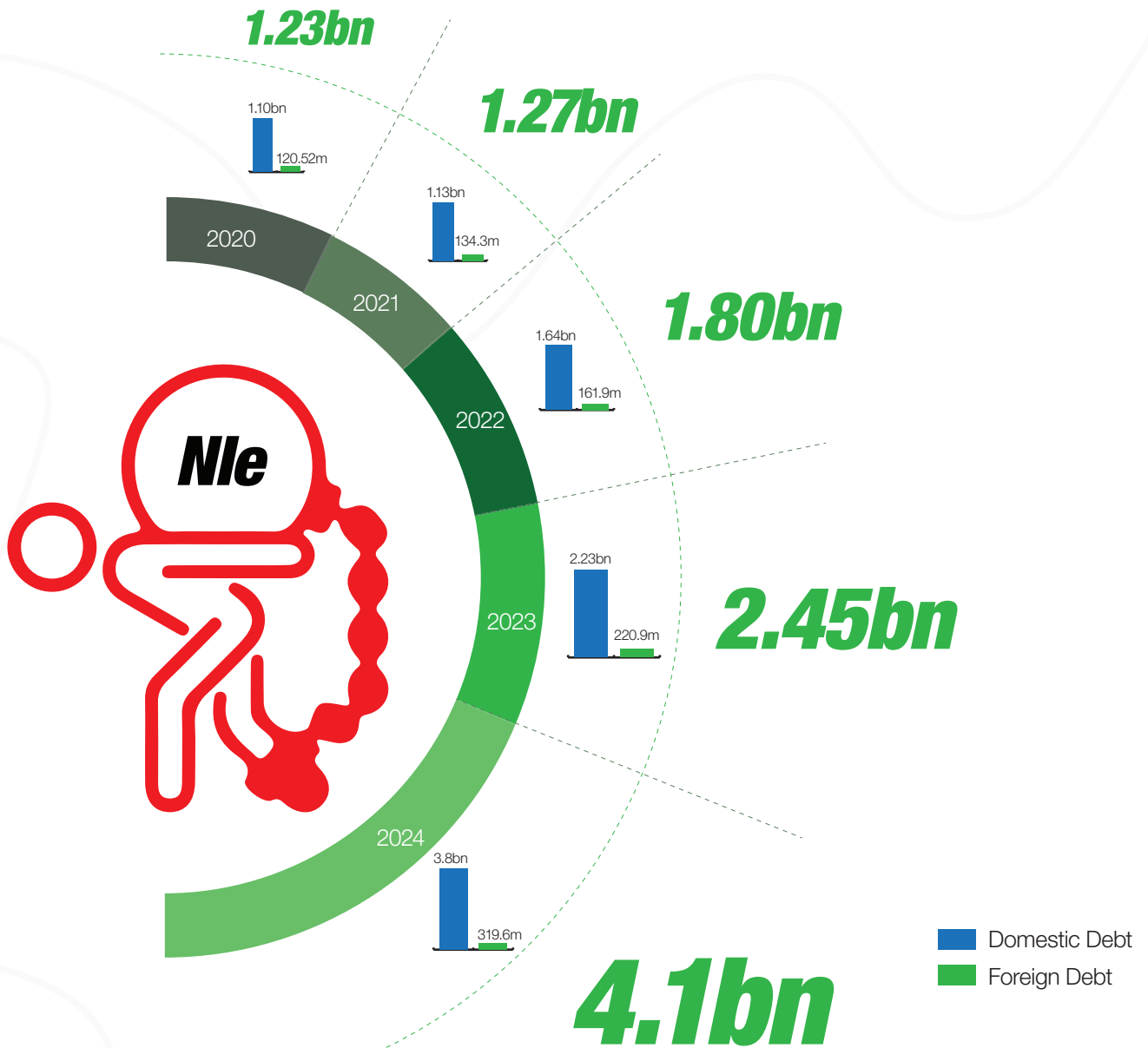


# Debt Service Payments

Unit = NLe

A country's national debt comprises the total owed to creditors, comprising annual budget deficits and any offsetting surpluses. In 2024, total interest payments

are projected at **NLe4.1 billion**. This includes **NLe3.8 billion** for interest payments on domestic debt and **NLe319 million** for external debt.



