

GOVERNMENT OF SIERRA LEONE

GOVERNMENT BUDGET

and

Statement of Economic and Financial Policies

For the Financial Year, 2012

Theme: “Celebrating Five Years of Transformative Change”

DELIVERED BY

DR. SAMURA M. W. KAMARA

Minister of Finance and Economic Development

in the Chamber of Parliament

TOWER HILL, FREETOWN

ON

Friday, 25th November, 2011

MR. SPEAKER, HONOURABLE MEMBERS

I. INTRODUCTION

Mr. Speaker, I rise to move that the Bill entitled, “An Act to provide for the services for Sierra Leone for the Financial Year (FY) 2012” be read for the first time.

II. Delivering on Commitments

2. Mr. Speaker, at the onset of this Government in September 2007, Sierra Leone was relatively at the low end of several international country performance ratings, including in agricultural productivity, in road infrastructure coverage, in power generation and distribution, in telecommunication density, in access to finance, and basic social services - water and sanitation, health and education, in environmental management, as well as in economic and financial governance.

3. Mr. Speaker, Honourable Members, four years on, we are all witnesses to visible achievements attained so far. In his Address on the occasion of the State Opening of the Fifth Session of the Third Parliament of the Second Republic of Sierra Leone, His Excellency the President, Dr. Ernest Bai Koroma, did catalogue some of the landmark achievements in moving forward his “Agenda for Change”. These include economic growth and recovery; construction and rehabilitation of trunk, feeder and urban roads throughout the country; completion of the Bumbuna Hydroelectric Power Project and enhancement of other hydro, thermal and solar power generation; rehabilitation of clean water supply systems; introduction of the Free Healthcare Initiative and significant improvements in healthcare for lactating mothers, pregnant women and children under five; transition from subsistence to commercialisation of agriculture, especially for smallholder farmers;

increased budgetary transfers to Local Councils, which have transformed and strengthen them as subnational government development agents; improving the investment climate through strengthening of the legal and regulatory regimes and removal of several physical and administrative barriers; expansion of air and sea transportation; improvement in the efficiency of economic management; and broadening and deepening the financial system.

4. Mr. Speaker, Honourable Members, the year 2012 marks the end of the “Agenda for Change”. In 2012, we will be celebrating five years of transformative achievements, including of higher standings on the major international country performance rankings. In particular, in the World Bank’s Country Policy and Institutional Assessment (CPIA), our score has improved to 3.3, thereby moving Sierra Leone beyond the threshold of the classification of a fragile state. Sierra Leone has now been classified from a fragile low income country to low income country with the attendant implications for donor assistance. This performance tells us that we are on the right path and that we are following the right policies. Our goal is to use the fruits of our successes to sow the seeds of our future prosperity.

5. This is a direct response to His Excellency the President’s call to consolidate and continue to improve upon the gains already made in the “Agenda for Change”. This enviable success story has been on the back of determined incremental public spending on priority sectors. Between 2007 and 2010, cumulative public spending, excluding donor support, rose by more than threefold in agriculture, 105 percent for roads, over 79 percent in energy, about 40 percent in health, and 36 percent in education; hence, our overarching emphasis on spurring both economic growth and human development. The combined Government spending in support of governance institutions including Anti Corruption Commission, Parliament, the Judiciary, Audit Service, National Electoral Commission and Human Rights Commission, rose by more than tenfold during this period. In line with the fiscal decentralisation objective, combined transfers for Local Councils for both devolved functions and developmental projects increased by more than threefold, from Le13.4 billion in 2007 to Le77.9 billion in 2010; the key priority sectors being agriculture, from under Le 1 billion to Le13 billion in 2010; health, from Le2 billion to Le31 billion; and education, from Le8 billion to Le28 billion.

6. Mr. Speaker, in spite of all these achievements, significant challenges still remain. The need to address the infrastructure deficit continues to require our attention; strategic investments are needed in people; public sector

capacity and accountability need further strengthening; and more importantly, better management of our natural resources is compelling to ensure that the benefits are widely and equitably shared. Hence, without prompting the outcomes of the pending National Consultative Conference on the next 50 years, the next “Agenda for Change” should among other priorities, focus on ensuring inclusive growth and poverty reduction, effectively managing natural resources, accelerating progress towards achieving the Millennium Development Goals (MDGs), enhancing the competitiveness of the economy, expanding quality employment opportunities, and strengthening social protection systems.

7. Mr. Speaker, Honourable Members, as is customary, I will now present the rest of my 2012 Budget Statement by first reviewing recent developments in the world and regional economies and the impact of these on our domestic economy.

III. Recent Developments in the World and Regional Economies and Outlook

8. Mr. Speaker, the macroeconomic environment facing all policy makers in the developed, emerging market and less developed countries has become much more difficult since the global economic crisis erupted in 2008, less than one year in governance by this Government. Our economies have been buffeted by multiple shocks: from food and fuel prices, to export markets, to portfolio capital flows and home remittances, and to development assistance, tourism and the like. The current sovereign debt crisis in the Euro zone is arguably the single biggest risk to the global economy. World financial and capital markets continue to show serious signs of stress. Jobless figures in the advanced countries continue to rise just as their relatively high economic growth forecasts are now being slashed. In the corporate world, blue chip giant companies continue to unveil plans to shed jobs. Slashing overheads has become an imperative as the downturn in the global economy and the squeeze in household incomes sap their profit levels. These problems facing the global economy, including the need for rebalancing of demand, the volatility of commodity prices and vulnerabilities in financial markets, imply that countries, such as Sierra Leone, cannot expect any abatement of external shocks to their economies, over the medium term at least, if not over a longer time horizon. Notwithstanding, the macroeconomic and structural reforms which have been implemented by us in recent years have already helped to make our economies relatively more resilient in the face of external shocks.

9. At the regional level, 2012 thus looks a promising year for Sub-Saharan Africa, provided that domestic economic management remains focussed and sustained. Economic growth in the region is projected at 5.8 percent in 2012, improving upon the 2011 growth rate of 5.2 percent. The prospects for low-income Sub-Saharan African countries are even better, with an estimated growth rate of 6 percent in 2011 and a predicted growth rate of around 7 percent in 2012.

10. I believe that we can draw important lessons from our experience of dealing with the macroeconomic shocks to guide further strengthening of our macroeconomic policies and other mitigating measures, especially to protect the most vulnerable in our societies.

11. Mr. Speaker, Honourable Members, I will now turn to our domestic economy.

IV. Macroeconomic and Budgetary Performance in 2011 Macroeconomic Performance

12. Mr. Speaker, to our credit, we can boast that, today, our domestic economic and financial fundamentals remain stronger than ever before, despite the difficult global economic environment. The domestic economy is continuing its strong rebound. Real Gross Domestic Product (GDP) is projected to grow by 5.3 percent in 2011 and the growth is expected to be broad based with positive contributions from all sectors of the economy.

13. Domestic inflation remained high during the year, driven largely by the spike in the international prices of fuel and food. However, following prudent fiscal and proactive monetary policies during the first half of the year, inflationary pressures have subsided since June 2011. The year-on-year national inflation rate declined to 15.7 percent in September from 17.8 percent in May 2011. Interest rates on government securities also fell. However, commercial banks' interest rate on overdraft remained unchanged, averaging 21 percent for the credit worthy clients and 29 percent for the risky borrowers.

14. Total official exports increased by 5.5 percent to US\$174.3 million during the first half of 2011, compared to US\$166 million for the same period in 2010. The increase in total exports was driven largely by the substantial increase in mineral exports, benefitting from the significant rise in

international prices. Mineral exports increased to US\$109.6 million during the first half of 2011 compared to US\$ 93.4 million for the same period in 2010 and are expected to increase sharply by the end of the year following the commencement of iron ore exports by African Minerals Limited.

15. The total value of merchandise imports increased by 124 percent to US\$704 million during the first half of 2011, compared to US\$314.3 million for the corresponding period in 2010. The huge increase in imports was largely on account of the surge in import of machinery and transport equipment to support mining activities. Hence, the trade deficit widened to US\$530 million in the first half of 2011.

16. Despite this, the exchange rate remained relatively stable during the first half of the year, depreciating by only 3.9 percent, largely supported by increased foreign exchange inflows - both official and private - and strong macroeconomic fundamentals.

17. Mr. Speaker, our country's stock of external debt stood at US\$848.7 million as at end June 2011, indicating an increase of US\$67million (8.6 percent) on the end-December 2010 position. Of the total external debt, long term debt constituted 75.3 percent; of which multilateral debt was 62.6 percent; official bilateral debt - 10.3 percent; commercial obligations and short term debt - 24.7 percent. A large proportion of the external debt stock was contracted at highly concessional terms to ensure debt sustainability in the medium to long term.

Budgetary Performance in FY 2011

18. Mr. Speaker, Honourable Members, public finances strengthened during the year, with improved revenue performance and prudent expenditure management. Total revenue and grants amounted to Le1.4 trillion for the first three quarters of the year and is projected to reach Le2.2 trillion by end of the year. Domestic revenue collected for the first three quarters of 2011 amounted to Le1.1 trillion and is estimated to reach Le1.4 trillion or 14.9 percent of GDP by the end of the year, compared to the original target of Le1.2 trillion.

19. Income taxes amounted to Le344.9 billion in the first three quarters of the year, rising to Le419.9 billion or 4.4 percent of GDP by end 2011; total collections from goods and services tax amounted to Le266.7 billion for the first three quarters of the year, and are projected to yield Le335.3 billion or 3.5 percent of GDP for the year as a whole. Customs and Excise collection amounted to Le257.6 billion and is likely to reach Le362 billion or 3.8 percent of GDP at end 2011.

20. Mining royalties and licenses amounted to Le167.8 billion and are projected to reach Le185.5 billion (1.9 percent of GDP). Collections by other Government departments amounted to Le60.7 billion and will amount to Le73.9 billion by the end of the year. Road user charge and vehicle licenses amounted to Le16.6 billion and are likely to reach Le49 billion by end 2011.

21. External grants disbursed for the first three quarters of the year amounted to Le334.6 billion. Of this, budgetary support received so far amounted to Le93.5 billion; support from Global Fund, Le10.4 billion; and Peace Building Fund, Le24.9 billion. Project grants disbursed so far amounted to Le192.8 billion. Total grants are projected to reach Le757.5 billion by the end of the year.

22. Total expenditure and net lending for the first three quarters of 2011 amounted to Le1.8 trillion and is estimated to reach Le2.6 trillion, compared to the budgeted amount of Le2.2 trillion. Of this amount, recurrent expenditures amounted to Le1.2 trillion so far, rising to an estimated Le1.6 trillion by the end of the year, compared to the original budget of Le1.4 trillion. The higher than budgeted recurrent spending was due to overruns in the wage bill, interest on domestic debt and fuel subsidies.

23. Of the recurrent expenditures, the government wage bill amounted to Le474.1 billion by end September 2011 and is projected to rise to Le650.3 billion at the end of the year, compared to Le535.7 billion in 2010. The higher wage bill was on account of the commencement of the new multi-year pay reform for teachers as well as other public servants, including military, police, health sector workers and civil servants.

24. Total interest payments on public debt for the first three quarters of the year amounted to Le172.2 billion, of which domestic interest payments amounted to Le157.5 billion. Interest payments will amount to Le237.2 billion by year end.

25. Non-Salary, non-interest recurrent expenditure amounted to Le526.4 billion as at end September 2011 and is estimated at Le676.1 billion at the end of the year. Transfers to Local Councils amounted to Le61.5 billion as at end September and are estimated to reach Le81.7 billion by year end, compared to Le78.4 billion in 2010.

26. Total Capital expenditure amounted to Le673.8 billion as at end September 2011. Capital expenditure funded by foreign loans and grants amounted to Le424.9 billion while that funded from domestic sources amounted to Le248.9 billion. Total capital expenditures are expected to amount to Le994.9 billion (10.4 percent of GDP) by the close of the year.

Sectoral Spending in 2011

27. Mr. Speaker, Honourable Members, total expenditure performance by key sectors for the whole of 2011, compared to the original approved budgets, is mixed.

28. In **Agriculture**, total expenditure is estimated at Le18.6 billion, compared to Le22.4 billion in the original budget. Of the estimated actual expenditure, food security activities will amount to Le12.2 billion while agricultural extension services will expend Le2.8 billion. Grants for devolved functions in the agriculture sector will amount to Le13.5 billion. In addition, Le1.5 billion would be spent from the domestic development budget on various agriculture projects.

29. An amount of Le140.1 billion will be spent on **road construction**, compared to Le85.7 billion in the original budget. This includes an amount of Le21.4 billion on the construction of the Lumley/Tokeh peninsular road and Le117.2 billion for the rehabilitation of streets in Freetown and district headquarter towns.

30. On **Transport and Aviation**, an estimated Le23 billion would be spent by end 2011, as against Le4.4 in the original budget. Of this amount, Le16.7 billion is for the expansion of the Lungi International Airport Terminal, Le2.1 billion as counterpart contribution to the Investment Climate Facility - Airport Transfer Project, and Le1.6 billion on procurement of Government vehicles.

31. In the **Energy Sector**, an estimated amount of Le30 billion will be spent on energy related projects, compared to Le80.9 in the original budget. This

includes Le21 billion for the procurement of transmission and distribution materials including prepaid meters.

32. Total estimated spending on **water services** is Le12.1 billion, compared to Le11.3 billion. An amount of Le8.4 billion will be spent on the rehabilitation of rural water supply systems in Mile 91, Pujehun and other communities.

33. Total non-salary expenditure on the **Education Sector** will amount to Le76.7 billion, compared to Le77.1 billion in the original budget. Of this, Le48.5 billion is for grants to tertiary educational institutions; Le6.5 billion for examination fees to WAEC for the WASCE; Le3.2 billion as Grant-in-aid to boarding schools; Le2.1 billion to support the Girl Child programme; and Le1.0 billion to Technical/Vocational education. In addition, grants for devolved functions in the education sector will amount to Le30.5 billion, of which school fees subsidies, text books and teaching and learning materials for Government and Government Assisted Schools will amount to Le17.3 billion; Le3.9 billion and Le4.5 billion as examination fees to WAEC for NPSE and BECE, respectively.

34. In **the Health Sector**, total annual expenditure is estimated at Le42.6 billion, compared to Le36.6 billion. About Le3.3 billion will be spent on the Free Health Care Programme; Le1.6 billion on the Expanded Programme of Immunization (EPI), Le5.6 billion for the procurement of drugs and medical supplies and Le12.2 billion on rehabilitation of government hospitals. Grants for devolved functions in the health sector will amount to Le32.1 billion, of which support to tertiary health care services, Le16.1 billion; secondary health services, Le8.2 billion and Le7.9 billion for District Peripheral health care services.

35. The **security sector** will spend a combined estimated amount of Le102.2 billion, compared to an original budget of Le107.3 billion. Defence will expend Le54.3 billion, including Le7.5 billion for rice supplied to military personnel; Le31.7 billion by the Police including Le400 million for the rehabilitation and construction of police barracks; Le9.1 billion by the Prisons, including Le1.7 billion for diets and drugs; and Le3.0 billion by the National Fire Authority, including Le849 million for Fire Engines.

36. **Fuel subsidies** paid to oil marketers so far amounted to Le95.4 billion in 2011. This was aimed at limiting the full pass through of higher

international oil prices to domestic pump prices, thereby minimising the hardship on the population.

37. Mr. Speaker, Honourable Members, as outlined above, domestic revenue performance for 2011 as a whole is projected to be higher than original budget estimates, due largely to improved collections of tax and non-tax revenues. The higher tax revenue performance has been driven by increased economic activities, improved tax administration and stricter enforcement of tax legislations, resulting in enhanced compliance. Non-tax revenues have been higher than originally anticipated partly as a result of the payment of signature bonuses from petroleum exploration activities and payroll taxes by mining companies. Programme grants have also been higher than budgeted. By end 2011, domestic revenues will be Le269.1 billion higher than originally projected, while programme grants will be Le143.4 billion higher than budgeted.

38. Thus, the higher revenues provided an opportunity to accommodate unbudgeted but highly compelling expenditures on the strategic priorities of the “Agenda for Change”, including in wages and salaries, fuel subsidy, infrastructure (roads and energy), Lungi International Airport Terminal Expansion, additional grants to tertiary educational institutions, NaCSA stalled projects, Statistics Sierra Leone for the Integrated Household Survey, printing of National ID cards and ECOWAS Passports, and new diplomatic postings.

Budget Deficit and Financing

39. Mr. Speaker, the overall budget deficit, excluding grants, is estimated at Le1.1 trillion or 11.8 percent of GDP. Including grants, the overall budget deficit is estimated at Le375.3 billion or 3.9 percent of GDP. The total stock of arrears owed to domestic suppliers was reduced by Le67.1 billion in 2011.

40. The budget deficit for the year will be financed largely by external sources in the form of project and programme loans, amounting to Le334 billion (3.5 percent of GDP). Domestic financing of the deficit will amount to Le116.9 billion (1.2 percent of GDP), of which bank financing will amount to Le73.6 billion and non-bank - Le43.2 billion. Financing through privatisation receipts will amount to Le34.1 billion, essentially proceeds from the privatisation of the Ports Authority Container Terminal.

V. Structural Reforms

41. Mr. Speaker, Honourable Members, Government continues to broaden and deepen structural reforms in general, to improve the efficient functioning of the economy.

Financial Sector Reforms

42. The Bank of Sierra Leone has continued to further the implementation of the Financial Sector Development Plan (FSDP). In support of these reforms, the World Bank provided US\$4.0 million to support two components of the FSDP, namely improving access to finance and institutional and legal reform.

43. The Bank has established and operationalised a Credit Reference Bureau in 2011 in an effort to minimize credit risks in the banking system to support private investment activities. In collaboration with development partners, the Bank continues to promote rural financial intermediation. To this end, a number of deposit and non-deposit-taking Micro Finance Institutions (MFIs) have been licensed. As the business model of community banks undergoes reform, the International Fund for Agricultural Development (IFAD) is active in channeling refinancing resources to Small and Medium Scale Enterprises (SMEs) through the Financial Services Associations (FSAs). The number of Financial Services Association has increased to reflect progress in rural credit flows, particularly agricultural credit.

44. Another key component of the financial sector reform agenda is the need to foster stability through strengthened and effective supervision of the banking sector. To this end, the Banking Act 2000 and the Bank of Sierra Leone Act 2000 were reviewed during the year to ensure compliance with international standards and these Bills would soon be laid before this Honourable House for enactment. The Anti-Money Laundering (AML) Act 2005 was also reviewed in 2011, taking into account the Criminalisation of Terrorism Financing (CTF). The revised Bill was approved by Cabinet early in the year and now awaits enactment by Parliament.

45. The implementation of the West African Monetary Zone (WAMZ) Payments Systems Project funded by the African Development Bank is also progressing well. It is expected to 'go live' in 2012. This project is expected to modernize the payments system infrastructure in the WAMZ member countries, thereby facilitating the timely conclusion of financial transactions in the WAMZ.

46. The Sierra Leone Stock Exchange (SLSE) continues to operate with Rokel Commercial Bank being the only listed Company. It is expected that the privatization process will facilitate the listing of additional companies. The Stock Exchange, fully operational, will assist in the mobilisation of medium to long term investment financing. A Securities and Exchange Commission Act will soon be enacted to facilitate regulation and supervision of the Stock Exchange.

47. During 2012, financial sector reform will focus on strengthening the capacity of the Central Bank and the commercial banks, as well as rural credit delivery by microfinance institutions. The Financial Intelligence Unit of the Bank of Sierra Leone will also be made independent and effective.

Public Financial Management

48. Mr. Speaker, Honourable Members, Government continues to implement public financial management reforms under the multi-donor funded Integrated Public Financial Management Reform Project (IPFMRP), which aims to consolidate and deepen reforms undertaken in earlier years. In this regard, Government, with support from its development partners, has undertaken an independent assessment of the public financial management systems in central Government and local councils, utilizing the Public Expenditure and Financial Accountability (PEFA) methodology. I am pleased to inform this Honourable House that the results of this assessment revealed improvements in our public financial management systems within central Government. In partnership with our development partners, we have also outlined strategies in tackling the challenges identified in our local councils' public financial management systems.

49. During the year also, the Government embarked on a comprehensive review of the Government Budgeting and Accountability Act (GBAA 2005) and the Public Procurement Act (2004) and their respective supporting regulations, that is, the Financial Management Regulations of 2007 and the Procurement

Regulations 2006, in order to continue to strengthen the legal framework governing public financial management. It is envisaged that these reviews will be concluded during 2012 and the revised Bills submitted to this House for enactment.

50. Mr. Speaker, efforts continue to be made to enhance the planning, monitoring and evaluation process for capital projects. To this end, in 2011, Government amended the GBAA (2005) in support of an appropriate framework for public investment. In 2012, Government will rationalise the institutional arrangements for public investment planning and commence the process of developing a three-year Public Investment Plan (PIP) to be integrated within the budget process.

51. In respect of external audit, the audits of the 2010 Annual Public Accounts for both Central Government and Local Councils have been completed and will soon be laid in this noble House. Progress continues to be made in strengthening the internal audit function across Government. Following the deployment of Internal Auditors in Ministries, Departments and Agencies (MDAs), Internal Audit Committees are now being established to follow up on audit recommendations. Government continues to implement Public Expenditure Tracking Surveys (PETS) to ascertain the proportion of disbursed public resources that reach the intended beneficiaries. The 2011 PETS, covering selected 2010 and 2011 poverty-related expenditures, was conducted in October 2011 and the Report, including findings and recommendations, will be submitted to Cabinet in the first half of 2012.

52. Finally, we will continue to strengthen and deepen the implementation of the Integrated Financial Management Information System (IFMIS) and accelerate its rollout to additional MDAs during the ensuing financial year. The number of local councils using the PETRA financial management software has increased to fifteen. The software will be rolled out to the remaining four councils during 2012.

53. The analytical and dissemination capacity of the Non-State Actors (NSAs) on public financial management issues is also being strengthened to improve civil society's scrutiny over the use of public resources. Going forward, I am proud to announce today that Government will be publishing a "Citizen's Budget" for the first time in Sierra Leone. This is in line with H.E. President

Koroma's declaration at the 50th independence anniversary address where he made every Sierra Leonean citizen a "Public Monitor". A Citizen's Budget is a simplified summary of the national budget written in a non-technical language in order to reach out to wider segments of our population. Government sees many potential benefits of this initiative – the public as taxpayers have a right to be fully aware of the use of public resources. And, through the Citizen's Budget, the public would be made fully aware of why we invest in some projects and not in others in a given year, and the Government can also better explain some of the constraints it faces and the difficult choices it has to make. Reflecting the transparency and accountability of our budget process, Sierra Leone has also been selected to be included in the international Open Budget Initiative (OBI). Hence, we shall participate in the Open Budget Survey in 2012.

Private Sector Development

54. Mr. Speaker, within the framework of the Agenda for Change, Government has been implementing reforms to improve the business environment to enhance private sector activities, including small and medium-scale enterprises. Following the establishment of the Credit Reference Bureau and other reforms undertaken during 2011, including making cross-border trading faster, implementing the Automated System for Customs Administration (ASYCUDA++) and establishment of fast track commercial courts, Sierra Leone's ranking for improving the business environment has improved significantly. As a result, Sierra Leone has been ranked among the top ten global reformers in the 2012 Doing Business report. Going forward, Government will focus on those areas where additional efforts are needed to further improve our ranking in the Doing Business Survey.

Improving Governance

55. Government continues to make efforts to improve governance and fight corruption. Reflecting these efforts, Sierra Leone has improved its score on the MO Ibrahim Index to 48 out of 100 in 2011, up from 34 in 2006. Hence, Sierra Leone now ranks 30 out of the 53 African nations scored in 2011.

56. Looking ahead, Government will focus on improving transparency and accountability in the management of mineral and petroleum revenues to ensure the full realisation of the benefits of the mining sector for all Sierra

Leoneans. To this end, the National Minerals Agency is being established and will be made operational in 2012, aimed at strengthening capacity and improving governance in the mining sector.

57. As part of the drive to become EITI compliant, Government will intensify efforts to increase transparency within the mining sector. With this in mind, His Excellency the President will soon launch the Government of Sierra Leone Online Repository, which contains details on all tax and non tax mining revenues. This is a bold step forward and will enable citizens to access information about the mining sector. The repository will be located on the website of the Ministry of Mines and Mineral Resources.

Public Sector Reform

58. Mr. Speaker, over the last few years, the Government has delivered on the commitments made in the Agenda for Change and made major strides in improving the quality of services to the nation. To achieve the even more ambitious policy objectives we are setting for ourselves in the next “Agenda for Change”, Sierra Leone needs a high performing civil service which is capable, motivated and committed to service delivery. There is an urgent task to re-build our public service to meet our present and future challenges.

59. In February 2011, Cabinet approved a multi-year pay reform strategy with the objectives of (i) making the levels of remuneration more competitive and equitable so as to enable us to attract and retain qualified and motivated personnel, in particular in the technical and middle levels; (ii) removing inefficiency; (iii) improving productivity and performance; and (iv) rationalizing the public service. Given the low level at which we are today, this will take a few years to implement. We have made a start by providing significant salary increases this year to teachers and other public servants. Last year, with the launch of the Free Health Care Initiative, we increased significantly the remuneration to health workers.

60. For sustainability, the increase in levels of remuneration has to be accompanied by reforms which lead to improvements in productivity, efficiency and accountability, and have to be affordable. This requires a well thought out, sequenced and prioritized approach to reforms. The reforms in the public sector which Government intends to take in 2012 will include job evaluations,

improved performance management systems and better recruitment and staffing policies – thereby changing the way in which our public service is structured, remunerated, and held accountable for public service delivery. The public service should also be staffed with properly qualified individuals, recruited competitively and on merit. These and other reforms are critical components of our overall pay reform efforts – only a more efficient and productive public sector can justify the case for pay increases.

61. Mr. Speaker, in 2008, H.E. the President initiated a performance contracting process to improve the performance of his Ministers and to strengthen accountability for results. This year, the Government has started to extend this process to the management tiers of the civil service bureaucracy by cascading a system of performance management contracts in seven pilot ministries, involving several Permanent Secretaries and Directors, and six local councils. In the coming year, Government will further extend this performance management system to all elements of the public service as we strive to deliver our development objectives and to hold ourselves accountable to the Sierra Leonean citizens. We are being supported in this initiative by the Government of Kenya and the UNDP.

62. However, performance management alone is not a panacea: we must also ensure that we have enough skilled managers and professionals to run our MDAs and that we pay them fairly for the work they do and the contribution they make.

63. To achieve this, with the World Bank's support, Government will launch a results based "pay and performance" flagship Programme - **Improving Productivity through Management and Pay Reforms**. This programme will support efforts to fill the "missing middle" in our civil service, reform the arrangements for paying public servants, as well as extend and embed performance management within the civil service. For these efforts to be successful, the various agencies involved in public sector reform will have to better coordinate their activities and work together towards this common objective. A high level coordination and collaboration is particularly required among the office of the Chief of Staff, the Public Sector Reform Unit, the Human Resource Management Office (HRMO), the Public Service Commission (PSC), the various MDAs and Heads of the Civil and Public Services. Government is committed to providing them with adequate resources needed to deliver on this reform agenda.

64. Complementing this effort is the support from the European Union through the recently approved project - **“Support to Civil Service Reform Programme in Sierra Leone”** - which will be supporting training, rightsizing, institutional support to the HRMO, the PSC and other oversight institutions, and the mainstreaming of anti-corruption efforts in Government.

Fiscal Decentralization

65. Mr. Speaker, Government remains committed to deepen the fiscal decentralisation process. This is seen in both the increase in the amount of resources transferred to local councils as well as in improving the timely transfers of these resources. In furtherance of its commitment to this process, the Ministry of Finance and Economic Development developed a second generation grant system which has linked finance and functions through a system of client-based expenditure norms and affordable service delivery standards. The framework for this has been prepared and will come into effect in 2012.

66. Furthermore, to give councils greater autonomy in determining expenditure priorities at the local level, an unconditional block grant system has been introduced for certain sectors. In terms of development projects undertaken by councils, the concept of Rapid Result Initiative will be strengthened in 2012 and beyond to ensure local participation and ownership in the implementation of these projects.

Public Enterprise Reform

67. Mr. Speaker, Honourable Members, the National Commission for Privatization (NCP) has moved from preparatory phase to implementation phase on the reform and divestiture of public enterprises. The key milestone in 2011 is the concessioning and licensing of the Container Terminal and Break Bulk to Freetown Terminal (Bollere Group). This transaction will yeild US\$177 million over twenty years.

The Commission will conclude the following divestiture and reform in 2012:

- * Sale of Government 51percent shareholding in Rokel Commercial Bank (RCB);
- * Sale of 100 percent Shareholding interest in National Insurance Company (NIC);

- * Sale of 51percent Shareholding interest in Mining and General Services (MAGS);
- * Extension of the Sierra Leone Ports Authority (SLPA) Berth through private finance initiative will commence; and
- * Concessioning of the Sierra Leone Airport Authority (SLAA) Security System.

In addition, the NCP is:

- * exploring options for the divestiture of minority shareholding interest in the Sierra Leone Commercial Bank.
- * about to conclude the management contract for Sierratel with a view to improve the financial and operational efficiency and make it more competitive.
- * also working on the modalities for the resuscitation of National Development Bank.

VI. Medium Term Macroeconomic Objectives and Outlook for 2012 - 2014

68. Mr. Speaker, Honourable Members, the primary objective of Government's economic policy in the medium-term is to sustain high economic growth and reduce poverty, while maintaining macroeconomic stability. Thus, the medium term macroeconomic framework sets out a policy mix, aimed at achieving sustainable economic growth, job creation and the expansion of economic and social opportunities to a broader spectrum of the population, consistent with the priorities set out in the "Agenda for Change". The key priorities are to increase fiscal space for developing basic infrastructure and improving social services, while supporting the effective participation of the private sector in the economy.

69. The commencement of iron ore production is expected to boost economic activity in 2012 and beyond. The full implementation of the two new

iron ore mining projects (African Minerals Limited and London Mining Limited) will substantially expand domestic output, exports and tax revenues in the coming years.

70. Real GDP is projected to expand by at least 50 percent in 2012, putting Sierra Leone among the fastest growing economies in the world. The economy is projected to grow further by 10 percent in 2013 and 2014. Exports are projected to increase by fourfold in 2012 and will continue to grow in 2013 and 2014. Even without iron ore production, the economy is projected to grow by 6 percent on average per annum in real terms during 2012-2014. Consistent with this high growth performance, Sierra Leone has been identified by the International Monetary Fund (IMF) as one of the countries that will contribute to Sub-Saharan Africa's strong growth performance in 2012, largely on account of developments taking place in the mining sector. This two-speed economy however poses serious management challenges. In this regard, Sierra Leone can learn from the experiences of other Sub-Saharan African countries, and in doing so, create a dynamic, long-term vision, whereby, the Dutch Disease, the resource curse and excessive environmental degradation are avoided.

71. The current account deficit, will decline to 11.2 percent in 2012 and further down to 10.8 percent in 2013 on account of the sharp increase in exports. Gross foreign reserves will average at least 5 months of imports cover.

72. The exchange rate is expected to stabilize in the medium term as export earnings increase. The stability in the exchange rate, combined with the proactive monetary stance as well as increase in domestic food production, will lower inflationary pressures in the medium term. Inflation is projected to fall to 11.0 percent in 2012 and return to single digits in 2013 and 2014.

73. Mr. Speaker, Honourable Members, the primary objective of monetary policy continues to focus on achieving and maintaining price stability consistent with high and sustained economic growth.

74. In 2012, monetary policy of the Bank will remain focused on bringing inflation to a much lower level. Monetary operations will therefore be centered on the use of market-based instruments, mainly Open Market Operations through the buying and selling of government securities and use of repo and reverse repo transactions. The Bank envisages that the improved monetary and

financial management in 2012 would translate into further decline in interest rates in the domestic money market.

75. Government will continue to maintain a flexible exchange rate regime to allow the economy to adjust to external shocks. In 2012, the Bank's foreign exchange market interventions will be guided by the need to absorb foreign-financed budget spending, while reducing short-term volatility in the exchange rate.

76. Mr. Speaker, Honourable Members, while global sovereign debt dynamics is posing serious difficulties for policymakers, Government is taking decisive steps to ensure that public debt management in Sierra Leone is conducted in an improved and transparent manner. A clear manifestation of Government's commitment to this effort is the passing of the Public Debt Management Act in February this year. The Act has placed Sierra Leone as a forerunner in formulating sound legal framework for effective, transparent and accountable debt management among low-income countries.

77. Mr. Speaker, to ensure Sierra Leone does not slip into an unsustainable debt path as characterized in the pre-HIPC debt relief era, Government has been conducting annual debt sustainability analysis to determine a mix of borrowing requirements and the strategies required to access funds at low costs and low risk of default. I am pleased to inform this House that the debt sustainability analysis conducted in July this year revealed that Sierra Leone's external debt situation is sustainable in both the medium and long term. However, in view of the vulnerability of export revenue to external shocks, our external debt situation is faced with a moderate risk of debt distress.

78. On this basis, Government will continue to borrow at highly concessional terms to fund the much desired and productive infrastructure projects. That said, the financing mix of infrastructure projects will draw from both traditional and non-traditional resources.

79. Mr. Speaker, Honourable Members, as Government addresses the issue of external debt, we are also committed to ensure that our domestic debt remains within sustainable levels. Due to the short tenure of the current domestic debt profile, our assessment reveals that our domestic debt has moderate level of both rollover and interest rate risks. Government is taking

proactive steps to effectively manage domestic debt portfolio by developing a strategy to restructure the existing portfolio from short to medium and long-term instruments to finance specific development projects.

80. Mr Speaker, given the substantial economic growth prospects for Sierra Leone, 2012 provides an excellent opportunity to secure international credit ratings well in advance of any external sovereign funding requirements. Sovereign ratings minimise investor uncertainty about economic and political prospects of a country and are crucial for a country which seeks to promote direct foreign investment for development purposes and issue sovereign debt in the international capital markets in the future.

VII. The 2012 Budget

81. Mr. Speaker, Honourable Members, the theme of the 2012 Budget is **“Celebrating Five Years of Transformative Change”**. Hence, the 2012 budget is underpinned by the need to sustain spending on infrastructure development and the provision of basic services to make progress towards the attainment of the MDGs. Efforts will therefore continue to improve domestic revenue collection while mobilising concessional external support from traditional and non-traditional partners to finance Government’s development agenda. In 2012, domestic revenue collection will be supported by new activities in the mining sector and continued efforts to strengthen tax administration as well as the review of various fees and licenses collected by Ministries, Departments and Agencies.

82. Mr. Speaker, Honourable Members, the proposed 2012 Budget is based on a sound macro-economic policy framework that supports growth, private sector development, democratic governance, and human development. It, therefore, has the following key objectives and focus:

- (i) continue the implementation of ongoing infrastructure and social sector projects - roads, energy and water supply, schools, hospitals and health centres, in order to spur sustainable economic growth;
- (ii) continue to provide basic services in health, education, water and sanitation in order to accelerate progress toward the attainment of the Millennium Development Goals (MDGs); and

- (iii) improve the capacity and productivity of the public service by undertaking deep public sector reforms including pay reform, and the development of a robust performance management system to ensure effective and efficient delivery of public services.

Domestic Revenue Projections

83. Total domestic revenue is projected at Le1.6 trillion (13.8 percent of GDP) in 2012, compared to Le1.4 trillion in 2011. Of this, income taxes comprising personal and corporate taxes, will contribute Le451.6 billion (3.9 of GDP) in line with the growth of the economy. The Goods and Services Tax (GST) is projected to yield Le407.5 billion (3.5 percent of GDP) as domestic consumption of goods and services increases and compliance strengthens. Customs and excise duties are projected to amount to Le381.9 billion (3.3 percent of GDP). While import duties are projected to increase in 2012 relative to 2011 due to the anticipated increase in import volume and value, excise duties on petroleum products are projected to fall from Le64.7 billion in 2011 to Le18.3 billion due to the reduction in excise tax on fuel products in May 2011 to keep domestic fuel prices at affordable levels.

84. Mining revenues in the form of royalties and licenses are expected to increase substantially to Le242.3 billion, compared to the estimated collections of Le185.5 billion in 2011 on account of the projected increase in iron ore exports in 2012. Royalty on iron ore is projected at Le178.8 billion in 2012. However, mining licenses are projected to drop to Le47.2 billion in 2012 from Le175.1 billion in 2011, as the signature bonuses from petroleum activities taper off in 2012.

85. Royalty and licenses on fisheries will amount to Le13.8 billion in 2012. Collections of fees, licenses, fines, etc by other MDAs will contribute Le60.1 billion. Dividends from parastatals mainly Rokel and the Sierra Leone Commercial banks will amount to Le5.3 billion. Other Government Departments will collect Le60.1 billion. Road User Charges are projected at

Le44.3 billion, lower than in previous years, due to the reduction in the road user fee in order to maintain fuel prices at their May 2011 levels.

86. External grants are projected to decline to Le696.9 billion (6 percent of GDP) in 2012, compared to Le757.4 billion (7.9 percent) of GDP in 2011 due to lower HIPC debt relief and external budget support. External budget support is projected to decline from Le249.9 (2.6 percent of GDP) in 2011 to Le193.0 billion in 2012. However, support from the Multi-Donor Election Basket Fund will increase to Le113.8 billion in support of the 2012 general elections. Project grants are projected at Le348.3 billion (3.0 percent of GDP).

Revenue and Tax Policies

87. Mr. Speaker, Honourable Members, I will now turn to the policy measures for achieving the revenue targets.

Improving Tax Collection and Compliance

88. Mr. Speaker, the National Revenue Authority implemented a number of reforms in 2011 under its modernization plan, which have contributed to the improved revenue performance this year. These include, the roll-out of the ASYCUDA++ in customs operations, the establishment of a Domestic Tax Department, and a small and micro tax payer regime.

89. In consultation with the IMF, Government will be considering a number of other revenue enhancing measures and policies for implementation in 2012. These measures which include amendments to the Income Tax Act 2000, will be reflected in the 2012 Finance Bill to be laid before this House:

- (i) The introduction of an additional schedule to the Income Tax Act – ‘the 11th Schedule’ - to address all tax and non-tax issues for the Oil and Gas Sector including all on-shore and off-shore exploration, development and production activities in this sector.
- (ii) A simplified tax regime for Small and Medium Enterprises (SMEs) so as to bring on board the ‘hard to tax informal sector’ in the tax net,

providing the taxpayer the option to be taxed on turnover basis as opposed to the outdated presumptive tax regime.

- (iii) Improved provisions governing the taxation of multi-national companies with respect to various financing options including finance leases, thin capitalization, and the creation of permanent establishments. This will ensure that source income from Sierra Leone is taxed accordingly irrespective of where ownership and control lie.
- (iv) The Payroll Tax Act of 1972 will be amended to require individual tax clearance certificates for expatriate staff prior to the issuance of Work and Residential Permits by the Ministry of Labour, Social Security and Industrial Relations.
- (v) The GST Act will be amended to require all GST registered traders to use the 'Electronic Cash Register' (ETR) in order to improve domestic compliance.
- (vi) Enhance tax payer compliance through the passing into law the unique identifier for each tax payer- The Tax Payer Identification Number (TIN) Bill in 2012. This number is mandatory and will track all transactions undertaken by a tax payer with the National Revenue Authority so as to enhance accurate assessment and payment of taxes on a timely basis.

Other revenue enhancing measures include:

- (a) the full operation of an automated Domestic Tax Department, merging the traditional Income Tax, Goods and Services Tax and Local Excise Unit of the Customs and Excise Department into a single operational unit.
- (b) the granting of additional powers to the National Revenue Authority to conduct forensic investigation so as to detect fraud and other tax evasive activities and practices.

Fiscal Regime for Extractive Industries

90. Mr. Speaker, the opportunities provided by developments in the minerals sector must be exploited prudently in order to assist with the national ambitions in infrastructure development and poverty reduction. In this regard, Government will consider in 2012 the findings and recommendations in the IMF Fiscal Affairs Department recent report on Implementing Fiscal Reforms for Extractive Industries. Recommendations as approved by Cabinet will be incorporated in the 2012 Finance Bill.