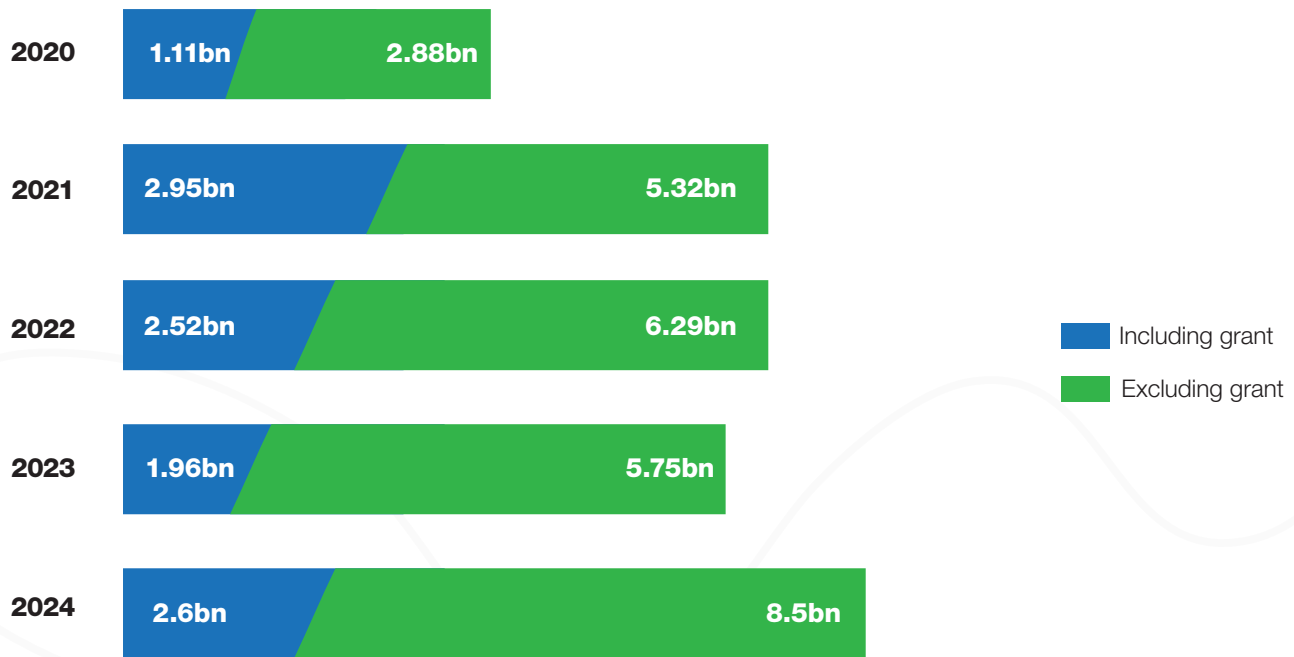
## Budget Deficit

A budget deficit occurs when a government's spending exceeds its revenue from taxes and other sources, excluding debt. In Sierra Leone, the budget deficit has been on a steady rise, climbing from **NLe1.23 billion** in 2019 to **NLe1.96 billion** in 2023,

marking a 60% increase over the last five years. This upward trend has compelled the government to use heightened borrowing to bridge the deficit. Furthermore, the deficit is projected to widen to **NLe2.6 billion** in 2024.

## Year-on-Year Budget Deficit

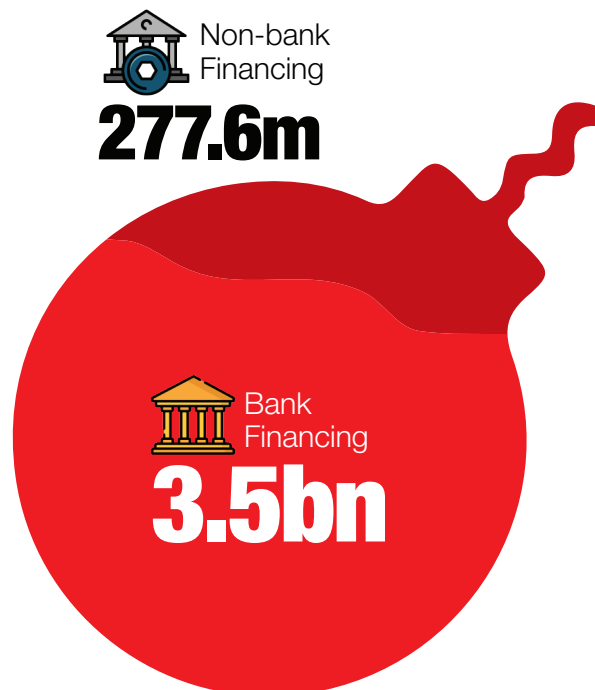
Unit = NLe



In 2024, the projected budget deficit is NLe8.6 billion, equivalent to 8.5 percent of GDP when grants are excluded. However, when grants are factored in, the deficit reduces to NLe2.7 billion, constituting 2.7 percent of GDP.