Review of Non-Tax Revenues collected by MDAs

91. Mr. Speaker, Honourable Members, our non-tax revenue laws have become obsolete and the rates applied for various licenses, charges and fees are so low that the cost of collection far exceeds the actual revenue collected. I will therefore, be proposing in the 2012 Finance Bill upward revisions of non-tax rates, including those levied by the Ministry of Works, Housing and Infrastructure, Magistrate and High Courts, Registrar and Administrator General's Department and Pharmacy Board. These new rates will, upon approval by Cabinet, also be incorporated in the Finance Bill 2012.

Expenditure Proposals

92. Mr. Speaker, Honourable Members, public expenditure in 2012 will be underpinned by the following Government priorities:

- (i) Continue implementation of the Comprehensive Pay Reform** - Pay reform is an important ingredient of the ongoing public sector reform programme. In this respect, Government has prepared a comprehensive, structured, multi-year pay reform, the implementation of which started in September 2011.
- (ii) Provide adequate resources for the Presidential, Parliamentary and Local Council elections** - The conduct of credible elections is seen as paramount for the stability and progress of our country. In

this regard, Government is committed to ensuring that adequate resources are provided to ensure the smooth running of the general elections in 2012.

- (iii) Support completion of ongoing infrastructure projects** - The poor state of our infrastructure was identified in the “Agenda for Change” as a binding constraint on economic growth and socio-economic development. Since 2009, a number of infrastructure projects were started; hence the focus in 2012 will be the completion of these ongoing projects.
- (iv) Social Safety Nets** - Government remains concerned about the social and economic consequences of rising food and fuel prices in the country. Additional support is, therefore, being sought from development partners for the provision of safety nets for the poor and vulnerable, especially as a way of responding to exogenous shocks. As a first step, Government, with support from the World Bank, is currently reviewing the efficiency and effectiveness of existing social safety net programmes with a view to strengthening and consolidating them. This review will help to formulate options for improved safety net systems and their financing. The implementation of new programmes is expected to start in 2012. Initially, these programmes will be fully financed by additional project support from development partners. In the mean time, Government will continue to implement the Free Healthcare Initiative to ensure greater access to basic health services by a greater proportion of the vulnerable population in all corners of the country.
- (v) Establishment of a Contingency Fund:** A Contingency Fund will be established to take care of unplanned/unbudgeted expenditures. For 2012, the budgetary provision in Contingency Fund is to handle security-related expenditures for the Presidential, Parliamentary and Local Councils elections.

93. On the basis of the forgoing, total expenditure and net lending for FY 2012 is projected at Le2.8 trillion (24.0 percent of GDP), compared to Le2.6 trillion (26.7 percent of GDP) for FY 2011. Of this total, recurrent expenditures

are budgeted at Le1.8 trillion (15.6 percent of GDP) and capital expenditures, Le1.0 trillion (8.6 percent of GDP).

Wages and Salaries

94. Mr. Speaker, the Government wage bill is budgeted to increase from Le650.3 billion in 2011 to Le798.3 billion in 2012. The increase in the wage bill of Le148 billion will cover a yet to be determined increase in salary for public servants with effect from July 2012 and the recruitment of 1000 police and 300 military officers.

95. To keep real incomes of pensioners in the Government payroll from continued decline, recommendations will be made to Cabinet for the enhancement of annual pensions through indexation and/or other modalities.

96. Furthermore, the computation of gratuities on retirement and death, which hitherto was based on the last basic salary earned by the retiree/deceased, would now be based on the new composite salary.

Interest Payments

97. Interest payments on public debt are projected to amount to Le 259.9 billion (2.2 percent of GDP). Interest payments on domestic debt will amount to Le 234.5 billion (2.0 percent of GDP, reflecting the higher domestic interest rates.

Non-Salary, Non-interest Recurrent Expenditures

98. A total of Le751.4 billion is allocated to cover non-salary, non-interest recurrent expenditures in 2012, compared to Le676.0 billion in 2011. Of this amount, Goods and Services expenditure is budgeted at Le360.8 billion and transfers to local councils, Le82.2 billion.

Capital Expenditures

99. Capital expenditures are budgeted at 1.0 trillion (8.6 percent of GDP). Of this, foreign financed capital spending will decline from Le758.6 billion (7.9 percent of GDP) in 2011 to Le683 billion (5.9 percent of GDP) in 2012.

However, this figure may likely be revised upwards as new commitments with development partners are made.

100. Domestic funded capital expenditure is increased from Le236.2 billion (2.5 percent of GDP) to Le318.1 billion (2.7 percent of GDP) to fund the completion of ongoing projects in roads, water and energy to accelerate growth, create jobs and reduce poverty. The sectoral distribution of foreign and domestic capital expenditures together with recurrent expenditures is detailed below.

Recurrent and Capital Expenditure Allocations by Sector

101. Mr. Speaker, the sectoral distribution of non-salary, non-interest recurrent, domestic and foreign capital expenditures, consistent with the strategic priorities of the “Agenda for Change”, is as follows:

Agriculture

102. The agriculture sector is allocated Le130.4 billion. An amount of Le21 billion is allocated from the recurrent budget to support agricultural services including Le13.2 billion for food security activities.

103. Transfers to Local councils for agriculture services will amount to Le12.9 billion. An additional Le3.2 billion is provided from the domestic capital budget as counterpart funds towards various agricultural projects including the rehabilitation of selected agricultural stations.

104. Our development partners are expected to disburse Le100.4 billion in support of various agricultural projects, including the Smallholder Commercialisation Project, the Rural Private Sector Development Project, and the Agriculture Sector Rehabilitation Project.

Energy and Water

105. The Energy and Water sector will receive Le206.3 billion, accounting for 12.6 percent of the total budget. An amount of Le7.8 billion is from the recurrent budget, of which Le4.3 billion is for the water sector.

106. An amount of Le75.7 billion is allocated from the domestic capital budget to support energy and water projects. Of this total, Le7.9 billion is provided for the completion of water projects including the construction of wells and gravity fed systems from Calaba Town to Masiaka; rehabilitation of water supply systems in Mile 91, Pujehun and other selected towns; and the installation of pipes and fittings for various road projects. The balance of Le67.8 billion is allocated to the energy sector to support the electrification of district and provincial headquarter towns including the procurement of thermal plants and transmission and distribution materials as well as to meet counterpart funding requirements for solar street lighting in Freetown and thirteen municipalities.

107. External funding for Energy and Water projects will amount to Le122.9 billion in 2012. Of this amount, donors will disburse Le50.5 billion for water projects and Le72.4 billion for energy projects.

Roads and Aviation

108. The road sector is allocated a total Le395.4 billion, representing 24.1 percent of the total budget. Transfers to the Road Maintenance Fund for the regular maintenance of roads and streets will amount to Le44.3 billion.

109. An amount of Le157.9 billion is allocated from the domestic capital budget, of which Le72.2 billion is counterpart contribution and start-up funding towards the construction and rehabilitation of Highways including the Kenema–Pendembu Road, Lumley-Tokeh Road, Lungi-Port Loko Road, Matotoka-Sefadu Road and the Makeni-Kamakwe Road; Le1.0 billion for the rehabilitation of feeder roads in Koinadugu, Bonthe, Kono and Kailahun; Le84.7 billion for the rehabilitation of streets in Freetown and the District headquarter towns. In addition, Government is allocating Le6.3 billion towards the ongoing rehabilitation of the Lungi International Airport Terminal.

110. Our development partners have committed Le193.1 billion, of which, Le106.5 billion is for the construction of highways and Le59.5 billion for feeder roads.

Education

111. A total of Le138.9 billion is allocated to the education sector. An amount of Le84.4 billion is allocated for education services from the recurrent budget, of which, Le14.2 billion is for secondary education.

112. Grants to tertiary educational institutions will amount to Le52 billion. Government will also provide additional resources to the University of Sierra Leone and Njala University in lieu of an increase in tuition fees. The additional resources required to fill the gap between the current and proposed tuition fees is estimated at Le25.4 billion. Transfers to local councils for education services will amount to Le32.4 billion.

113. Government's counterpart contribution to donor funded projects in the education sector including Capacity building for technical and vocational education and the rehabilitation of Njala University and the Youth Employment Support project will amount to Le940 million.

114. Disbursements from our development partners in support of projects in the education sector are projected at Le21.1 billion.

Health

115. The Health sector is allocated a total of Le110.7 billion, of which, Le30.2 billion is from the recurrent budget. Of this, Le10.9 billion is for Reproductive and Child Health Care and Le3.4 billion for the procurement of drugs and medical supplies. Transfers to local councils for health services will amount to Le30.5 billion.

116. Government's counterpart contribution towards health sector projects including strengthening District Health Services and the rehabilitation of Government hospitals will amount to Le2.5 billion.

117. Our development partners will disburse about Le47.5 billion in support of projects in the health sector.

118. Mr. Speaker, consistent with our commitments, the total budgetary allocations to the strategic priorities of the Agenda for Change account for 60

percent of the total 2012 budget. I will now describe the rest of the allocations to the other sectors.

Security Services

119. The security sector is allocated the sum of Le110.9 billion from the recurrent budget. Of this, Le57 billion is for Defence including Le15.2 billion for rice supplies to the military; Le34.2 billion to the Police; Le9.8 billion to the Prisons Department; Le4.1 billion for the National Fire Force; Le2.4 billion for the Office of National Security and Le1.8 billion for the Immigration Department. An amount of Le7.6 billion is allocated from the domestic capital budget for the rehabilitation of various facilities for the military (Le4.8 billion); police (Le1.0 billion) and prisons (Le1.0 billion).

Elections

120. Mr. Speaker, Honourable Members, Sierra Leone is having its third post-war elections in 2012. The Election Programme is concentrating on three key strategic areas of electoral support: capacity building of electoral management bodies; public confidence and trust in the electoral process; and electoral disputes and electoral security. The planned expenditures for 2012 from development partners total US\$11.3 million, excluding project management cost and technical advice. Government is providing a maximum of US\$18 million (equivalent to Le80.4 billion) to NEC in 2012. In addition, the Government has made allocations to the Political Parties Registration Commission (PPRC), and for elections security and contingencies, with total funding for elections related activities in 2012 standing at US\$24 million (equivalent to Le107.2 billion).

Good Governance

121. An amount of Le1.3 billion is allocated to the Anti-Corruption Commission, Le1.5 billion to Political Parties Registration Commission; Le3.0 billion to the Audit Service; Le1.3 billion to the National Commission for Democracy, Le4.6 billion for Statistics Sierra Leone, and Le11.4 billion to Parliament including Le6.1 billion for constituency facilitation allowance.

Other Ministries, Departments and Agencies (MDAs)

122. From the non-salary recurrent budget, an amount of Le16.4 billion is allocated to the Ministry of Foreign Affairs and International Cooperation; Le863.5 million to the Ministry of Fisheries and Marine Resources; Le3.9 billion to the Ministry of Youth Employment and Sports; Le5.4 billion to the Ministry of Social Welfare, Gender and Children's Affairs; Le2.6 billion to the Ministry of Lands, Country Planning and the Environment; Le2.1 billion to the Ministry of Labour and Social Security; Le4.3 billion to the Ministry of Mines and Mineral Resources; Le4.1 billion to the Ministry of Transport and Aviation; Le6.4 billion to the Ministry of Trade and Industry; Le3.1 billion to the Ministry Local Government and Rural Development; Le905.3 million to the Ministry of Political and Public Affairs; Le2.8 billion to the Ministry of Information and Communication; Le2.4 billion to the Office of the Chief of Staff and Le557.2 million to the Ministry of Tourism and Cultural Affairs. Full details of these and all other MDA allocations are annexed to this Statement. Meanwhile, it is expected that some of these ministries, in particular, revenue generating MDAs will be accorded priority in allocating any additional domestic and donor resources to be acquired during the course of the year.

Arrears of Subscriptions to International Organisations

123. Mr. Speaker, the estimated outstanding obligations of subscriptions to international organisations which span as far back as the 1990s are about US\$30.96 million. To normalize our relations and enhance our participation in regional and international bodies, my Ministry will work with MDAs to negotiate treatment of the arrears to seek full or partial cancellation through short, medium and long term arrangements.

124. In this regard and to comprehensively programme payments to international organisations within the Medium Term Expenditure Framework and consistent with the foreign exchange cash flow of the Bank of Sierra Leone, all budgetary provisions and payments of subscriptions to regional and international organizations will be consolidated and centralized at the Ministry of Finance and Economic Development, effective January 2012. Detailed quarterly estimates will be prepared for each institution and the payments will be processed using the same procedures adopted in making debt service obligations to external creditors.

Overall Budget Deficit and Financing

125. Mr. Speaker, the overall budget deficit, excluding grants, is envisaged to decline from 11.8 percent in 2011 to 10.4 percent in 2012. The deficit will be largely financed from external sources projected at Le348.4 billion (3.0 percent of GDP).

126. Domestic financing from banks and the nonbanking financial sector is limited at Le166.4 billion (1.4 percent of GDP). Direct credit to the Government by the Bank of Sierra Leone (BSL) is now limited to 5 percent of previous year's domestic revenue, as required by Law. Thus, the main source of domestic financing is from commercial banks, other financial institutions, and the non-bank public.

127. Government borrowing from the commercial banks to finance the deficit is projected at Le66.6 billion (0.6 of GDP). Borrowing from the non-bank public is projected at Le33.3 billion (0.3 % of GDP). Plans are underway for the introduction of medium-term bonds for infrastructure development.

128. Proceeds from the privatization of the Rokel Commercial Bank, the National Insurance Company and the Sierra Leone Ports Authority, projected at Le34.8 billion, will also be used to finance the deficit.

VIII. Risks to the 2012 Budget

(i) Global food and fuel price increases

129. Mr. Speaker, Honourable Members, any sharp increase in international prices of food and fuel in 2012 will place considerable pressure on the budget, through increased spending on the provision of diets for hospitals, prisons and schools. There will also be a need to protect vulnerable groups through direct budget subsidies and other safety nets. In 2011, a 40 percent average increase in food prices and a 30 percent increase in fuel prices resulted in an additional Le110 billion of spending. At the same time, the reduction in excise taxes on fuel and in Road User Charges is estimated to have caused a revenue loss of approximately Le200 billion in 2011. If this situation were to persist in 2012, compensating revenue measures would be required to offset the impact on the budget to allow its full implementation

(ii) Implementation of the Comprehensive Pay reform

130. The Multi-Year Pay Reform Strategy (2011-15) outlines a comprehensive approach to reforming the public sector in line with improving service delivery. The pay reform also involves implementation of key cost saving measures including regrading, rightsizing, targeted employment, payroll cleaning, etc. Failure to implement these reforms will lead to significant shortfall in both internal and external resources to support continued pay adjustment.

(iii) Unpredictability of External Budget Support

131. Budgetary support, in the form of grants and loans, continues to be an important source of financing for the Government. However, disbursements continue to be somewhat untimely and unpredictable.

(iv) Slow rate of execution of donor funded projects.

132. Mr. Speaker, although there have been improvements in the overall capacity to absorb aid, a number of projects have continued to experience substantial delays or cancellation of disbursements due to weak administrative and project management capacity, institutional constraints as well as externally generated constraints.

133. All of these risks have the tendency to increase project costs, and overburden the Government with unplanned expenditures.

IX. Conclusion

134. Mr. Speaker, Honourable Members, 2011 performance outcomes and the 2012 budget and its medium term perspective reflect the directions provided by His Excellency the President in his “Agenda for Change”.

135. Our generation has faced daunting challenges and defining moments. Fortunately, the “Agenda for Change” provided a new direction for our future, building on the past and making good on promises. We are delivering on our commitments: enhancing agricultural productivity; improving road network;

increasing access to electricity; providing good health and quality education; improving business environment; and building a productive and sustainable economy, while creating jobs, restoring and consolidating the peace and stability. It is to that vision that this Budget is formulated and to that cause our Government has demonstrated its commitments.

136. Mr. Speaker, Honourable Members, I will like to end this Statement by expressing my profound gratitude and appreciation to all those who have supported budget execution in 2011, including our development partners and budget oversight institutions. My thanks also go to all those who in diverse ways have contributed in the preparation of the 2012 Budget, from the many organisations and groups who participated in the policy hearings to Sierra Leoneans from every corner of the country who aired their views and opinions in the print and electronic media. Their contributions, their views and concerns in no small way shaped the Budget I am tabling today.

137. I would also like to thank my colleagues in Cabinet and Members of this House who provided advice and insights. In particular, I want to acknowledge the contribution of the Chairman and Members of the Parliamentary Finance Committee. Above all, I want to thank my Deputies and staff of the Ministry of Finance and Economic Development, the Governor, Management and Staff of the Bank of Sierra Leone, the Acting Commissioner General, Management and Staff of the National Revenue Authority, and heads of other MDAs for their invaluable work in finalising these estimates. The Government Printer is applauded for rising to the occasion in preparing the printed statement and estimates on time.

138. Mr. Speaker, Honourable Members of Parliament, I commend the 2012 Appropriation Bill to this House.

139. I thank you all for your time and may God bless Sierra Leone.

BUDGET PROFILE

GOVERNMENT OF SIERRA LEONE

ANNEX 1 - BUDGET PROFILE FOR FY2010 - 2014

In millions of Leones (Le 'm)

PARTICULARS	FY2010	FY2010	FY2011	FY2011	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014
	Actual	% of GDP	Estimate	% of GDP	Budget	% of GDP	Indicative	% of GDP	Indicative	% of GDP
	Q1 - 4 Jan - Dec	Le7,597.2b	Q1 - 4 Jan - Dec	Le9,578.6b	Q1 - 4 Jan - Dec	Le11,629.5b	Q1 - 4 Jan - Dec	Le13,217.9b	Q1 - 4 Jan - Dec	Le13,878.9b
Total Revenue and Grants	1,551,581	20.4%	2,183,177	22.8%	2,303,845	19.8%	2,487,639	18.8%	2,627,995	18.9%
Domestic Revenue	1,007,627	13.3%	1,425,703	14.9%	1,606,932	13.8%	1,849,559	14.0%	1,969,206	14.2%
Income Tax Department	303,026	4.0%	419,891	4.4%	451,636	3.9%	514,622	3.9%	457,809	3.3%
Corporate Tax	136,510	1.8%	105,861	1.1%	130,547	1.1%	148,420	1.1%	132,030	1.0%
Personal Income Tax - incl. Govt PAYE	155,237	2.0%	305,053	3.2%	312,751	2.7%	355,440	2.7%	313,360	2.3%
Other Taxes	11,279	0.1%	8,977	0.1%	8,338	0.1%	10,762	0.1%	12,419	0.1%
Goods and Services Tax	246,362	3.2%	335,339	3.5%	407,526	3.5%	463,000	3.5%	544,476	3.9%
Import GST	136,705	1.8%	167,045	1.7%	221,771	1.9%	251,959	1.9%	291,961	2.1%
Domestic GST	109,657	1.4%	168,295	1.8%	185,755	1.6%	211,041	1.6%	252,515	1.8%
Customs and Excise Department	329,931	4.3%	362,014	3.8%	381,893	3.3%	473,677	3.6%	601,686	4.3%
Import Duties	246,145	3.2%	282,934	3.0%	343,828	3.0%	430,214	3.3%	490,576	3.5%
Excise Duties on Petroleum Products	73,142	1.0%	64,671	0.7%	18,321	0.2%	20,665	0.2%	76,642	0.6%
Other Excise Duties	3,523	0.0%	3,251	0.0%	4,730	0.0%	5,335	0.0%	15,963	0.1%
Other Revenue - incl. Freight Levy	7,121	0.1%	11,158	0.1%	15,014	0.1%	17,463	0.1%	18,505	0.1%
Mines Department	24,191	0.3%	185,517	1.9%	242,303	2.1%	257,000	1.9%	203,604	1.5%
Royalty on Rutile	211	0.0%	309	0.0%	1,038	0.0%	1,101	0.0%	1,249	0.0%
Royalty on Bauxite	976	0.0%	1,423	0.0%	4,697	0.0%	4,982	0.0%	5,071	0.0%
Royalties on Diamond and Gold	1,856	0.0%	8,656	0.1%	10,444	0.1%	11,077	0.1%	13,276	0.1%
Royalty on Iron Ore	0	0.0%	0	0.0%	178,812	1.5%	189,658	1.4%	168,182	1.2%
Licences etc.	21,148	0.3%	175,129	1.8%	47,312	0.4%	50,182	0.4%	15,825	0.1%
Other Departments	52,145	0.7%	73,919	0.8%	79,267	0.7%	94,352	0.7%	102,996	0.7%
Royalties etc. on Fisheries	12,298	0.2%	12,249	0.1%	13,848	0.1%	16,154	0.1%	20,434	0.1%
Parastatals	4,887	0.1%	5,320	0.1%	5,287	0.0%	10,458	0.1%	24,039	0.2%
Other Revenues	34,960	0.5%	56,350	0.6%	60,132	0.5%	67,740	0.5%	58,523	0.4%
Road User Charges & Vehicle Licences	51,972	0.7%	49,024	0.5%	44,307	0.4%	46,908	0.4%	58,635	0.4%
Grants	543,954	7.2%	757,475	7.9%	696,913	6.0%	638,080	4.8%	658,789	4.7%
Programme	266,775	3.5%	342,283	3.6%	234,718	2.0%	217,138	1.6%	197,942	1.4%
o/w Debt Relief Assistance	47,564	0.6%	71,085	0.7%	21,924	0.2%	23,077	0.2%	0	0.0%
o/w HIPC - \$' m	\$4.98		\$5.53		\$4.91		\$4.91		\$0.00	
o/w Japanese Food and Oil Aid - \$'m	\$6.95	0.0%	\$11.00	0.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
o/w Global Fund Salary Support	\$0.00	0.0%	21,247	0.2%	19,758	0.2%	0	0.0%	0	0.0%
o/w External Donors Budgetary Support 4/	219,211	2.9%	249,952	2.6%	193,036	1.7%	194,061	1.5%	197,942	1.4%
o/w UK DFID - \$' m	\$19.77		\$25.80		\$19.90		\$18.20		\$18.20	
o/w EU - \$' m	\$27.98		\$20.45		\$16.94		\$16.70		\$16.70	
o/w World Bank - \$' m	\$0.00		\$2.50		\$0.00		\$0.00		\$0.00	
o/w Kuwaiti Fund Refund/UNPBF Repayment - \$'m	\$0.00		\$0.39		\$0.00		\$0.00		\$0.00	
o/w African Dev. Bank - \$' m	\$7.19		\$9.00		\$6.37		\$6.37		\$6.37	
Peace Building Fund	925	0.0%	44,388	0.5%	113,797	1.0%	8,694	0.1%	31,694	0.2%
Elections Basket Fund	0		44,388		113,797		8,694		31,694	
Projects	925		0		0		0		0	
Project - Other Projects	276,254	3.6%	370,803	3.9%	348,399	3.0%	412,247	3.1%	429,152	3.1%
Total Expenditure and Lending minus Repayments	2,073,762	27.3%	2,558,450	26.7%	2,810,689	24.2%	2,867,147	21.7%	2,973,643	21.4%