The deficit will mainly be covered through borrowing from the domestic banking system, amounting to NLe3.5 billion (3.5% of the GDP). Additionally, borrowing from the non-bank sector is anticipated to be NLe277.6 million.

## 2024 Financing Source of Budget Deficit



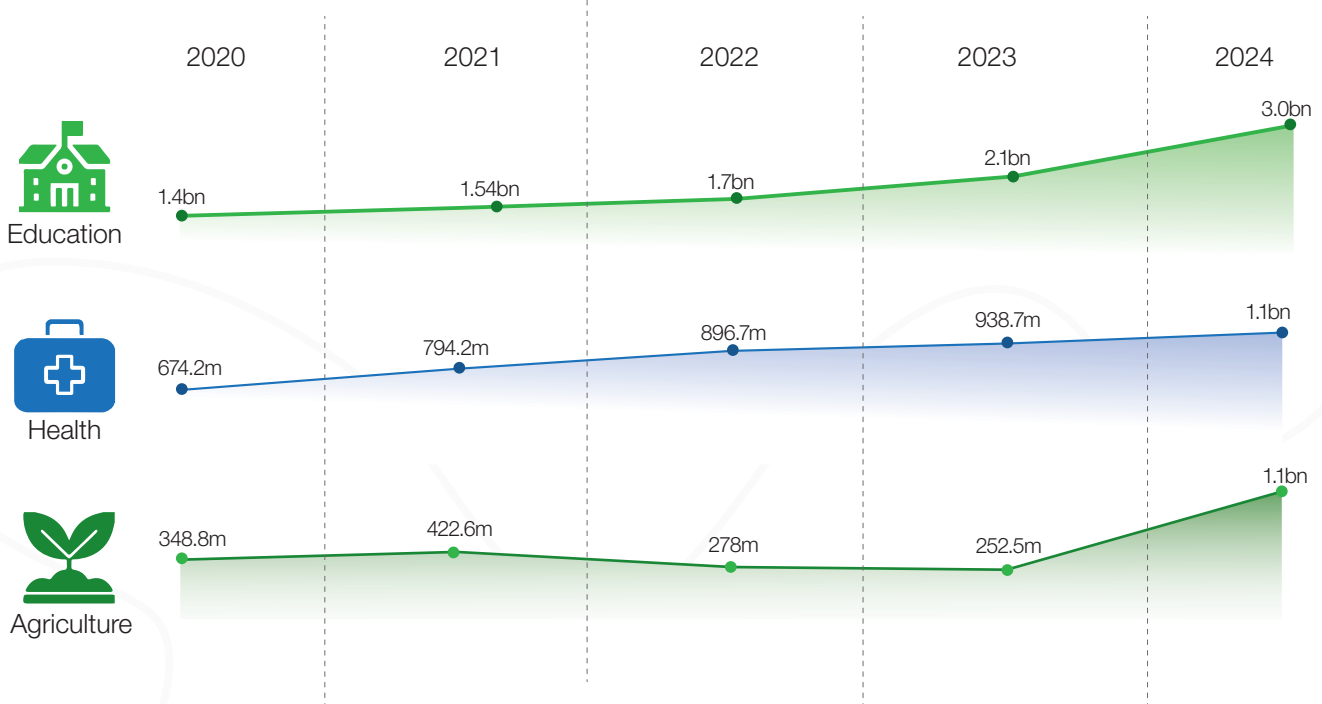
# SECTORAL ANALYSIS



# Sectoral Analysis

Unit = NLe

## Selected Sectoral Allocations in the Last Five Years



### Education Sector

The education sector consistently receives substantial funding, according to an analysis of budgetary trends in Sierra Leone. This dedication is in strong accordance with the United Nations Educational, Scientific, and Cultural Organisation (UNESCO) Declaration, which proposes that 15 to 20 percent of a country's overall budget should be allocated to

education. Despite this robust investment, the sector still grapples with significant challenges that necessitate further intervention in critical areas like infrastructure, teacher training, and curriculum alignment with labor market demands. To ensure effective resource utilization, the government must establish transparent and accountable measures.

Year	% Share of Education expenditure	Education Sector Expenditure	Total Expenditure
2019	15%	1.14bn	7.84bn
2020	15%	1.4bn	9.35bn
2021	13%	1.54bn	12.15bn
2022	12%	1.7bn	13.68bn
2023	14%	2.1bn	15.09bn
2024	20%	3.0bn	23.5bn

Education Sector Expenditure Total Expenditure

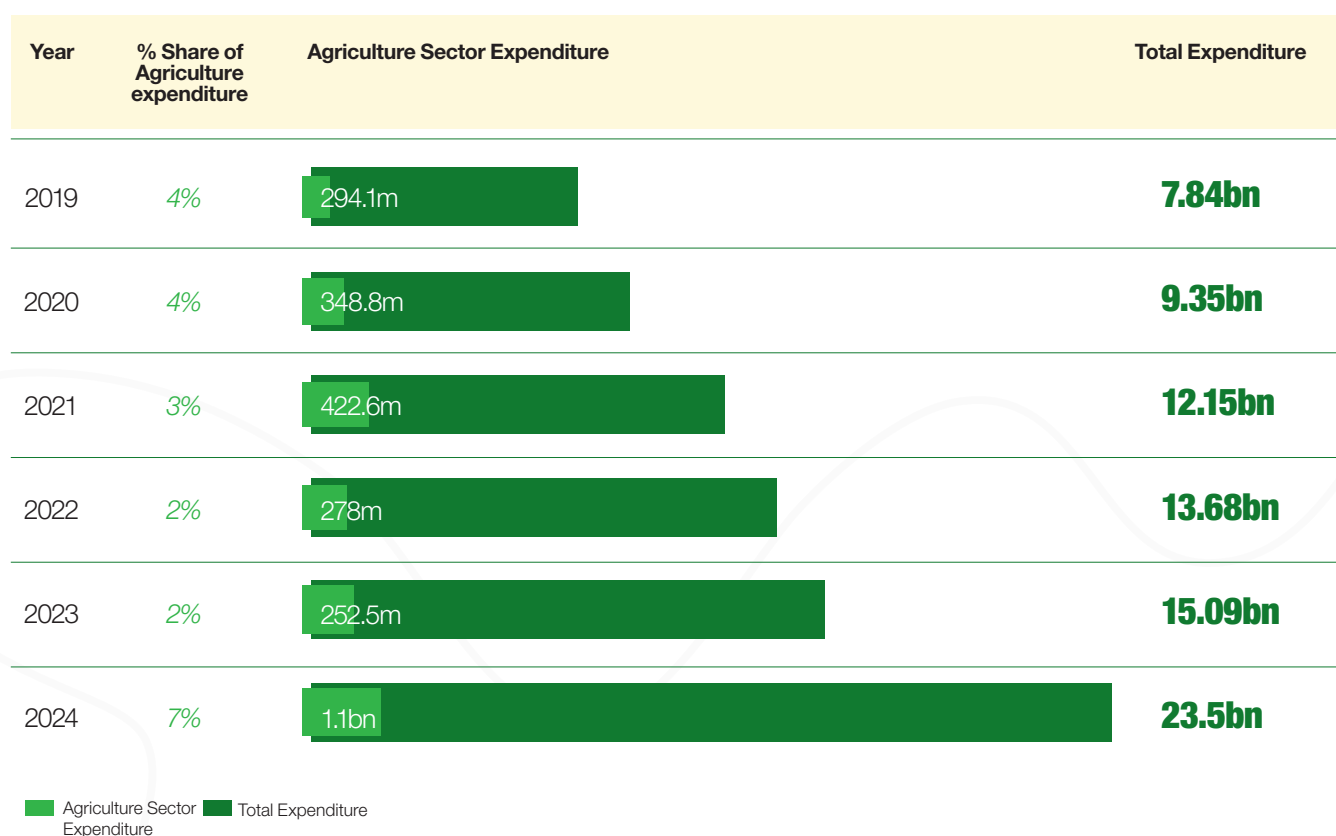
## Key Government Projects in 2024

Projects	Status	Location	Budget
Feed Salone and Other Ancillary Projects	New	Nationwide	1.9bn
Development and Promotion of Agro-ecological Zones	New	Nationwide	693.6m
Agricultural Technology and Climate Smart Agriculture	New	Nationwide	2.5m
National Agricultural Census	New	National	2m
Input System: E-Vouchers for Rice Production (Seeds, Fertilizers, etc)	Ongoing		30.2m
School Fees Subsidies	Ongoing	National	70m
Free Quality School Education Programme	Ongoing	National	477m
School Feeding Programme	Ongoing	National	300m
Rehabilitation and Expansion of Boarding Schools	New	National	3.5m
Examination Fees for WASSCE	Ongoing	National	45m
Construction Pharma Grade Warehouse and Ancillary Structures	New	National	15m
Youth Employment	Ongoing	National	13.3m
Livelihood Support for Persons with Disability	New	Nation wide	1m
Establish Rehabilitation Centre for Drug Addicts	New	Nation wide	1.5m
Infrastructure and Innovation	New	Nation wide	652.2m
Electrification of Seven District Towns	Ongoing	Nation wide	75m
Construction of Dodo Hydro Dam	ongoing	East	12m