GOVERNMENT OF SIERRA LEONE

ANNEX 1 - BUDGET PROFILE FOR FY2010 - 2014

In millions of Leones (Le 'm)

PARTICULARS	FY2010	FY2010	FY2011	FY2011	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014
	Actual	% of GDP	Estimate	% of GDP	Budget	% of GDP	Indicative	% of GDP	Indicative	% of GDP
	Q1 - 4 Jan - Dec	Le7,597.2b	Q1 - 4 Jan - Dec	Le9,578.6b	Q1 - 4 Jan - Dec	Le11,629.5b	Q1 - 4 Jan - Dec	Le13,217.9b	Q1 - 4 Jan - Dec	Le13,878.9b
Recurrent Expenditure	1,286,475	16.9%	1,563,556	16.3%	1,809,591	15.6%	1,774,350	13.4%	1,766,385	12.7%
Wages & Salaries	535,669	7.1%	650,317	6.8%	798,306	6.9%	907,445	6.9%	916,067	6.6%
o/w: Pensions, Gratuities and Other Allowances	34,677	0.5%	27,738	0.3%	27,600	0.2%	28,980	0.2%	30,429	0.2%
o/w: Contributions to Social Security	34,674	0.5%	39,872	0.4%	44,848	0.4%	48,436	0.4%	54,505	0.4%
Non-Salary, Non-Interest Recurrent Expenditure	591,627	7.8%	676,053	7.1%	751,415	6.5%	664,447	5.0%	749,645	5.4%
Goods and Services	426,349	5.6%	350,552	3.7%	360,823	3.1%	427,459	3.2%	478,838	3.5%
o/w Social and Economic	172,416	2.3%	128,899	1.3%	136,374	1.2%	160,921	1.2%	189,887	1.4%
General and Others	162,949	2.1%	127,052	1.3%	123,469	1.1%	155,460	1.2%	166,765	1.2%
o/w National Revenue Authority	24,680	0.3%	26,802	0.3%	30,471	0.3%	54,080	0.4%	55,161	0.4%
Statistics - Sierra Leone	4,106	0.1%	6,019	0.1%	4,582	0.0%	5,040	0.0%	5,544	0.0%
Defence Expenditure	49,873	0.7%	54,251	0.6%	57,020	0.5%	62,722	0.5%	68,994	0.5%
Police	30,647	0.4%	31,261	0.3%	34,160	0.3%	37,576	0.3%	41,334	0.3%
Prisons	10,464	0.1%	9,090	0.1%	9,800	0.1%	10,780	0.1%	11,858	0.1%
Transfers to Local Councils	78,438	1.0%	81,733	0.9%	82,176	0.7%	91,781	0.7%	102,508	0.7%
Grants for Admin. Expenses	1,461	0.0%	2,835	0.0%	2,698	0.0%	3,014	0.0%	3,366	0.0%
Grants for Devolved Functions	76,977	1.0%	78,898	0.8%	79,477	0.7%	88,767	0.7%	99,142	0.7%
Grants to Educational Institutions	29,135	0.4%	48,523	0.5%	52,038	0.4%	61,405	0.5%	72,458	0.5%
Transfer to Road Maintenance Fund	51,972	0.7%	37,465	0.4%	44,307	0.4%	46,908	0.4%	58,635	0.4%
Social Safety Net	442	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Fuel Subsidies	0		95,444		0	0.0%	0		0	0.0%
Elections and Democratization	5,291	0.1%	62,336	0.7%	212,071	1.8%	36,894	0.3%	37,206	0.3%
Domestic contribution	5,291	0.1%	17,948	0.2%	98,274	0.8%	5,200	0.0%	5,512	0.0%
National Electoral Commission	5,291	0.1%	17,948	0.2%	80,406	0.7%	5,200	0.0%	5,512	0.0%
Security Related Services	0	0.0%	0	0.0%	17,868	0.2%	0	0.0%	0	0.0%
Foreign contribution	0	0.0%	44,388	0.5%	113,797	1.0%	31,694	0.2%	31,694	0.2%
Total interest payments	159,179	2.1%	237,186	2.5%	259,871	2.2%	202,458	1.5%	100,672	0.7%
Domestic Interest	141,930	1.9%	216,026	2.3%	234,523	2.0%	177,000	1.3%	80,836	0.6%
Foreign Interest	17,249	0.2%	21,160	0.2%	25,347	0.2%	25,458	0.2%	19,836	0.1%
Capital Expenditure and Net Lending	787,287	10.4%	994,894	10.4%	1,001,098	8.6%	1,092,797	8.3%	1,207,258	8.7%
Development Expenditure	787,287	10.4%	994,894	10.4%	1,001,098	8.6%	1,092,797	8.3%	1,207,258	8.7%
Foreign Loans and Grants	432,178	5.7%	758,651	7.9%	682,988	5.9%	743,925	5.6%	758,564	5.5%
Loans	154,999	2.0%	387,847	4.0%	334,589	2.9%	331,678	2.5%	329,411	2.4%
Grants	276,254	3.6%	370,803	3.9%	348,399	3.0%	412,247	3.1%	429,152	3.1%
Peace Building Fund	925	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Domestic	355,109	4.7%	236,243	2.5%	318,110	2.7%	348,872	2.6%	448,694	3.2%
Lending minus Repayment	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
OVERALL DEFICIT/SURPLUS (-) (+)										
(on commitment basis) including grants	(522,181)	-6.9%	(375,273)	-3.9%	(506,844)	-4.4%	(379,508)	-2.9%	(345,648)	-2.5%
excluding grants	(1,066,135)	-14.0%	(1,132,747)	-11.8%	(1,203,758)	-10.4%	(1,017,588)	-7.7%	(1,004,437)	-7.2%
basic primary balance 1/ 2/	(474,778)	-6.2%	(92,523)	-1.0%	(147,102)	-1.3%	(39,511)	-0.3%	(113,507)	-0.8%
Adjusted basic primary balance (excl. PBF)	(474,778)	-6.2%	(92,523)	-1.0%	(147,102)	-1.3%	(62,511)	-0.5%	(113,507)	-0.8%
Contingency Expenditure	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Change in Arrears:	(115,032)	-1.5%	(68,440)	-0.7%	(42,764)	-0.4%	(10,736)	-0.1%	(10,951)	-0.1%

GOVERNMENT OF SIERRA LEONE

ANNEX 1 - BUDGET PROFILE FOR FY2010 - 2014

In millions of Leones (Le 'm)

PARTICULARS	FY2010	FY2010	FY2011	FY2011	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014
	Actual	% of GDP	Estimate	% of GDP	Budget	% of GDP	Indicative	% of GDP	Indicative	% of GDP
	Q1 - 4 Jan - Dec	Le7,597.2b	Q1 - 4 Jan - Dec	Le9,578.6b	Q1 - 4 Jan - Dec	Le11,629.5b	Q1 - 4 Jan - Dec	Le13,217.9b	Q1 - 4 Jan - Dec	Le13,878.9b
Domestic Suppliers (Incl. outstanding commitments of previous year)	(22,792)	-0.3%	(67,134)	-0.7%	(40,037)	-0.3%	(7,911)	-0.1%	(8,069)	-0.1%
Govt. Arrears to Parastatals	(86,829)	-1.1%	-	0.0%	(1,587)	0.0%	(1,875)	0.0%	(1,913)	0.0%
Wages Arrears 3/	(5,411)	-0.1%	(1,307)	0.0%	(1,140)	0.0%	(950)	0.0%	(969)	0.0%
OVERALL DEFICIT (CASH BASIS)										
Including grants	(637,213)	-8.4%	(443,713)	-4.6%	(549,608)	-4.7%	(390,244)	-3.0%	(356,599)	-2.6%
TOTAL FINANCING	637,213	8.4%	443,713	4.6%	549,608	4.7%	390,244	3.0%	356,599	2.6%
Foreign	161,725	2.1%	334,016	3.5%	348,388	3.0%	291,967	2.2%	288,586	2.1%
Borrowing (Loans)	222,486	2.9%	387,847	4.0%	441,797	3.8%	364,592	2.8%	362,984	2.6%
Project	154,999	2.0%	387,847	4.0%	334,589	2.9%	331,678	2.5%	329,411	2.4%
Programme	67,487	0.9%	0	0.0%	107,208	0.9%	32,914	0.2%	33,572	0.2%
External Debt Amortisation	(60,761)	-0.8%	(53,832)	-0.6%	(93,409)	-0.8%	(72,625)	-0.5%	(74,398)	-0.5%
Debt Relief	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Domestic Financing 2/	446,161	5.9%	116,888	1.2%	166,378	1.4%	59,951	0.5%	68,013	0.5%
Bank	454,657	6.0%	73,649	0.8%	133,100	1.1%	47,235	0.4%	48,242	0.3%
Central Bank	391,625	5.2%	(102,733)	-1.1%	66,500	0.6%	26,000	0.2%	28,450	0.2%
Non- MDRI	187,553	2.5%	(215,733)	-2.3%	66,500	0.6%	26,000	0.2%	28,450	0.2%
MDRI Related Deposits	204,072	2.7%	113,000	1.2%	0	0.0%	0	0.0%	0	0.0%
Commercial Banks	63,032	0.8%	176,382	1.8%	66,600	0.6%	21,235	0.2%	19,792	0.1%
Non-Bank	(8,496)	-0.1%	43,239	0.5%	33,278	0.3%	12,716	0.1%	19,771	0.1%
Privatisation and Other Receipts	0	0.0%	34,141	0.4%	34,843	0.3%	38,327	0.3%	0	0.0%
Float	29,327	0.4%	(41,332)	-0.4%	(0)	0.0%	(0)	0.0%	(0)	0.0%
o/w: Cheques payable	8,349		10,631		0		0		0	
Change in Outstanding Arrears	20,609		(0)		0		0		0	
Cheques from 2010 paid in 2011	0		(51,962)		0		0		0	
Unaccounted	369		(1)		(0)		(0)		(0)	
Financing Gap	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Memorandum Items:										
Public Debt Charges	219,940	2.9%	291,018	3.0%	353,280	3.0%	275,083	2.1%	175,070	1.3%
o/w External Debt Payments (incl. HIPC Debt Relief)	78,010	1.0%	74,992	0.8%	118,756	1.0%	98,083	0.7%	94,234	0.7%
External Budgetary Support (excl. HIPC Debt Relief; incl. PBF)	286,698		271,198		320,002		226,975		231,514	
Nominal GDP Figure	7,597,210	100.0%	9,578,591	100.0%	11,629,550	100.0%	13,217,975	100.0%	13,878,874	100.0%
Poverty Related Expenditure	401,955		497,920		569,598		710,000		746,653	
Exchange Rate Le/US\$	3,990		4,300		4,467		4,702		4,796	

1/ Domestic revenue less total expenditure and net lending, excluding interest payments and externally financed capital expenditure

2/ Fiscal Targets

3/ Wages arrears - this is usual provision made to reduce stock of wage arrears. For FY2011, this was meant for part payment of salary arrears due to Ex-Ambassadors and Diplomatic Staff

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011	FY 2012	% of Total	FY 2013	% of Total	FY 2014	% of Total
	Estimate	Budget	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp
	Le' m	Le' m		Le' m		Le' m	
1 GENERAL SERVICES	125,093.5	193,071.4	30.3%	148,775.5	23.6%	159,204.2	22.2%
105 Ministry of Political and Public Affairs	1,258.8	905.3	0.1%	1,068.3	0.2%	1,260.5	0.2%
<i>of which: Office of Diaspora Affairs</i>	72.4	105.3	0.0%	115.8	0.0%	127.4	0.0%
106 Office of the Chief of Staff	1,443.0	2,439.9	0.4%	2,683.8	0.4%	2,434.4	0.3%
Office of the Director of Operations	1,071.4	622.7	0.1%	685.0	0.1%	753.5	0.1%
Strategy and Policy Unit	274.4	428.0	0.1%	470.7	0.1%	517.8	0.1%
Sierra Leone Small Arms Commission	97.2	185.4	0.0%	203.9	0.0%	224.3	0.0%
Cabinet Oversight and Monitoring Unit	-	302.8	0.0%	333.1	0.1%	366.4	0.1%
Project Development Unit	-	460.0	0.1%	506.0	0.1%	556.6	0.1%
Communications Unit	-	160.0	0.0%	176.0	0.0%	193.6	0.0%
Extractive Industry Transparency Initiative Secretariat	-	281.0	0.0%	309.1	0.0%	340.0	0.0%
107 Ministry of Local Government & Rural Development	1,776.2	3,084.4	0.5%	3,392.8	0.5%	3,732.1	0.5%
Office of the Perm. Sec.	929.3	916.0	0.1%	1,007.6	0.2%	1,108.4	0.2%
Southern Province, Bo	249.5	722.8	0.1%	795.1	0.1%	874.6	0.1%
o/w District Offices	-	448.0	0.1%	492.8	0.1%	542.1	0.1%
Eastern Province, Kenema	355.7	610.8	0.1%	671.9	0.1%	739.1	0.1%
o/w District Offices	-	336.0	0.1%	369.6	0.1%	406.6	0.1%
Northern Province, Makeni	241.7	834.8	0.1%	918.3	0.1%	1,010.1	0.1%
o/w District Offices	-	560.0	0.1%	616.0	0.1%	677.6	0.1%
110 Office of the President	11,574.1	12,511.3	2.0%	12,772.4	2.1%	14,567.5	2.0%
Office of the Secretary to the President	7,804.1	5,934.3	0.9%	6,527.8	1.0%	7,180.6	1.0%
o/w: Commissions of Enquiries	-	390.6	0.1%	429.7	0.1%	472.6	0.1%
National Assets Commission	337.4	508.0	0.1%	558.8	0.1%	614.7	0.1%
Public Sector Reform Unit (PSRU)	390.4	517.0	0.1%	568.7	0.1%	625.5	0.1%
Anti-Corruption Commission (ACC)	975.4	1,311.8	0.2%	1,443.0	0.2%	1,587.3	0.2%
Office of the Ombudsman	517.4	564.4	0.1%	620.8	0.1%	682.9	0.1%
Independent Media Commission (IMC)	370.3	398.4	0.1%	438.3	0.1%	482.1	0.1%
Political Parties Registration Commission (PPRC)	117.4	1,500.0	0.2%	660.0	0.1%	726.0	0.1%
Law Reform Commission	519.8	582.8	0.1%	641.1	0.1%	705.2	0.1%
Corporate Affairs Commission	-	499.8	0.1%	549.8	0.1%	604.8	0.1%
Sierra Leone Insurance Commission	405.9	524.1	0.1%	576.5	0.1%	634.2	0.1%
Local Government Service Commission	136.0	170.7	0.0%	187.7	0.0%	206.5	0.0%
112 Office of the Vice President	2,736.0	2,802.7	0.4%	3,083.0	0.5%	3,391.3	0.5%
116 Parliament	11,166.6	11,445.7	1.8%	12,590.2	2.0%	13,849.2	1.9%
o/w: Constituency Facilitation Allowance	6,718.5	6,093.0	1.0%	6,702.3	1.1%	7,372.5	1.0%
Parliamentary Service Commission	-	1,484.7	0.2%	1,633.2	0.3%	1,796.5	0.3%
117 Cabinet Secretariat	558.7	680.0	0.1%	748.0	0.1%	822.8	0.1%
118 Supreme Court	190.1	251.8	0.0%	277.0	0.0%	304.7	0.0%

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011	FY 2012	% of Total	FY 2013	% of Total	FY 2014	% of Total
	Estimate	Budget	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp
	Le' m	Le' m		Le' m		Le' m	
119 Court of Appeal	228.1	314.2	0.0%	345.6	0.1%	380.1	0.1%
120 High Court	463.3	611.1	0.1%	672.2	0.1%	739.4	0.1%
121 Audit Service Sierra Leone	2,479.0	3,000.0	0.5%	3,300.0	0.5%	3,630.0	0.5%
122 Human Resource Management Office	751.2	808.5	0.1%	889.4	0.1%	978.3	0.1%
123 Public Service Commission	375.0	435.2	0.1%	478.7	0.1%	526.6	0.1%
124 Law Officers' Department	1,715.2	1,043.5	0.2%	1,147.8	0.2%	1,262.6	0.2%
Office of the Solicitor General	832.9	789.6	0.1%	868.6	0.1%	955.4	0.1%
o/w Justice Sector Coordinating Office	82.6	114.9	0.0%	126.4	0.0%	139.0	0.0%
Administrator and Registrar General	882.3	253.9	0.0%	279.2	0.0%	307.2	0.0%
128 Ministry of Foreign Affairs & International Co-operation	18,564.1	16,643.5	2.6%	18,307.9	2.9%	20,138.6	2.8%
Office of the Perm. Sec.	6,291.4	4,105.3	0.6%	4,515.8	0.7%	4,967.4	0.7%
High Commission, London	1,070.5	1,239.8	0.2%	1,363.8	0.2%	1,500.1	0.2%
U.N. Delegation	852.0	775.2	0.1%	852.7	0.1%	938.0	0.1%
High Commission, Abuja	605.6	908.4	0.1%	999.2	0.2%	1,099.2	0.2%
Embassy, Monrovia	586.5	731.5	0.1%	804.7	0.1%	885.2	0.1%
Embassy, Conakry	334.3	516.3	0.1%	568.0	0.1%	624.8	0.1%
Embassy, Washington	948.4	1,144.0	0.2%	1,258.4	0.2%	1,384.3	0.2%
Embassy, Moscow	528.5	577.5	0.1%	635.3	0.1%	698.8	0.1%
Embassy, Addis Ababa	826.0	766.2	0.1%	842.8	0.1%	927.0	0.1%
Embassy, Beijing	340.8	477.6	0.1%	525.3	0.1%	577.9	0.1%
High Commission, Banjul	1,015.4	611.9	0.1%	673.0	0.1%	740.3	0.1%
Embassy, Brussels	374.9	421.1	0.1%	463.3	0.1%	509.6	0.1%
Embassy, Saudi Arabia	368.3	491.0	0.1%	540.1	0.1%	594.1	0.1%
Embassy, Berlin	751.1	692.8	0.1%	762.1	0.1%	838.3	0.1%
Embassy, Iran	432.9	529.1	0.1%	582.0	0.1%	640.2	0.1%
High Commission, Accra	652.0	942.7	0.1%	1,037.0	0.2%	1,140.7	0.2%
Embassy, Libya	434.2	405.1	0.1%	445.6	0.1%	490.1	0.1%
Embassy, Dakar	89.2	575.2	0.1%	632.7	0.1%	695.9	0.1%
High Commission, India	48.0	96.8	0.0%	106.5	0.0%	117.2	0.0%
Sierra Leone Mission, Geneva	48.0	96.8	0.0%	106.5	0.0%	117.2	0.0%
Embassy, Kuwait	1,966.1	539.2	0.1%	593.1	0.1%	652.4	0.1%
129 Ministry of Finance and Economic Development	10,894.2	10,124.0	1.6%	11,136.4	1.8%	12,250.1	1.7%
o/w Subscriptions to International Organisations	1,972.8	3,937.0	0.6%	4,330.7	0.7%	4,763.7	0.7%
National Authorising Office	347.4	375.8	0.1%	413.4	0.1%	454.7	0.1%
130 National Revenue Authority (NRA)	26,801.7	30,471.2	4.8%	54,079.5	8.5%	55,161.1	7.7%
131 Revenue Appellate Board	153.2	320.0	0.1%	352.0	0.1%	387.2	0.1%

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011	FY 2012	% of Total	FY 2013	% of Total	FY 2014	% of Total
	Estimate	Budget	Non Int/Sal	Indicative	Non Int/Sal	Indicative	Non Int/Sal
	Le' m	Le' m	Recurr Exp	Ceiling	Recurr Exp	Ceiling	Recurr Exp
				Le' m		Le' m	
132 Accountant General's Department	1,609.5	2,020.0	0.3%	2,222.0	0.4%	2,444.2	0.3%
133 Ministry of Information and Communication	2,285.1	2,818.6	0.4%	3,100.5	0.5%	3,410.6	0.5%
o/w: Attitudinal and Behavioural Change Programme	84.2	420.0	0.1%	462.0	0.1%	508.2	0.1%
Office of Government Spokesman	145.4	380.0	0.1%	418.0	0.1%	459.8	0.1%
134 National Electoral Commission (NEC)	17,948.2	80,406.0	12.6%	5,200.0	0.8%	5,512.0	0.8%
137 National Commission for Democracy	512.1	1,300.0	0.2%	1,430.0	0.2%	1,573.0	0.2%
138 Statistics - Sierra Leone	6,019.0	4,582.2	0.7%	5,040.4	0.8%	5,544.5	0.8%
139 National Commission for Privatisation (NCP)	1,031.4	831.9	0.1%	915.1	0.1%	1,006.6	0.1%
140 Mass Media Services	310.4	400.0	0.1%	440.0	0.1%	484.0	0.1%
141 Government Printing Department	963.9	1,212.3	0.2%	1,333.5	0.2%	1,466.9	0.2%
142 National Public Procurement Authority (NPPA)	468.2	619.3	0.1%	681.2	0.1%	749.3	0.1%
143 Justice and Legal Service Commission	73.0	145.7	0.0%	160.3	0.0%	176.3	0.0%
144 National Commission for Human Rights	744.2	843.0	0.1%	927.3	0.1%	1,020.1	0.1%
2 SECURITY SERVICES	101,786.6	110,935.1	17.4%	122,028.6	19.3%	134,231.5	18.7%
201 Ministry of Defence	54,251.0	57,020.0	8.9%	62,722.0	9.9%	68,994.2	9.6%
o/w: Rice for Officers and Other Ranks	7,491.0	15,225.0	2.4%	16,747.5	2.6%	18,422.3	2.6%
205 Ministry of Internal Affairs	782.7	1,280.0	0.2%	1,408.0	0.2%	1,548.8	0.2%
Office of the Permanent Secretary	212.8	460.0	0.1%	506.0	0.1%	556.6	0.1%
National Registration Secretariat	569.9	820.0	0.1%	902.0	0.1%	992.2	0.1%
206 Sierra Leone Police	31,260.8	34,160.0	5.4%	37,576.0	5.9%	41,333.6	5.8%
207 Prisons Department	9,089.6	9,800.0	1.5%	10,780.0	1.7%	11,858.0	1.7%
o/w: Diets	1,484.0	3,000.0	0.5%	3,300.0	0.5%	3,630.0	0.5%
Drugs	225.2	1,800.0	0.3%	1,980.0	0.3%	2,178.0	0.3%
208 National Fire Authority	2,966.9	4,125.5	0.6%	4,538.0	0.7%	4,991.8	0.7%
o/w: Fire Engine	849.2	1,694.5	0.3%	1,864.0	0.3%	2,050.4	0.3%
210 Office of National Security	1,503.8	2,420.0	0.4%	2,662.0	0.4%	2,928.2	0.4%
211 Immigration Department	1,716.6	1,820.0	0.3%	2,002.0	0.3%	2,202.2	0.3%
212 National Drugs Secretariat	215.2	309.6	0.0%	340.6	0.1%	374.6	0.1%

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011	FY 2012	% of Total	FY 2013	% of Total	FY 2014	% of Total
	Estimate	Budget	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp
	Le' m	Le' m		Le' m		Le' m	
3 SOCIAL SERVICES	113,498.4	129,588.5	20.3%	152,914.5	24.2%	180,439.1	25.1%
301 Ministry of Education, Science and Technology	74,839.3	84,361.4	13.2%	99,546.5	15.7%	117,464.8	16.4%
Office of the Permanent Secretary	6,365.9	7,491.6	1.2%	8,840.1	1.4%	10,431.3	1.5%
<i>of which: Grants-in-Aid</i>	3,021.7	5,660.1	0.9%	6,678.9	1.1%	7,881.1	1.1%
Planning and Development Services	1,326.3	2,095.3	0.3%	2,472.5	0.4%	2,917.5	0.4%
Pre-primary and Primary Education	1,562.3	2,158.8	0.3%	2,547.4	0.4%	3,005.9	0.4%
<i>of which: Grants to Handicapped Schools</i>	546.4	1,063.6	0.2%	1,255.1	0.2%	1,481.0	0.2%
Secondary Education	11,787.1	14,216.8	2.2%	16,775.9	2.7%	19,795.5	2.8%
<i>of which: Grants in Aid to Government Boarding Schools</i>	3,162.2	6,156.5	1.0%	7,264.7	1.1%	8,572.3	1.2%
<i>of which: Examination Fees to WAEC for WASCE</i>	-	3,867.3	0.6%	4,563.5	0.7%	5,384.9	0.8%
<i>of which: Girl Child</i>	2,105.8	4,099.6	0.6%	4,837.5	0.8%	5,708.2	0.8%
Tertiary and Teachers Education	50,638.1	53,838.0	8.4%	63,528.8	10.0%	74,964.0	10.4%
<i>of which: Grants to Tertiary Institutions</i>	48,522.7	52,038.0	8.2%	61,404.8	9.7%	72,457.7	10.1%
Technical/Vocational Education	1,048.5	1,240.7	0.2%	1,464.1	0.2%	1,727.6	0.2%
Physical and Health Education	294.4	397.9	0.1%	469.5	0.1%	554.1	0.1%
Inspectorate Division	386.3	635.2	0.1%	749.5	0.1%	884.4	0.1%
Non Formal Education	480.0	602.3	0.1%	710.7	0.1%	838.6	0.1%
Higher Education, Science and Technology	275.0	369.2	0.1%	435.7	0.1%	514.1	0.1%
Science and Technology Committee	185.4	246.3	0.0%	290.7	0.0%	343.0	0.0%
Barefoot Solar Technicians Training Centre	490.0	609.4	0.1%	719.1	0.1%	848.5	0.1%
Teaching Service Commission	-	459.8	0.1%	542.6	0.1%	640.2	0.1%
302 Ministry of Youth, Employment and Sports	3,645.4	3,881.7	0.6%	4,580.4	0.7%	5,404.9	0.8%
Office of the Permanent Secretary	3,165.4	2,847.2	0.4%	3,359.7	0.5%	3,964.5	0.6%
<i>of which: Youth Development Programmes</i>	157.2	206.2	0.0%	243.4	0.0%	287.2	0.0%
Sports Programmes	831.2	1,618.3	0.3%	1,909.6	0.3%	2,253.4	0.3%
<i>o/w: Sports Competitions</i>	375.0	730.1	0.1%	861.6	0.1%	1,016.6	0.1%
Youth Commission	480.0	1,034.5	0.2%	1,220.7	0.2%	1,440.4	0.2%
303 Ministry of Tourism and Cultural Affairs (Culture Division)	435.0	557.2	0.1%	657.5	0.1%	775.9	0.1%
<i>o/w: Monuments and Relics Commission</i>	52.8	102.8	0.0%	121.3	0.0%	143.1	0.0%
304 Ministry of Health and Sanitation	25,959.9	30,199.2	4.7%	35,635.1	5.6%	42,049.4	5.9%
Administration Division	3,445.2	3,245.1	0.5%	3,829.2	0.6%	4,518.4	0.6%
Human Resources Management	2,100.2	3,271.8	0.5%	3,860.7	0.6%	4,555.6	0.6%
Primary Health Care Services	2,678.7	3,720.3	0.6%	4,390.0	0.7%	5,180.2	0.7%
<i>of which: Malaria Prevention and Control</i>	853.0	1,660.6	0.3%	1,959.5	0.3%	2,312.2	0.3%
STI/HIV/AIDS Prevention and Control Programme	620.2	1,207.5	0.2%	1,424.8	0.2%	1,681.3	0.2%
Tuberculosis and Leprosy Control Programme	97.8	190.4	0.0%	224.6	0.0%	265.1	0.0%
Reproductive and Child Health Care Services	8,153.3	10,947.3	1.7%	12,917.8	2.0%	15,243.0	2.1%
<i>of which: Free Health Care Programme</i>	3,273.2	6,051.6	0.9%	7,140.9	1.1%	8,426.3	1.2%
National School Health Programme	615.4	1,198.1	0.2%	1,413.8	0.2%	1,668.3	0.2%
Immunization Programme/EPI	1,617.6	3,149.1	0.5%	3,715.9	0.6%	4,384.8	0.6%
Reproductive Health/Family Planning	65.8	127.9	0.0%	151.0	0.0%	178.1	0.0%

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011	FY 2012	% of Total	FY 2013	% of Total	FY 2014	% of Total
	Estimate	Budget	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp
	Le' m	Le' m		Le' m		Le' m	
Secondary Health Care Services (District Hospitals - Bo, Kenema & Makeni)	671.8	1,307.8	0.2%	1,543.2	0.2%	1,821.0	0.3%
Tertiary Health Care Services (National & Referral Hospitals)	796.8	1,551.2	0.2%	1,830.5	0.3%	2,160.0	0.3%
Directorate of Hospitals and Laboratory	670.2	894.2	0.1%	1,055.2	0.2%	1,245.1	0.2%
Support Services	7,443.7	4,574.8	0.7%	5,398.3	0.9%	6,370.0	0.9%
of which: Drugs and Medical Supplies	5,698.9	3,447.2	0.5%	4,067.7	0.6%	4,799.9	0.7%
Health Service Commission	-	686.6	0.1%	810.2	0.1%	956.0	0.1%
305 Ministry of Social Welfare, Gender & Children's Affairs	4,650.5	5,451.6	0.9%	6,432.9	1.0%	7,590.8	1.1%
Office of the Permanent Secretary	2,949.8	3,318.1	0.5%	3,915.4	0.6%	4,620.2	0.6%
of which: Grants to Welfare Institutions	269.8	525.2	0.1%	619.7	0.1%	731.3	0.1%
of which: Diets for Approved School & Remand Home	260.2	506.4	0.1%	597.6	0.1%	705.1	0.1%
of which: Social Development Programmes	181.2	352.7	0.1%	416.2	0.1%	491.1	0.1%
of which: Programme for Disabled Persons	288.0	560.7	0.1%	661.6	0.1%	780.7	0.1%
Gender and Children's Affairs	953.3	678.4	0.1%	800.6	0.1%	944.7	0.1%
of which: Gender and Children's Programmes	241.0	469.1	0.1%	553.6	0.1%	653.2	0.1%
Children's Commission	747.4	1,455.0	0.2%	1,716.9	0.3%	2,026.0	0.3%
of which: Child Orphans	422.0	821.4	0.1%	969.3	0.2%	1,143.8	0.2%
306 Ministry of Lands, Country Planning and the Environment	1,639.3	2,563.2	0.4%	3,024.6	0.5%	3,569.0	0.5%
308 National Commission for Social Action	317.2	465.1	0.1%	548.8	0.1%	647.6	0.1%
309 Dental and Medical Board	139.8	209.0	0.0%	246.7	0.0%	291.1	0.0%
345 Pharmacy Board Services	1,872.0	1,900.0	0.3%	2,242.0	0.4%	2,645.6	0.4%
4 ECONOMIC SERVICES	101,388.3	103,130.4	16.2%	116,319.6	18.4%	140,540.7	19.6%
401 Ministry of Agriculture, Forestry and Food Security	18,646.4	20,973.6	3.3%	24,748.9	3.9%	29,203.7	4.1%
Office of the Permanent Secretary	1,266.2	1,453.5	0.2%	1,715.1	0.3%	2,023.9	0.3%
o/w: National Agricultural Training Centre	302.8	589.4	0.1%	695.5	0.1%	820.7	0.1%
Crop Division	416.8	747.0	0.1%	881.5	0.1%	1,040.2	0.1%
Food Security Division	12,201.8	13,223.4	2.1%	15,603.6	2.5%	18,412.2	2.6%
Forestry Conservation Division	312.3	465.5	0.1%	549.3	0.1%	648.1	0.1%
Livestock Division	154.7	350.5	0.1%	413.6	0.1%	488.1	0.1%
Agricultural Engineering/Land and Water Development Division	181.5	304.6	0.0%	359.5	0.1%	424.2	0.1%
Planning, Evaluation, Monitoring and Statistics Division (PEMSD)	1,332.9	1,354.1	0.2%	1,597.8	0.3%	1,885.4	0.3%
Agricultural Extension Services	2,780.2	3,075.0	0.5%	3,628.5	0.6%	4,281.6	0.6%
402 Ministry of Fisheries and Marine Resources	690.4	863.5	0.1%	1,018.9	0.2%	1,202.3	0.2%
403 Ministry of Mines and Mineral Resources	3,402.7	4,306.0	0.7%	5,081.1	0.8%	5,995.7	0.8%
Office of the Permanent Secretary	431.3	719.1	0.1%	848.5	0.1%	1,001.3	0.1%
Mines Division	964.7	1,160.0	0.2%	1,368.8	0.2%	1,615.2	0.2%
o/w: National Minerals Agency	-	420.0	0.1%	495.6	0.1%	584.8	0.1%
Geological Surveys	2,006.7	2,426.9	0.4%	2,863.7	0.5%	3,379.2	0.5%
of which: Mining Cadastre	349.7	641.1	0.1%	756.5	0.1%	892.6	0.1%

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011	FY 2012	% of Total	FY 2013	% of Total	FY 2014	% of Total
	Estimate	Budget	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp
	Le' m	Le' m		Le' m		Le' m	
404 Ministry of Transport and Aviation	8,293.1	4,149.0	0.7%	4,895.8	0.8%	5,777.1	0.8%
Office of the Permanent Secretary	7,967.3	3,783.9	0.6%	4,465.0	0.7%	5,268.7	0.7%
<i>of which:</i> Vehicles	1,627.4	2,816.2	0.4%	3,323.1	0.5%	3,921.3	0.5%
Meteorological Department	325.8	365.1	0.1%	430.8	0.1%	508.4	0.1%
405 Ministry of Tourism and Culture (Tourism Division)	1,267.0	1,517.2	0.2%	1,790.2	0.3%	2,112.5	0.3%
<i>of which:</i> Grant to National Tourist Board	403.4	785.4	0.1%	926.8	0.1%	1,093.7	0.2%
406 Ministry of Energy and Water Resources	8,640.8	7,753.6	1.2%	9,149.2	1.4%	10,796.1	1.5%
Office of the Permanent Secretary	6,077.0	2,296.2	0.4%	2,709.5	0.4%	3,197.2	0.4%
Water Services	2,208.8	4,300.4	0.7%	5,074.5	0.8%	5,987.9	0.8%
<i>of which:</i> Grant to SALWACO	1,898.2	3,695.6	0.6%	4,360.8	0.7%	5,145.7	0.7%
Radiation Protection Board	355.0	1,157.0	0.2%	1,365.3	0.2%	1,611.0	0.2%
407 Ministry of Labour and Social Security	2,414.2	2,103.4	0.3%	2,482.0	0.4%	2,928.7	0.4%
<i>of which:</i> Programme for the Aged and Vulnerable Persons	700.0	1,054.2	0.2%	1,243.9	0.2%	1,467.8	0.2%
408 Ministry of Works, Housing and Infrastructure	5,876.0	5,037.9	0.8%	5,944.7	0.9%	7,014.8	1.0%
Office of the Permanent Secretary	1,083.7	1,254.5	0.2%	1,480.3	0.2%	1,746.7	0.2%
Architectural, Design, Construction and Maint. Div.	3,304.7	2,001.0	0.3%	2,361.1	0.4%	2,786.1	0.4%
<i>of which:</i> Repairs and Maintenance of Government Buildings	226.6	371.0	0.1%	437.8	0.1%	516.6	0.1%
Civil Engineering Works Division	275.7	327.2	0.1%	386.1	0.1%	455.5	0.1%
Mechanical Division	166.8	201.5	0.0%	237.7	0.0%	280.5	0.0%
Housing Division	1,045.1	1,253.8	0.2%	1,479.5	0.2%	1,745.8	0.2%
<i>of which:</i> Rent and Rates	396.8	772.4	0.1%	911.5	0.1%	1,075.6	0.1%
409 Ministry of Trade and Industry	10,350.6	6,356.6	1.0%	7,500.8	1.2%	8,851.0	1.2%
Office of the Perm. Sec.	9,818.2	5,521.0	0.9%	6,514.8	1.0%	7,687.5	1.1%
<i>of which:</i> Sierra Leone Standards Bureau	836.5	757.5	0.1%	893.8	0.1%	1,054.7	0.1%
<i>of which:</i> Sierra Leone Investment and Export Promotion Agency	1,110.8	2,162.5	0.3%	2,551.8	0.4%	3,011.1	0.4%
Industrial Planning and Development	331.0	595.9	0.1%	703.2	0.1%	829.8	0.1%
Department of Co-operatives	201.4	239.7	0.0%	282.8	0.0%	333.8	0.0%
411 Road Maintenance Fund	37,464.8	44,307.0	6.9%	46,908.0	7.4%	58,635.0	8.2%
Road Maintenance Administration	-	4,430.7	0.7%	4,690.8	0.7%	5,863.5	0.8%
Sierra Leone Roads Authority	-	17,722.8	2.8%	18,763.2	3.0%	23,454.0	3.3%
Road Maintenance Activities	-	22,153.5	3.5%	23,454.0	3.7%	29,317.5	4.1%
412 National Telecommunications Commission (NATCOM)	-	100.0	0.0%	118.0	0.0%	139.2	0.0%
415 Sierra Leone Maritime Administration (SLMA)	1,548.6	1,598.2	0.3%	1,885.9	0.3%	2,225.4	0.3%
416 Civil Aviation Authority	439.1	525.6	0.1%	620.2	0.1%	731.9	0.1%
418 Sierra Leone Agricultural Research Institute (SLARI)	1,857.8	2,937.0	0.5%	3,465.7	0.5%	4,089.5	0.6%
420 Sierra Leone Environment Protection Agency (SLEPA)	496.8	601.8	0.1%	710.1	0.1%	837.9	0.1%