Construction of Targrin–Lungi Road	Ongoing	West	12m
Rehabilitation of Kabala–Falaba Road	Ongoing	North	35m

## Agriculture Sector

Agriculture is expected to be the backbone of Sierra Leone's economy because it has approximately 5.46 million hectares of arable agricultural land, nearly 75% of which is cultivable, fertile soils, and abundant rainfall of about 3,800mm per year, making it one of Africa's most humid countries, and ideal for a wide variety of crops such as rice, cassava, groundnuts,

and so on. Despite these opportunities, Sierra Leone faces a food supply shortage and is one of the world's poorest countries, spending \$300 million on rice imports alone, straining foreign exchange and contributing to Leone's depreciation against foreign currencies.



Despite Sierra Leone's vast agricultural potential, with fertile lands and abundant rainfall, the sector remains underdeveloped, receiving meager allocations of less than 5% of total expenditure. The 2024 allocation of 1.1 billion, accounting for only 7% of total

expenditure, belies the sector's critical role in poverty reduction and food security. Prioritizing agriculture aligns with the government's Big Five Game Changer agenda, which calls for increased investment to unlock the sector's untapped potential.

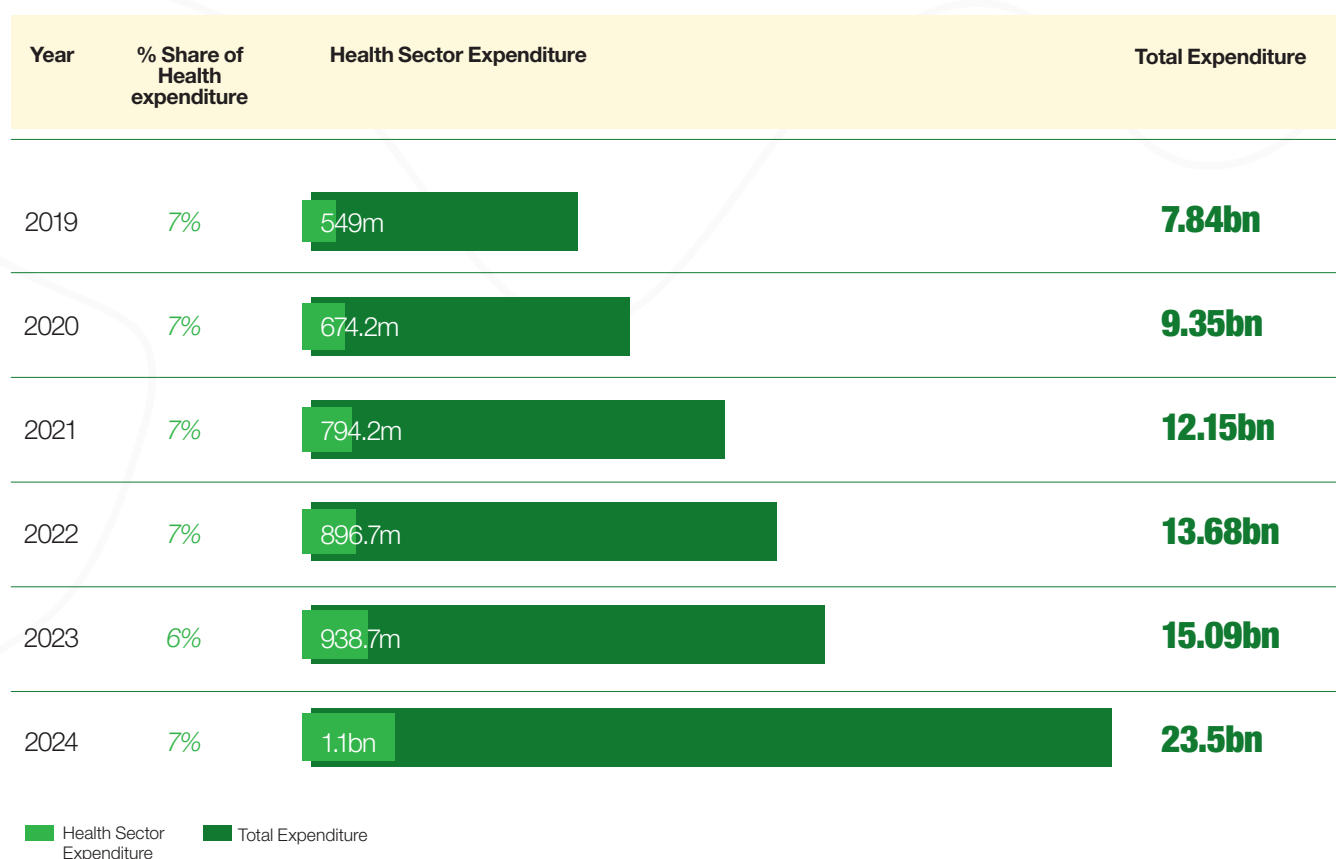
### Key Budget Allocations for Agriculture in 2024