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011	FY 2012	% of Total	FY 2013	% of Total	FY 2014	% of Total
	Estimate	Budget	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp	Indicative Ceiling	Non Int/Sal Recurr Exp
	Le' m	Le' m		Le' m		Le' m	
5 MISCELLANEOUS SERVICES	12,721.3	849.0	0.1%	933.9	0.1%	1,027.3	0.1%
Miscellaneous Services	12,721.3	849.0	0.1%	933.9	0.1%	1,027.3	0.1%
501001 Miscellaneous Services - Secretary to the President	4,895.6	220.0	0.0%	242.0	0.0%	266.2	0.0%
501002 Miscellaneous Services - General	5,970.0	369.0	0.1%	405.9	0.1%	446.5	0.1%
501003 Miscellaneous Services - Accountant-General's Office	1,855.7	260.0	0.0%	286.0	0.0%	314.6	0.0%
6 CONTINGENCY FUND	-	17,868.0	2.8%	-	0.0%	-	0.0%
Elections Security Related Expenditures	-	17,868.0	2.8%	-	0.0%	-	0.0%
7 TRANSFERS TO LOCAL COUNCILS	81,732.9	82,175.7	12.9%	91,780.7	14.6%	102,508.3	14.3%
Grants for General Administrative Expenses	2,835.0	2,698.3	0.4%	3,013.7	0.5%	3,366.0	0.5%
Local Government Grants	2,835.0	2,698.3	0.4%	3,013.7	0.5%	3,366.0	0.5%
Grants for Devolved Functions	78,897.9	79,477.4	12.5%	88,766.9	14.1%	99,142.3	13.8%
Sensitisation on Fire Prevention Services	164.8	326.3	0.1%	364.5	0.1%	407.1	0.1%
Education Services	30,466.9	32,413.6	5.1%	36,202.2	5.8%	40,433.6	5.6%
Administration	459.4	909.2	0.1%	1,015.5	0.2%	1,134.2	0.2%
Pre-primary and Primary Education	21,166.2	21,329.5	3.3%	23,822.6	3.8%	26,607.0	3.7%
<i>of which:</i> Examination Fees to WAEC for NPSE	3,873.5	3,679.8	0.6%	4,109.9	0.6%	4,590.3	0.6%
<i>of which:</i> Govt. and Govt. Assisted Schools	17,292.7	17,649.7	2.8%	19,712.6	3.1%	22,016.7	3.1%
School Fees Subsidy	12,924.1	13,499.5	2.1%	15,077.4	2.4%	16,839.7	2.3%
Textbooks	2,205.7	2,095.4	0.3%	2,340.3	0.4%	2,613.9	0.4%
Teaching and Learning Materials	2,162.9	2,054.8	0.3%	2,294.9	0.4%	2,563.2	0.4%
Secondary Education	5,703.1	6,147.6	1.0%	6,866.2	1.2%	7,668.7	1.1%
<i>of which:</i> Examination Fees to WAEC for BECE	4,573.9	4,345.2	0.7%	4,853.1	0.8%	5,420.4	0.8%
<i>of which:</i> Textbooks	910.8	1,370.1	0.2%	1,530.3	0.2%	1,709.1	0.2%
<i>of which:</i> Science Equipments	218.4	432.3	0.1%	482.8	0.1%	539.2	0.1%
School Supervision	410.4	812.3	0.1%	907.2	0.1%	1,013.2	0.1%
Government Libraries	605.8	1,199.1	0.2%	1,339.2	0.2%	1,495.8	0.2%
Education Development	2,122.0	2,015.9	0.3%	2,251.5	0.4%	2,514.7	0.4%
Youths and Sports Services	168.0	332.5	0.1%	371.4	0.1%	414.8	0.1%
Sports Competition	96.0	190.0	0.0%	212.2	0.0%	237.0	0.0%
Youths Division	72.0	142.5	0.0%	159.2	0.0%	177.8	0.0%
Solid Waste Management Services	1,743.9	1,656.7	0.3%	1,850.4	0.3%	2,066.7	0.3%
Health Care Services	32,135.6	30,528.9	4.8%	34,097.2	5.4%	38,082.5	5.3%
District Peripheral Health Care Services (PHCs)	7,879.8	7,485.8	1.2%	8,360.8	1.3%	9,338.0	1.3%
Secondary Health Services (District Hospitals except, Bo, Kenema & Ma)	8,190.0	7,780.5	1.2%	8,689.9	1.4%	9,705.6	1.4%
Tertiary Health Care Services	16,065.8	15,262.5	2.4%	17,046.4	2.7%	19,038.9	2.7%
Social Welfare, Gender and Children's Affairs	230.4	456.0	0.1%	509.3	0.1%	568.8	0.1%
Social Welfare Division	144.0	285.0	0.0%	318.3	0.1%	355.5	0.0%
Gender and Children's Affairs Division	86.4	171.0	0.0%	191.0	0.0%	213.3	0.0%
Agriculture and Food Security Services	13,527.5	12,851.1	2.0%	14,353.2	2.3%	16,030.8	2.2%
Fisheries and Marine Resources	45.6	90.3	0.0%	100.9	0.0%	112.7	0.0%
Water services	415.2	821.9	0.1%	918.0	0.1%	1,025.3	0.1%
Rural Water Services	415.2	821.9	0.1%	918.0	0.1%	1,025.3	0.1%

ANNEX 2 - NON SALARY, NON INTEREST RECURRENT INDICATIVE BUDGETARY CEILINGS FOR FY 2011 - 14

Details	FY 2011 Estimate	FY 2012 Budget	% of Total Non Int/Sal Recurr Exp	FY 2013 Indicative Ceiling	% of Total Non Int/Sal Recurr Exp	FY 2014 Indicative Ceiling	% of Total Non Int/Sal Recurr Exp
	Le' m	Le' m		Le' m		Le' m	
Total Non Salary, Non Interest Recurrent Expenditure Provisions	536,221.0	637,618.1	100.0%	632,752.8	100.0%	717,951.1	100.0%
Goods & Services	350,552.4	360,823.4	56.6%	427,459.3	67.6%	478,838.1	66.7%
Social and Economic	128,899.2	136,373.9	21.4%	160,921.3	25.4%	189,887.1	26.4%
General and Others	127,051.8	123,469.4	19.4%	155,460.0	24.6%	166,765.1	23.2%
<i>o/w National Revenue Authority</i>	26,801.7	30,471.2	4.8%	54,079.5	8.5%	55,161.1	7.7%
<i>Statistics - Sierra Leone</i>	6,019.0	4,582.2	0.7%	5,040.4	0.8%	5,544.5	0.8%
Defence Expenditure	54,251.0	57,020.0	8.9%	62,722.0	9.9%	68,994.2	9.6%
Police	31,260.8	34,160.0	5.4%	37,576.0	5.9%	41,333.6	5.8%
Prisons	9,089.6	9,800.0	1.5%	10,780.0	1.7%	11,858.0	1.7%
Transfers to Local Councils	81,732.9	82,175.7	12.9%	91,780.7	14.5%	102,508.3	14.3%
Grants for Admin. Expenses	2,835.0	2,698.3	0.4%	3,013.7	0.5%	3,366.0	0.5%
Grants for Devolved Functions	78,897.9	79,477.4	12.5%	88,766.9	14.0%	99,142.3	13.8%
Grants to Educational Institutions	48,522.7	52,038.0	8.2%	61,404.8	9.7%	72,457.7	10.1%
Transfer to Road Fund	37,464.8	44,307.0	6.9%	46,908.0	7.4%	58,635.0	8.2%
Elections and Democratisation - National Electoral Commission	17,948.2	80,406.0	12.6%	5,200.0	0.8%	5,512.0	0.8%
Contingency Fund - Elections Security Related Expenditures	-	17,868.0	2.8%	-	0.0%	-	0.0%

ANNEX 3 - DEVELOPMENT EXPENDITURE ESTIMATES BY MINISTRY, DEPARTMENT AND AGENCY BY PROJECT FOR THE MTEF PERIOD 2012-2014

MINISTRIES/DEPARTMENTS/AGENCIES	TYPE OF FINANCE L - LOAN G - GRANT	DONORS	FY 2012 Budget		FY 2013 Indicative		FY 2014 Indicative	
			Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
			Le'm	Le'm	Le'm	Le'm	Le'm	Le'm
MINISTRY OF POLITICAL AND PUBLIC AFFAIRS								
Strengthening Capacity for Diaspora Engagement	G	IDA	1,161	1,000	1,219	1,113	1,232	1,243
African Peer Review Mechanism (APRM)	G	AfDB/UNDP	0	140	1,219	145	1,232	155
			0	860	0	968	0	1,088
OFFICE OF THE CHIEF OF STAFF								
Sierra Leone Extractive Industry Transparency Initiative	G	IDA	1,787	350	2,094	394	0	443
			1,787	350	2,094	394	0	443
MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT								
National Identity Cards System		GOSL	0	17,019	0	19,146	0	21,540
Machine Readable Passports Project		GOSL	0	7,475	0	8,409	0	9,461
Reestablishment of District Offices		GOSL	0	8,544	0	9,612	0	10,814
		GOSL	0	1,000	0	1,125	0	1,266
OFFICE OF THE PRESIDENT								
Construction of Anti-Corruption Offices		GOSL	5,804	4,260	6,584	4,793	7,417	5,392
Support to Anti-Corruption Commission	G	DFID	0	1,560	0	1,755	0	1,974
Open Government Initiative	G	GOSL	2,900	300	3,182	338	3,430	380
HIV/AIDS Response Project	L	Global Fund	0	900	0	1,013	0	1,139
Review and Amendments of Existing Laws - Law Reform Commission		GOSL	2,904	960	3,403	1,080	3,988	1,215
		GOSL	0	540	0	608	0	683
HIGH COURT								
Fast Track of Commercial Court Project	G	ICF	6,743	500	7,902	563	9,261	633
			6,743	500	7,902	563	9,261	633
HUMAN RESOURCE MANAGEMENT OFFICE								
Construction of Civil Service Academy		GOSL	31,103	1,550	4,083	1,744	0	1,709
Civil Service Reform Project	G	EC	0	500	0	563	0	633
Teacher Records Management Improvement Project	G	AfDB	27,619	850	0	956	0	1,076
			3,484	200	4,083	225	0	0
LAW OFFICERS DEPARTMENT								
Justice Sector Development Project	G	DFID	7,380	940	10,094	1,576	11,829	1,772
OARG Modernisation Project	G	ICF	4,503	420	5,277	473	6,184	532
			2,877	520	4,817	1,103	5,645	1,240
AUDIT SERVICE SIERRA LEONE								
Construction of Office Building for Audit Service Sierra Leone		GOSL	6,701	5,100	6,835	2,000	6,903	0
Support to Audit Service Sierra Leone	G	DfID	0	5,100	0	2,000	0	0
			6,701	0	6,835	0	6,903	0
MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION								
Rehabilitation and Refurbishment of Foreign Missions		GOSL	5,754	3,260	6,743	3,668	7,903	4,126
Construction of Office Building for Ministry of Foreign Affairs and International Cooperation	G	China	0	2,800	0	3,150	0	3,544
			5,754	460	6,743	518	7,903	582
MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT								
Monitoring and Evaluation Activities		GOSL	8,682	5,160	5,540	5,805	6,493	6,531
Support to Public Private Partnership (PPP) Unit		GOSL	0	500	0	563	0	633
Support to NGO Coordination Unit	G	UNDP	0	200	0	225	0	253
			863	335	1,011	377	1,185	424

ANNEX 3 - DEVELOPMENT EXPENDITURE ESTIMATES BY MINISTRY, DEPARTMENT AND AGENCY BY PROJECT FOR THE MTEF PERIOD 2012-2014

MINISTRIES/DEPARTMENTS/AGENCIES	TYPE OF FINANCE L - LOAN G - GRANT	DONORS	FY 2012 Budget		FY 2013 Indicative		FY 2014 Indicative	
			Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
			Le'm	Le'm	Le'm	Le'm	Le'm	Le'm
West African Monetary Zone WAMZ		GOSL	0	350	0	394	0	443
Medium Term Expenditure Framework (MTEF)		GOSL	0	1,400	0	1,575	0	1,772
Public Expenditure Tracking Survey (PETS)		GOSL	0	1,555	0	1,749	0	1,968
Integrated Public Financial Management Reform Programme	G	IDA/ADB/DfID	3,954	200	0	225	0	253
Technical Assistance of an Arab Expert in the field of Economics	G	BADEA	514	220	602	248	706	278
Construction of ECOWAS Depot		ECOWAS/GOSL	0	400	0	450	0	506
Support to the National Authorising Office	G	EC	2,234	0	2,618	0	3,068	0
Technical Cooperation Facility	G	EC	1,117	0	1,309	0	1,534	0
NATIONAL REVENUE AUTHORITY			6,001	300	7,033	338	8,242	380
Modernisation of Revenue Administration System	G	DfID	6,001	300	7,033	338	8,242	380
MINISTRY OF INFORMATION AND COMMUNICATION			54,376	3,000	61,639	3,375	59,864	3,392
West African Regional Communications Infrastructure Programme (Fiber Optic Cable)	L	IDA	10,789	1,900	10,558	2,138	0	2,000
E-Governance Project	L	China	5,000	800	5,860	900	6,867	1,013
Modernization and Expansion of network and telecommunication infrastructure of SIERRATEL	L	EBID	27,420	0	32,134	0	37,659	0
Implementation of the ECOWAN Programme in Sierra Leone	L	IDB	11,168	300	13,088	338	15,338	380
ELECTORAL COMMISSION OF SIERRA LEONE			0	2,400	0	2,450	0	3,000
Construction of Regional Warehouses for the Electoral Commission		GOSL	0	2,400	0	2,450	0	3,000
MINISTRY OF DEFENCE			0	4,800	0	5,400	0	6,075
Reconstruction/Rehabilitation of Military Facilities		GOSL	0	4,800	0	5,400	0	6,075
SIERRA LEONE POLICE			0	1,000	0	1,125	0	1,266
Rehabilitation and Reconstruction of Police Facilities		GOSL	0	1,000	0	1,125	0	1,266
PRISON'S DEPARTMENT			0	1,000	0	1,125	0	1,266
Rehabilitation and Reconstruction of Prison's Facilities		GOSL	0	1,000	0	1,125	0	1,266
NATIONAL DRUGS SECRETARIAT			0	340	0	383	0	430
Rehabilitation & Reconstruction of the Offices of the National Drugs Secretariat		GOSL	0	340	0	383	0	430
MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY			21,143	940	26,055	1,058	30,534	1,190
Institutional and Capacity Building to Technical and Vocational Education	L	IDB	607	400	711	450	834	506
Rehabilitation of Njala University College of Sierra Leone	L	BADEA	3,574	240	4,188	270	4,908	304
Youth Employment Support Project (Capacity Building Component)	G	IDA	5,275	200	6,182	225	7,245	253
Education for All - Fast Track Initiative Catalytic Fund	G	IDA	4,316	100	6,335	113	7,424	127
Rehabilitation of Magburaka Islamic College	G	IDB/Saudi Fund	5,138	0	6,021	0	7,057	0
Rehabilitation of Fourah Bay College (Feasibility Studies)	G	BADEA	2,234	0	2,618	0	3,068	0

ANNEX 3 - DEVELOPMENT EXPENDITURE ESTIMATES BY MINISTRY, DEPARTMENT AND AGENCY BY PROJECT FOR THE MTEF PERIOD 2012-2014

MINISTRIES/DEPARTMENTS/AGENCIES	TYPE OF FINANCE L - LOAN G - GRANT	DONORS	FY 2012 Budget		FY 2013 Indicative		FY 2014 Indicative	
			Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm
MINISTRY OF YOUTH EMPLOYMENT AND SPORTS			3,359	250	3,527	260	3,562	265
Youth Employment Support Project (Cash for Work Component)	G	IDA	3,359	250	3,527	260	3,562	265
MINISTRY OF HEALTH AND SANITATION			47,469	2,500	55,630	4,350	65,195	3,856
Strengthening of District Health Services Project	G	AfDB	20,704	400	24,264	450	28,435	506
Refurbishment of Government Hospitals, Furniture and Fittings		GOSL	0	1,500	0	1,500	0	500
Reproductive and Child Health Project Phase II (Capacity Building Component)	L	IDA	10,358	240	12,139	800	14,226	950
Strengthening of Three Tertiary Hospitals In Freetown	L	Kuwait Fund	11,940	200	13,993	800	16,399	950
Primary Health Care Support Project	L	BADEA	4,467	160	5,235	800	6,135	950
MINISTRY OF SOCIAL WELFARE, GENDER AND CHILDREN'S AFFAIRS			0	500	0	563	0	633
Rehabilitation of Remand Home and Approved Schools		GOSL	0	500	0	563	0	633
MINISTRY OF LANDS, COUNTRY PLANNING AND ENVIRONMENT			0	1,150	0	1,294	0	1,455
State Lands Management Project		GOSL	0	400	0	450	0	506
Lands Registration Project	G	ICF	0	750	0	844	0	949
NATIONAL COMMISSION FOR SOCIAL ACTION (NaCSA)			14,231	1,000	36,242	1,125	3,960	1,266
Social Action Support Programme I (SASP I)	L	AfDB	5,862	300	16,440	338	0	380
Sierra Leone Community Driven Development Project	L	IDB	6,089	200	19,802	225	3,960	253
Support to the Reparations Programme		GoSL	0	500	0	563	0	633
Relief and Resettlement Project	G	UNDP	2,280	0	0	0	0	0
MINISTRY OF AGRICULTURE FORESTRY AND FOOD SECURITY			92,969	3,570	98,220	4,016	114,760	4,518
Seed Multiplication Project	G	GTZ/FAO	2,128	480	2,494	540	2,923	608
NERICA Rice Dissemination Project	G	AfDB	4,234	300	2,016	338	2,016	380
Agricultural Sector Rehabilitation Project	L	AfDB	6,645	400	0	450	0	506
Rehabilitation and Community Based Poverty Reduction Project I -IFAD	L	IFAD	6,054	150	7,094	169	8,314	190
Rural Private Sector Development Project	G	IDA	12,455	310	14,596	349	17,106	392
Palm Oil Production Project	G	IDB	3,654	305	4,282	343	5,018	386
Rehabilitation of Selected Agricultural Stations	G	Japan	0	500	0	563	0	633
Diversified Food Crop Production	L	IDB	17,265	400	20,234	450	23,713	506
Biodiversity Conservation Project	G	IDA	971	320	1,138	360	1,333	405
Rural Finance and Community Improvement Project	G	IFAD	4,082	205	4,784	231	5,607	259
Support to Smallholder Commercialization Programme	G	IDA	26,100	200	30,587	225	35,846	253
Rapid Response Growth Poles	L	IDA	2,010	0	2,356	0	2,761	0
Wetlands Conservation	G	IDA	2,457	0	2,879	0	3,374	0
West Africa Agricultural Productivity (SL-Phase I)	G	IDA	4,914	0	5,759	0	6,749	0
MINISTRY OF FISHERIES AND MARINE RESOURCES			11,006	800	12,898	900	15,116	1,013
Fish Stock Assessment Project	G	EC	2,352	300	2,756	338	3,230	380
Institutional Support to Fisheries Development	G	EC	2,926	150	3,429	169	4,019	190
West Africa Regional Fisheries Project	L	IDA	4,522	200	5,299	225	6,211	253
Sierra Leone Maritime Administration Project	L	EBID	1,206	150	1,413	169	1,656	190

ANNEX 3 - DEVELOPMENT EXPENDITURE ESTIMATES BY MINISTRY, DEPARTMENT AND AGENCY BY PROJECT FOR THE MTEF PERIOD 2012-2014

MINISTRIES/DEPARTMENTS/AGENCIES	TYPE OF FINANCE L - LOAN G - GRANT	DONORS	FY 2012 Budget		FY 2013 Indicative		FY 2014 Indicative	
			Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm
MINISTRY OF MINES AND MINERAL RESOURCES			9,214	860	6,444	968	7,552	1,088
Reconstruction of Regional Mines Offices and Quarters		GOSL	0	300	0	338	0	380
Mineral Sector Technical Assistance Project	G	IDA	585	250	686	281	804	316
Mineral Rights Administration Project	G	EC	2,680	140	3,141	158	3,681	177
Support to Mineral Sector Reform	G	DfID	2,234	170	2,618	191	3,068	215
Sierra Leone Artisanal Mining Community Development and Sustainable Livelihood Project	G	IDA	3,715	0	0	0	0	0
MINISTRY OF TRANSPORT AND AVIATION			19,014	6,854	47,060	675	18,824	759
Infrastructure Development Project	L	IDA	18,500	600	0	675	0	759
Technical Assistance of an Arab Expert in the field of Civil Aviation	G	BADEA	514	0	47,060	0	18,824	0
Modernization of the Lungi International Airport Terminal Project			0	6,254	0	0	0	0
MINISTRY OF TOURISM AND CULTURE			0	800	0	900	0	1,013
TOURISM DIVISION			0	800	0	900	0	1,013
Lumley Beach Development Project		GOSL	0	500	0	563	0	633
Monuments and Relics Development Project		GOSL	0	300	0	338	0	380
MINISTRY OF ENERGY AND WATER RESOURCES			122,863	75,680	87,438	85,140	102,471	155,734
WATER SERVICES DIVISION			50,511	7,890	21,190	8,876	24,833	9,986
Kabala Water Supply Project	L	BADEA/IDB	8,330	320	0	360	0	405
Kambia Water Supply Project	G	JICA	11,413	0	13,375	0	15,675	0
Sierra Leone Power and Water Project (Water Component)	G	IDA	1,151	120	1,349	135	1,581	152
<i>o/w: Installation of sub-mains in the East End of Freetown</i>			1,151	120	1,349	135	1,581	152
Water Supply and Sanitation Project (Bo, Kenema, and Makeni)	L	ADB/OFID	2,837	140	3,325	158	3,897	177
Water Supply in Six Selected Communities in Sierra Leone (Lungi, Kailahun, Selected Sites in Freetown)	L	EXIM Bank, India	24,100	0	0	0	0	0
Rehabilitation of Portable Water Supply in Portloko and Koidu New Sembehun (Feasibility Studies)	G	Kuwait Fund	2,680	0	3,141	0	3,681	0
Rehabilitation of Rural Water Supply (Mile 91/Yonibana, Pujehun, and other Selected Towns)		GOSL	0	4,050	0	4,556	0	5,126
Construction of Wells and Gravity-Fed Systems - Cabala Town to Masiaka Communities		GOSL	0	2,000	0	2,250	0	2,531
Improvement of Water Supply in Sumaila Town and Sourie Town in Freetown		GOSL	0	320	0	360	0	405
Installation of Pipes and Fittings for various Roads Projects in Freetown (GUMA)		GOSL	0	940	0	1,058	0	1,190
ELECTRICITY DIVISION			72,352	67,790	66,248	76,264	77,638	145,748
Solar Street Light Project in Freetown and 13 Municipalities	L	EBID	15,824	5,807	0	6,533	0	67,301
Project Implementation Unit (PIU)		GOSL	0	980	0	1,103	0	1,240
Bumbuna Hydro Electric Project Environmental and Social Management	G	IDA	14,468	0	16,956	0	19,871	0

ANNEX 3 - DEVELOPMENT EXPENDITURE ESTIMATES BY MINISTRY, DEPARTMENT AND AGENCY BY PROJECT FOR THE MTEF PERIOD 2012-2014

MINISTRIES/DEPARTMENTS/AGENCIES	TYPE OF FINANCE L - LOAN G - GRANT	DONORS	FY 2012 Budget		FY 2013 Indicative		FY 2014 Indicative	
			Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm
			Western Area Power Generation Project I&I	L	BADEA/SFD	12,215	0	14,316
Electrification of District and Provincial Headquarter Towns:		GOSL	0	60,703	0	68,291	0	76,827
o/w: Thermal Plants		GOSL	0	40,203	0	45,228	0	50,882
o/w: Rehabilitation of Bo/Kenema Power Services		GOSL	0	1,154	0	1,298	0	1,461
Transmission and Distribution Materials		GOSL	0	20,500	0	23,063	0	25,945
Reinforcement of Medium and Low Voltage Distribution Network (Western Area)	L	IDB	12,428	300	14,565	338	17,069	380
Power and Water Project (Energy Component)	L	IDA	17,417	0	20,411	0	23,921	0
MINISTRY OF WORKS, HOUSING AND INFRASTRUCTURE			193,111	158,573	231,744	178,395	263,182	200,694
ROADS			193,111	157,943	231,744	177,686	263,182	199,897
HIGHWAYS:			106,465	72,240	106,526	81,270	121,566	91,429
Reconstruction of the Kenema - Pendembu Road	L	IDB/KFAED/	22,777	3,200	26,694	3,600	31,283	4,050
Construction of Goderich-Waterloo Rural Coastal Road:								
Tokeh - Lumley (Peninsular) Road	L	OFID/KUWAIT/	17,951	6,000	2,795	6,750	0	7,594
Freetown-Conakry Highway (Rogbere-Pamelap)	G	EC	11,870	9,100	13,911	10,238	16,303	11,517
Priority Infrastructure Programme	G	EC	9,599	200	11,249	225	13,184	253
Port Loko - Lungi Road	G	AfDB/GOSL	15,455	3,200	18,112	3,600	21,226	4,050
Rehabilitation of Matotoka - Sefadu Road	G	AfDB/OFID/GOSL	26,802	16,129	31,410	18,146	36,810	20,414
Rehabilitation of the Makeni - Kamakwie Road	L	Multi/GOSL	0	22,335	0	25,127	0	28,268
Widening of the Calaba Town - Mamamah Highway (Studies)		GOSL	0	500	0	563	0	633
Matotoka - Koidu/Bandajuma - Mano River Bridge Roads (Feasibility Studies)	L	ADB	0	980	0	1,103	0	1,240
Reconstruction of Pendembu - Kailahun Town Road		IDB/GOSL	0	4,000	0	4,500	0	5,063
Institutional Support to SLRA - Compensation and Consultancy Payments for Various Roads Projects	G	EC	2,010	6,596	2,356	7,421	2,761	8,348
FEEDER ROADS:			59,511	1,001	93,417	1,126	104,347	1,267
Rehabilitation of Rural Ferries		GOSL	0	200	0	225	0	253
Rehabilitation of Feeder/Rural Roads - Koinadugu-Kono-Bonthe-Kailahun	L	IDA	5,265	801	29,844	901	29,844	1,014
Feeder Roads under other sectoral projects:			54,246	0	63,572	0	74,502	0
Rural Infrastructure Development Project	G	IDB	10,991	0	12,880	0	15,095	0
European Union Funded Rural Feeder Roads	G	EC	8,777	0	10,286	0	12,054	0
Rehabilitation and Community Based Poverty Reduction Project	G	IFAD	2,651	0	3,107	0	3,641	0
Agricultural Sector Rehabilitation Project	L	AfDB	4,061	0	4,760	0	5,578	0
Infrastructure Development Project	G	IDA	7,450	0	8,731	0	10,232	0
Pro-Poor Growth for Peace Consolidation Programme (GPC) - German Government Funded	G	German	1,680	0	1,969	0	2,307	0
NERICA Rice Dissemination Project	G	AfDB	5,209	0	6,105	0	7,155	0
Social Action Support Project (SASP)	L	AfDB	4,166	0	4,882	0	5,721	0
Rural and Private Sector Development Project (RADP)	G	IDA	9,261	0	10,853	0	12,719	0

ANNEX 3 - DEVELOPMENT EXPENDITURE ESTIMATES BY MINISTRY, DEPARTMENT AND AGENCY BY PROJECT FOR THE MTEF PERIOD 2012-2014

MINISTRIES/DEPARTMENTS/AGENCIES	TYPE OF FINANCE L - LOAN G - GRANT	DONORS	FY 2012 Budget		FY 2013 Indicative		FY 2014 Indicative	
			Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm	Foreign Le'm	Domestic Le'm
REHABILITATION OF STREETS IN DISTRICT HQ TOWNS AND FREETOWN:			27,136	84,702	31,801	95,289	37,269	107,200
		OPEC/BADEA/						
Construction of Hillside Bye-pass Road Freetown	L	GOSL	27,136	7,500	31,801	8,438	37,269	9,492
Widening of Wilkinson Road into Dual Carriage Way		GOSL	0	4,780	0	5,377	0	6,049
Widening of Lumley Roundabout to Hillcut Junction into Dual Carriage Way		GOSL	0	21,084	0	23,720	0	26,685
Rehabilitation of 25 km of Selected Streets in Freetown		GOSL	0	5,989	0	6,738	0	7,580
Rehabilitation of Selected Streets in City and District Headquarter Towns		GOSL	0	44,849	0	50,455	0	56,762
Widening of Hillcut Junction to Pademba Road into Dual Carriage Way (Studies)		GOSL	0	500	0	563	0	633
BUILDINGS			0	630	0	709	0	797
Rehabilitation of State House and Presidential Lodges		GOSL	0	400	0	450	0	506
Rehabilitation of Boundary Wall of Parliament		GOSL	0	230	0	259	0	291
MINISTRY OF TRADE AND INDUSTRY			3,398	1,720	3,982	1,935	4,667	2,177
Growth Centre Programme		GOSL	0	110	0	124	0	139
Support to Standards Bureau		GOSL	0	900	0	1,013	0	1,139
Private Sector Development	G	EC	3,398	210	3,982	236	4,667	266
Enhanced Integrated Framework (EIF) National Implementation Unit		GOSL	0	300	0	338	0	380
Institutional Development and Capacity Building		GOSL	0	200	0	225	0	253
SIERRA LEONE AGRICULTURAL RESEARCH INSTITUTE			0	700	0	788	0	886
Teko Livestock Research Centre		GOSL	0	500	0	563	0	633
Kenema Forestry and Tree Crops Research Centre		GOSL	0	200	0	225	0	253
MISCELLANEOUS			0	193	0	218	0	245
Unallocated Development Expenditure		GOSL	0	193	0	218	0	245
LOCAL COUNCILS			9,720	10,040	14,919	11,295	9,598	12,707
Local Government Development Grants	L	IDA	3,702	10,040	4,339	11,295	5,085	12,707
Decentralized Service Delivery Project	G	IDA	4,677	0	9,009	0	2,673	0
Reproductive and Child Health Project	G	IDA	1,340	0	1,571	0	1,841	0
TOTAL			682,988	318,110	743,925	348,872	758,564	448,694
Total Foreign Loans			334,589		331,678		329,411	
Total Foreign Grants			348,399		412,247		429,152	
GoSL				318,110		348,872		448,694
GRAND TOTAL			682,988		743,925		758,564	

ANNEX 4 - POVERTY RELATED EXPENDITURE - FY2012 BUDGET

In Millions of Leones

Head	Ministry/Department/Agency	2012 Budget	2012 Budget	Poverty Related Expenditures			Total
		Non-Salary, non-Interest Recurrent	Domestic Development	Non-Interest Salary	Non- Domestic	Development	
106	Office of the Chief of Staff	2,440	350	-	-	-	-
105	Ministry of Political and Public Affairs	905	1,000	-	-	-	-
107	Ministry of Local Government & Rural Development	3,084	17,019	3,084	17,019		20,103
110	Office of the President	12,511	4,260	-	-	-	-
	Recurrent & Devt: Anti-Corruption Commission (1100701)	1,312	1,860	1,312	1,860		3,172
	Devt: HIV/AIDS Response Project (1101001)	-	960	-	960		960
	All Other	11,199	1,440	-	-	-	-
112	Office of the Vice President	2,803	-	-	-	-	-
116	Parliament	11,446	-	-	-	-	-
117	Cabinet Secretariat	680	-	-	-	-	-
118	Supreme Court	252	-	-	-	-	-
119	Court of Appeal	314	-	-	-	-	-
120	High Court	611	500	-	-	-	-
121	Audit Service Sierra Leone	3,000	5,100	-	-	-	-
122	Human Resource Management Office	809	1,550	809	1,550		2,359
123	Public Service Commission	435	-	-	-	-	-
124	Law Officers' Department	1,043	940	1,043	940		1,983
128	Ministry of Foreign Affairs & International Co-operation	16,644	3,260	-	-	-	-
129	Ministry of Finance and Economic Development	10,124	5,160	-	-	-	-
	Devt: MTEF & PETS (1290002)	-	2,955	-	2,955		2,955
	All Other	10,124	2,205	-	-	-	-
130	National Revenue Authority	30,471	300	-	-	-	-
131	Revenue Appellate Board	320	-	-	-	-	-
132	Accountant General's Department	2,020	-	-	-	-	-
133	Ministry of Information and Communication	2,819	3,000	-	-	-	-
134	Electoral Commission of Sierra Leone	80,406	2,400	80,406	-	-	80,406
137	National Commission for Democracy	1,300	-	1,300	-	-	1,300
138	Statistics - Sierra Leone	4,582	-	4,582	-	-	4,582
139	National Commission for Privatisation	832	-	-	-	-	-
140	Mass Media Services	400	-	-	-	-	-
141	Government Printing Department	1,212	-	-	-	-	-
142	National Public Procurement Authority	619	-	-	-	-	-
143	Justice and Legal Service Commission	146	-	-	-	-	-
144	National Commission for Human Rights	843	-	843	-	-	843
201	Ministry of Defence	57,020	4,800	-	-	-	-
205	Ministry of Internal Affairs	1,280	-	-	-	-	-
206	Police	34,160	1,000	34,160	1,000		35,160
207	Prisons Department	9,800	1,000	9,800	1,000		10,800
208	National Fire Authority	4,125	-	4,125	-	-	4,125
210	Office of National Security	2,420	-	2,420	-	-	2,420
211	Immigration Department	1,820	-	-	-	-	-
212	National Drugs Secretariat	310	340	-	-	-	-
301	Ministry of Education, Science and Technology	84,361	940	84,361	940		85,301
302	Ministry of Youth Employment and Sports	3,882	250	3,882	250		4,132
303	Ministry of Tourism and Culture (Culture Division)	557	-	-	-	-	-

ANNEX 4 - POVERTY RELATED EXPENDITURE - FY2012 BUDGET

In Millions of Leones

Head	Ministry/Department/Agency	2012 Budget	2012 Budget	Poverty Related Expenditures			Total
		Non-Salary, non-Interest Recurrent	Domestic Development	Non-Interest Salary	Non- Domestic Development	Domestic Development	
304	Ministry of Health and Sanitation	30,199	2,500	30,199	2,500		32,699
305	Ministry of Social Welfare, Gender & Children's Affairs	5,452	500	5,452	500		5,952
306	Ministry of Lands, Country Planning and the Environment	2,563	1,150	2,563	1,150		3,713
308	National Commission for Social Action	465	1,000	465	1,000		1,465
309	Dental and Medical Board	209	-	209	-		209
345	Pharmacy Board Services	1,900	-	1,900	-		1,900
401	Ministry of Agriculture, Forestry and Food Security	20,974	3,570	20,974	3,570		24,544
402	Ministry of Fisheries and Marine Resources	863	800	863	800		1,663
	Dev: Artisanal Fisheries Development Project (4020002)	-	-	-	-		-
	All Other	863	800	-	-		-
403	Ministry of Mines and Mineral Resources	4,306	860	-	-		-
	Recurrent: Mining Cadastre (4030203)	641	-	641	-		641
	All Other	3,665	860	-	-		-
404	Ministry of Transport and Aviation	4,149	6,854	4,149	6,854		11,003
405	Ministry of Tourism and Culture (Tourism Division)	1,517	800	-	-		-
406	Ministry of Energy and Water Resources	7,754	75,680	7,754	75,680		83,434
	Recurr: Grant to SALWACO (406002-2411),						
	Dev: Const. Rural Water Facilit. (406002-0641000)	3,696	320	3,696	320		4,016
	Recurr: Fuel for Emergency Power Programme	-	-	-	-		-
	Dev: Bumbuna Hydro (406002-08610000)	-	980	-	980		980
	All Other	4,058	74,380	4,058	74,380		78,438
407	Ministry of Employment, Labour and Social Security	2,103	-	2,103	-		2,103
	Recurrent: Social Safety Net (4070000-2421)	1,054	-	1,054	-		1,054
	All Other	1,049	-	-	-		-
408	Ministry of Works, Housing and Infrastructure	5,038	158,573	5,038	-		5,038
	Dev: Road Development Only (4080202-03910000 & 03920000)	-	157,943	-	157,943		157,943
	All Other	5,038	630	-	-		-
409	Ministry of Trade and Industry	6,357	1,720	-	-		-
411	Transfer to Road Maintenance Fund	44,307	-	44,307	-		44,307
412	National Telecommunications Commission	100	-	-	-		-
415	Sierra Leone Maritime Administration	1,598	-	1,598	-		1,598
416	Civil Aviation Authority	526	-	-	-		-
418	Sierra Leone Agricultural Research Institute	2,937	700	2,937	700		3,637
419	Sierra Leone Environment Protection Agency	602	-	602	-		602
501	Miscellaneous Services	849	193	-	-		-
509	Domestic Arrears	-	-	-	-		-
601	Contingency Fund	17,868	-	-	-		-
701	Transfers to Local Councils	82,176	10,040	82,176	10,040		92,216
GRAND TOTAL		637,618	318,110	444,105	125,493		569,598

ANNEX 4 - POVERTY RELATED EXPENDITURE - FY2012 BUDGET

In Millions of Leones

Head	Ministry/Department/Agency	2012 Budget Non-Salary, non-Interest Recurrent	2012 Budget Domestic Development	Poverty Related Expenditures		Total
				Non-Interest Non- Salary	Domestic Development	
Summary:						
Total Discretionary Primary Expenditure		955,727.78				
Non-Salary, Non-Interest Recurrent		637,618.14				
Domestic Development		318,109.64				
Total Poverty Related Expenditure		569,598.47			569,598	
Non-Salary, Non-Interest Recurrent		444,105.17			444,105	
Domestic Development		125,493.30			125,493	
Poverty Related Expenditure as a % of Total Discretionary Expenditure		59.60%				
Poverty Recurrent Expenditure as a % of Total Recurrent Expenditure		69.65%				
Poverty Development Expenditure as a % of Total Development Expenditure		39.45%				

ANNEX 5a - FY2012 - 15 MULTI-YEAR PAYROLL BUDGET SUMMARY BY CATEGORY

In Millions of Leones

Particulars	FY2012 Budget	FY2013 Indicative	FY2014 Indicative	FY2015 Indicative
Civil Service	130,216	148,707	149,093	152,075
o/w:				
Judiciary	3,627	4,142	4,152	4,235
Finance and Economic Development	11,047	12,616	12,649	12,902
Prisons	9,268	10,584	10,611	10,823
Education	3,735	4,266	4,277	4,362
Health	74,782	85,402	85,624	87,336
Agriculture	9,393	10,727	10,755	10,970
Works, Housing and Infrastructure	2,212	2,526	2,532	2,583
Others	16,152	18,446	18,494	18,863
Charged Emoluments	36,240	41,386	41,494	42,324
Teachers	295,703	337,693	338,571	345,343
Police	58,130	66,384	66,557	67,888
Military - Joint Force Command	55,453	63,328	63,492	64,762
Foreign Missions	48,846	55,782	55,975	57,143
Subvented Institutions	95,381	108,925	109,208	111,392
o/w:				
Audit Services	9,214	10,522	10,550	10,761
Anti-Corruption Commission	11,097	12,672	12,705	12,959
National Electoral Commission	5,845	6,675	6,692	6,826
Statistics Sierra Leone	2,564	2,929	2,936	2,995
National Commission for Privatisation	1,900	2,170	2,175	2,219
National Public Procurement Authority	1,700	1,941	1,946	1,985
Human Rights Commission	1,600	1,827	1,832	1,869
SLARI	7,340	8,382	8,404	8,572
Others	54,121	61,806	61,966	63,206
Local Councils	5,889	6,725	6,742	6,877
Pensions, Gratuities and Other Retirement Benefits	27,600	28,980	30,429	31,038
Government's Contribution to Social Security	44,848	48,436	54,505	55,595
Wages Arrears	1,140	950	969	988
Unallocated Personnel Emoluments	-	1,099	-	-
Grand Total	799,446	908,395	917,036	935,425
Wages and Salaries - (In Budget Profile)	798,306	907,445	916,067	934,436