Projects	Status	Location	Budget
Input System: E-Vouchers for Rice Production (Seeds, Fertilizers)	Ongoing	Nationwide	30m
Development of Agro-ecological Zones	New	Nationwide	693.2m
Agricultural Technology and Climate-smart Agriculture	New	Nationwide	2.5m
Empowering Women and Youth	New	Nationwide	7.6m
National Agricultural Census	New	Nationwide	2m
Rehabilitation and Development of Fishing Infrastructure	Ongoing	Nationwide	2.5m
Strengthening Inland Fishing	Ongoing	Nationwide	5m
Digitalise Fish Stock Assessment	Ongoing	Nationwide	4.5m
Enhancing Monitoring Control and Strengthening	Ongoing	Nationwide	5.2m
Women Empowerment in the Fishing Sector	Ongoing	Nationwide	3.5m

## Health Sector

Sierra Leone's public health system is in disarray, and healthcare costs remain prohibitively high for the general population which relies on the private health system. The five-year trend analysis of health sector allocations in Sierra Leone reveals that contrary to the Abuja Declaration of 15% allocation to the health sector in a fiscal year, health sector allocations in

Sierra Leone have remained stagnant, ranging between 6% and 7%. These allocations fall short of addressing rising healthcare costs and improving the public health system. To address this disparity, concerted efforts must be made to increase funding for better wages for healthcare workers and to invest in projects that improve healthcare quality for citizens.



## Key Budget Allocations for Health in 2024

Projects	Status	Location	Budget
Construction of Pharma Grade Warehouse and Ancillary Structures	New	Western Area	NLe 15m
Construction of Port Loko Hospital	Ongoing	North west	NLe 10m
Support to National Emergency Medical Services (NEMS) - Ambulance Service	Ongoing	Nationwide	NLe 10m

# Insights and Recommendations

Several challenges pose a threat to the success of the 2024 budget, including geopolitical tensions, global economic uncertainties, and weak revenue strategies. To address these issues and improve budget performance, strategic measures are required:



## **Increase Investment in Infrastructure Development:**

The government should increase its investment by allocating more funds to infrastructure development projects. The government should establish measures to attract external investments to the country, which will help improve citizens' well-being and boost the economy.



## **Prioritize Infrastructure Projects:**

The government should prioritize urgent infrastructure projects, such as roads, bridges, airports, and seaports, and ensure that they are completed on time and within budget.

Public-Private Partnership (PPP): The government can partner with private entities to finance, design, build, and operate infrastructure projects. This will attract more investment to the country and help close the infrastructure gap.



## **Improve the Regulatory Environment:**

The government should create an enabling regulatory environment, conducive to attracting foreign direct investment in infrastructure development projects. These include removing regulatory barriers and reducing bureaucratic red tape.



## **Focus on Maintenance:**

The government should not only focus on building new infrastructure but also on maintaining and upgrading existing ones. This will extend the lifespan of existing infrastructure and ensure it remains safe and efficient.



## **Embrace Technology:**

The government can leverage technology to improve infrastructure, such as using drones to map out road networks or data analytics to predict and prevent infrastructure failures.