ANNEX 5b - FY2012 PAYROLL BUDGET SUMMARY BY MDA

In Millions of Leones

Code	Ministry/Department/Agency	No. of Workforce as @ Oct-2011	Average Monthly	Average Annual	Composite Allowances/1	Salary Grants	Other Allowances	Provision for	Total
			Basic Pay	Basic Pay				Increase in Numbers	
			Le	Le	Le	Le	Le	Le	Le
101	Charged Emoluments	206	2,589.3	31,071.1	4,569.2	600.0	-	-	36,240.2
105	Ministry of Political and Public Affairs	4	2.7	32.1	-	1,460.0	-	-	1,492.1
106	Office of the Chief of Staff	9	4.1	49.0	1.8	3,395.1	-	-	3,445.9
107	Ministry of Local Government & Rural Development	390	152.4	1,829.0	89.7	-	-	-	1,918.7
110	Office of the President	145	86.3	1,035.7	220.8	19,870.8	-	-	21,127.3
112	Office of the Vice President	43	23.1	276.8	108.5	180.0	-	-	565.3
116	Parliament	53	-	-	-	2,412.0	-	-	2,412.0
117	Cabinet Secretariat	25	15.7	188.7	310.8	-	-	-	499.5
118	Supreme Court	11	4.4	53.1	21.1	-	-	-	74.2
119	Court of Appeal	30	29.5	354.4	120.5	-	-	-	474.9
120	High Court	263	189.3	2,271.8	805.6	-	-	-	3,077.4
121	Audit Service Sierra Leone	-	-	-	-	9,214.0	-	-	9,214.0
122	Human Resource Management Office	163	86.7	1,039.9	619.7	-	1,500.0	-	3,159.6
123	Public Service Commission	24	8.8	105.9	84.8	-	-	-	190.8
124	Law Officers' Department	147	170.9	2,050.9	26.0	1,350.0	-	-	3,426.9
125	Ministry of Development & Economic Planning (Merged with Finance)	-	-	-	-	-	-	-	-
128	Ministry of Foreign Affairs & International Co-operation	105	54.9	658.8	15.7	48,966.0	-	-	49,640.5
129	Ministry of Finance and Economic Development	247	153.4	1,841.1	338.8	8,867.5	-	-	11,047.4
130	National Revenue Authority	-	-	-	-	-	-	-	-
131	Revenue Appellate Board	-	-	-	-	215.0	-	-	215.0
132	Accountant General's Department	229	249.2	2,989.9	307.3	-	-	-	3,297.2
133	Ministry of Information and Communications	90	41.6	499.3	0.4	1,396.0	-	-	1,895.7
134	Electoral Commission of Sierra Leone	N/A	-	-	-	5,845.0	-	-	5,845.0
137	National Commission for Democracy	7	7.3	87.5	-	220.0	-	-	307.5
138	Statistics Sierra Leone	-	-	-	-	2,564.4	-	-	2,564.4
139	National Commission for Privatisation	-	-	-	-	1,900.0	-	-	1,900.0
140	Mass Media Services	84	27.2	326.3	1.8	500.0	-	-	828.1
141	Government Printing Department	107	37.5	449.6	4.4	-	-	-	454.0
142	National Public Procurement Authority	N/A	-	-	-	1,700.0	-	-	1,700.0
143	Justice and Legal Service Commission	N/A	-	-	-	80.0	-	-	80.0
144	National Commission for Human Rights	N/A	-	-	-	1,600.0	-	-	1,600.0
201	Ministry of Defence:	8,812	4,676.6	56,118.8	36.3	-	-	808.2	56,963.3
	Civil Servants	366	125.7	1,508.9	1.3	-	-	-	1,510.1
	Military	8,446	4,550.8	54,610.0	35.0	-	-	808.2	55,453.2
205	Ministry of Internal Affairs	148	64.9	779.0	91.0	-	-	-	870.0
206	Sierra Leone Police	11,011	4,567.6	54,811.3	-	-	-	3,318.6	58,129.9
207	Prisons Department	1,162	384.0	4,607.9	4,572.7	-	86.9	-	9,267.5

ANNEX 5b - FY2012 PAYROLL BUDGET SUMMARY BY MDA

In Millions of Leones

Code	Ministry/Department/Agency	No. of Workforce as @ Oct-2011	Average	Average	Composite	Salary	Other	Provision	Total
			Monthly	Annual				Allowances/1	
			Le	Le	Le	Le	Le	Le	Le
208	National Fire Authority	257	82.1	985.3	985.3	-	-	-	1,970.5
210	Office of National Security	2	0.6	6.8	6.8	5,800.0	-	-	5,813.7
211	Immigration Department	230	84.7	1,016.5	1,013.6	-	-	-	2,030.2
212	National Drugs Secretariat	-	-	-	-	110.0	-	-	110.0
301	Ministry of Education, Science and Technology	34,775	25,404.1	296,733.2	126.0	1,200.0	1,379.3	-	299,438.5
	Education Staff	292	206.7	2,480.5	54.7	1,200.0	-	-	3,735.2
	Teachers	34,483	25,197.4	294,252.6	71.3	-	1,379.3	-	295,703.3
302	Ministry of Youth Employment and Sports	22	10.7	128.6	-	1,130.5	-	-	1,259.1
303	Ministry of Tourism and Culture (Culture Division)	48	18.1	217.3	-	60.0	-	-	277.3
304	Ministry of Health and Sanitation	8,095	5,533.1	66,397.6	8,384.9	-	-	-	74,782.5
305	Ministry of Social Welfare, Gender & Children's Affairs	292	97.0	1,164.5	53.2	120.0	-	-	1,337.7
306	Ministry of Lands, Country Planning and the Environment	199	72.9	874.7	18.9	-	-	-	893.7
307	Gender and Children's Affairs Division	-	-	-	-	-	-	-	-
308	National Commission for Social Action	N/A	-	-	-	800.0	-	-	800.0
309	Dental and Medical Board	-	-	-	-	-	-	-	-
341	Pensions, Gratuities and Retirement Benefits	N/A	-	-	-	-	27,600.0	-	27,600.0
342	Government's Contribution to Social Security	N/A	-	-	-	-	44,848.4	-	44,848.4
345	Pharmacy Board Services	N/A	-	-	-	2,733.4	-	-	2,733.4
401	Ministry of Agriculture, Forestry and Food Security	2,142	690.7	8,288.5	4.7	1,100.0	-	-	9,393.2
402	Ministry of Fisheries and Marine Resources	149	53.3	639.6	-	-	-	-	639.6
403	Ministry of Mines and Mineral Resources	289	103.7	1,244.2	2.6	900.0	-	-	2,146.8
404	Ministry of Transport and Aviation	117	44.3	532.2	3.7	-	-	-	535.9
405	Ministry of Tourism and Culture (Tourism Division)	46	18.6	223.4	0.4	520.0	-	-	743.8
406	Ministry of Energy and Water Resources	167	56.4	676.5	0.1	2,666.9	-	-	3,343.4
407	Ministry of Employment Labour and Social Security	60	28.1	337.7	4.1	-	-	-	341.8
408	Ministry of Works, Housing and Infrastructure	588	184.3	2,211.3	0.4	-	-	-	2,211.7
409	Ministry of Trade and Industry	80	40.9	491.2	0.5	1,560.0	-	-	2,051.7
410	Environment Commission	N/A	-	-	-	-	-	-	-
412	National Telecommunications Commission	N/A	-	-	-	-	-	-	-
415	Sierra Leone Maritime Administration	-	-	-	-	2,900.0	-	-	2,900.0
416	Civil Aviation Authority	N/A	-	-	-	1,850.0	-	-	1,850.0
418	Sierra Leone Agricultural Research Institute	-	-	-	-	7,340.0	-	-	7,340.0
420	Sierra Leone Environment Protection Agency	N/A	-	-	-	1,100.0	-	-	1,100.0
501	Unallocated Personnel Emoluments	-	-	-	-	-	-	-	-
701	Transfers to Local Councils	-	-	-	-	5,888.7	-	-	5,888.7
Grand Total		71,073	46,151.0	545,697.0	22,952.2	150,115.2	75,414.6	4,126.8	798,305.9

ANNEX 5b - FY2012 PAYROLL BUDGET SUMMARY BY MDA

In Millions of Leones

Code	Ministry/Department/Agency	No. of Workforce as @ Oct-2011	Average	Average	Composite	Salary	Other	Provision	Total
			Monthly	Annual				Allowances/1	
			Le	Le	Le	Le	Le	Le	Le
	Civil Service, Subvented Institutions and Others	17,133	11,835.3	142,023.1	22,845.9	150,115.2	74,035.3	-	389,019.5
	Military	8,446	4,550.8	54,610.0	35.0	-	-	808.2	55,453.2
	Teachers	34,483	25,197.4	294,252.6	71.3	-	1,379.3	-	295,703.3
	Police	11,011	4,567.6	54,811.3	-	-	-	3,318.6	58,129.9
Total		71,073	46,151.0	545,697.0	22,952.2	150,115.2	75,414.6	4,126.8	798,305.9

Notes:

1. As at October 2011, these mostly represent salaries for Daily Wage Workers. These would be incorporated in the new Grade Category by end December 2011

ANNEX 6 - ANALYSIS OF SECTORAL ALLOCATION TO PRIORITY PROGRAMMES FY 2012 - 14

SECTORS	FY2012 Budget Le'm	% of budget	FY2013 Indicative Le'm	% of budget	FY2014 Indicative Le'm	% of budget
AGRICULTURE	130,364	8.0%	139,836	8.1%	164,513	8.5%
Central Ministry	117,513		126,985		148,482	
Recurrent	20,974		24,749		29,204	
Development	96,539		102,236		119,278	
Foreign	92,969		98,220		114,760	
Domestic	3,570		4,016		4,518	
Transfers to Local Councils	12,851		12,851		16,031	
ROADS	395,361	24.1%	456,338	26.4%	521,713	27.1%
Recurrent	44,307		46,908		58,635	
Development	351,054		409,430		463,078	
Foreign	193,111		231,744		263,182	
Domestic	157,943		177,686		199,897	
HEALTH	110,697	6.8%	129,712	7.5%	149,183	7.7%
Central Ministry	80,168		95,615		111,100	
Recurrent	30,199		35,635		42,049	
Development	49,969		59,980		69,051	
Foreign	47,469		55,630		65,195	
Domestic	2,500		4,350		3,856	
Transfers to Local Councils	30,529		34,097		38,083	
EDUCATION	138,858	8.5%	162,861	9.4%	189,622	9.8%
Central Ministry	106,444		126,659		149,189	
Recurrent	84,361		99,546		117,465	
Development	22,083		27,112		31,724	
Foreign	21,143		26,055		30,534	
Domestic	940		1,058		1,190	
Transfers to Local Councils	32,414		36,202		40,434	
ENERGY	206,297	12.6%	181,727	10.5%	269,001	14.0%
Recurrent	7,754		9,149		10,796	
Development	198,544		172,578		258,205	
Foreign	122,863		87,438		102,471	
Domestic	75,680		85,140		155,734	
Total Allocated to Priority Sectors in the Agenda For Change	981,577	59.9%	1,070,474	62.0%	1,294,032	67.2%
Residue Allocated to Other Sectors	657,139	40.1%	655,076	38.0%	631,177	32.8%
TOTAL BUDGET	1,638,716	100.0%	1,725,550	100.0%	1,925,209	100.0%
Non-salary, non-interest, recurrent expenditure	637,618		632,753		717,951	
Development expenditure	1,001,098		1,092,797		1,207,258	

ANNEX 7 - DISTRIBUTION OF GRANTS TO LOCAL COUNCILS, FY2012

Council	*EDUCATION	AGRICULTURE	**HEALTH	RURAL WATER	SOCIAL WELFARE, GENDER AND CHILDREN'S		LIBRARY	SUPPORT TO WARD COMMITTEES
					AFFAIRS	***BLOCK GRANT		
Bo District	255,320,505	913,174,323	525,489,213	79,380,869	29,121,293	310,632,836	-	79,389,313
Bo City	193,909,206	242,380,834	2,830,399,805	-	18,996,020	442,368,479	133,908,682	9,160,305
Bombali District	337,765,933	1,127,699,193	489,427,017	74,687,956	29,064,558	274,035,860	-	82,442,748
Makeni City	120,688,707	268,551,723	2,715,241,272	-	10,157,838	220,472,776	82,749,108	9,160,305
Bonthe District	161,272,131	482,975,374	280,139,000	38,366,145	12,897,930	113,461,843	39,740,037	54,961,832
Bonthe Municipality	13,271,404	184,658,082	397,785,777	-	796,718	117,056,262	37,066,213	9,160,305
Freetown	779,466,511	194,723,535	10,969,896,096	-	72,043,943	1,820,644,178	446,180,655	149,618,321
Kailahun District	272,305,748	839,999,778	1,382,563,182	81,811,164	35,525,619	405,029,592	72,096,081	88,549,618
Kambia District	268,154,099	828,823,696	1,130,256,254	66,928,966	26,897,011	273,826,064	55,268,218	76,335,878
Kenema District	279,759,561	1,170,730,925	561,743,690	78,748,918	32,150,129	377,934,242	-	88,549,618
Kenema City	177,803,647	248,817,705	2,449,218,358	-	16,677,282	373,752,223	110,597,754	9,160,305
Koinadugu District	238,409,473	1,605,718,788	1,314,548,036	71,633,000	25,013,188	236,130,607	49,227,005	73,282,443
Kono District	178,028,433	1,065,640,897	363,341,526	49,445,629	18,641,219	196,461,000	-	73,282,443
Koidu New Sembehun City	131,019,885	243,853,564	816,078,595	-	6,114,920	142,520,289	53,491,298	9,160,305
Moyamba District	279,289,488	1,114,689,649	980,013,651	57,940,188	21,714,756	211,172,334	49,133,787	73,282,443
Port Loko District	386,113,585	1,172,865,553	2,066,099,702	103,648,643	42,206,684	440,922,064	86,128,979	103,816,794
Pujehun District	157,706,831	682,336,361	999,248,881	72,341,696	28,355,021	235,461,855	51,506,734	67,175,573
Tonkolili District	350,856,492	1,130,315,023	1,459,777,091	83,053,282	33,699,926	344,368,745	65,241,209	82,442,748
Western Area Rural District	246,858,361	482,044,997	1,768,732,857	42,013,544	19,925,945	282,648,750	56,064,241	61,068,702
National Total	4,828,000,000	14,000,000,000	33,500,000,000	900,000,000	480,000,000	6,818,900,000	1,388,400,000	1,200,000,000

*Education is exclusive of Payment to WAEC for NPSE and BECE, TLM, Textbooks for Primary and JSS, and School Fees Subsidy for Primary Schools

**Health grant includes grant for Primary Health services and grant for Hospitals

***Block Grant includes grants for Solid Waste, Fire Prevention, Marine, Youths and Sports, and Other Recurrent Administrative Expenses of Local Councils

**ANNEX 8: MULTI DONOR BUDGET SUPPORT/GOVERNMENT OF SIERRA LEONE
PROGRESS ASSESSMENT FRAMEWORK 2012**

Sierra Leone Multi Donor Budget Support/Government of Sierra Leone Progress Assessment Framework 2012				
Priority area	Objectives	Indicators 2012	Donors using indicator	Status with GoSL
Improved expenditure management	Strengthened budgeting and budget execution.	1: MOFED to take actions, consistent with the Government Budgeting and Accountability Act (GBAA) to enforce budgetary discipline and ensure that the difference (variance) between total actual primary expenditures (outturn) and total originally budgeted primary expenditures does not exceed 15% ¹ of total originally budgeted primary expenditures for 2011.	DFID, WB, EU	Agreed with MoFED.
		2: The share of actual to budgeted spending on poverty related expenditures should be greater than the ratio of actual to budgeted expenditures for all other discretionary primary expenditures.	DFID, EU	Agreed with MoFED.
		3: MOFED to take actions, consistent with the GBAA to enforce budgetary discipline and ensure that the stock of accumulated expenditure arrears (non-transparent financing) at end of FY 2011 does not exceed 7% of total actual expenditures for same year.	DFID, EU, WB	Agreed with MoFED.

¹ Aligned to PEFA PI-1 target of a 'C' rating score

Sierra Leone Multi Donor Budget Support/Government of Sierra Leone Progress Assessment Framework 2012

Priority area	Objectives	Indicators 2012	Donors using indicator	Status with GoSL
	Strengthened procurement process	4: National Public Procurement Authority to take compliance actions to ensure that the share of procurement transactions in 2011 above the competitive threshold which are conducted through open competition, will improve by at least 5 percentage points over the benchmark of 68 percent established against the 2010 procurement transactions.	DFID, EU, WB	Agreed with NPPA.
	Improved maintenance of the teacher payroll	5: At least 75 percent of teacher payroll additions, removals and promotions should have at least one document supporting the change, based on an examination of the files of a 10% sample of all teachers who have been added to the payroll, removed or promoted in the months February-April 2012	DFID, EU, AfDB	Need to agree with MEYS.
		6: At least 65 percent of the teachers on the payroll have had key data on their records verified by a physical interview with the teacher by May 2012, and the 75% of the requisite changes have been made on the teacher payroll by August 2012.	AfDB, WB	Need to agree with MEYS. Detailed work plan and timeline for teacher census was promised by MEYS on Sep 13. This is required to complete the indicator.
	Improved records	7: The value of payment (non-payroll)	DFID, EU,	Need to agree with

Sierra Leone Multi Donor Budget Support/Government of Sierra Leone Progress Assessment Framework 2012

Priority area	Objectives	Indicators 2012	Donors using indicator	Status with GoSL
	management	vouchers presented by the Accountant General Department to the ASSL team auditing the 2010 annual public accounts by the time the final audit report is issued reaches 90%	AfDB	Accountant General's Office.
	External oversight	8: 50% of ASSL recommendations made in 2010, as reported in the AGs annual reports to Parliament, followed up by the Director of Internal Audit, MoFED by May 2012, and the status of implementation recorded in the ASSL database of recommendations	DFID, EU, AfDB	Need to agree with ASSL.
Improved basic service delivery	Health sector	9: The percentage of estimated deliveries taking place at a public health facility in 2011 increases to 60 %	DFID, EU	Need to agree with MoH.
	Health sector	10: Percentage of children fully immunized for diphtheria, pertusis and tetanus (DPT3) before 12 months of age will increase to 65% in 2011	DFID, EU	Need to agree with MoH.
	Education sector	11: Gross enrolment rate for girls in junior secondary school increase by 3 percentage points on the 2010 baseline.	DFID, EU	Need to agree with MEYS.

Sierra Leone Multi Donor Budget Support/Government of Sierra Leone Progress Assessment Framework 2012				
Priority area	Objectives	Indicators 2012	Donors using indicator	Status with GoSL
Improved domestic revenue mobilisation	Improved tax administration	12: Consolidate the Income tax arrears and initiate recovery proceedings in all cases of tax arrears owed by the non-government sector and recover Le 11 billion of Income tax arrears.	DFID, EU, WB	Need to agree with NRA.
	Improved tax administration	13: National Revenue Authority (NRA) to take administrative and enforcement action to increase compliance with respect to timeliness of filing of Income Tax returns, with the aim to increase by 15 percent the number of income tax payers filing on time in 2012 over that in 2011.	DFID, EU, WB	Need to agree baseline with NRA.
	Mining revenue	14: MOFED to disclose publicly in the first quarter of 2012, a statement of the revenue collected in 2011 from the top extractive industries covering at least 90 percent of the total collection, by revenue type, in accordance with §159 of the Mines and Minerals Act, 2009, and consistent with Government commitments under the Extractive Industries Transparency Initiative.	DFID, EU, WB, AfDB	Agreed with NRA/MoFED.
Strengthening governance	Management of the minerals sector	15: Submission to Parliament of the National Minerals Authority Bill..	DFID, EU, WB, AfDB	Need to agree with Ministry of Mineral Resources.
	Management of the	16: Government to publish in the	DFID, EU,	Need to agree with Ministry

Sierra Leone Multi Donor Budget Support/Government of Sierra Leone Progress Assessment Framework 2012				
Priority area	Objectives	Indicators 2012	Donors using indicator	Status with GoSL
	minerals sector	GoSL Online Repository all mining and exploration license details and associated non-tax payments (broken down by license, company, mineral, date and tax / levy type).	AfDB	of Mineral Resources.
	Management of the energy sector	17: Submission to Parliament of the National Electricity Bill.	WB, AfDB	Need to agree with Ministry of Energy
	Management of the energy sector	18: National Power Authority to Implement loss reduction plan. This is an operational loss reduction plan which will have an accelerated timetable for installation of pre-paid meters as its center piece.	WB	Need to agree with Ministry of Energy
	Management of the energy sector	19: Approval by Cabinet of an electricity tariff methodology derived from a completed tariff study providing guidance on tariff setting.	AfDB	Need to agree with Ministry of Energy