



OAU DRIVE, TOWER HILL, FREETOWN

PARLIAMENTARY DEBATES

[HANSARD]

OFFICIAL HANSARD REPORT

FIRST SESSION –FIRST MEETING

FRIDAY, 10TH NOVEMBER, 2023

SESSION – 2023/2024



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First Meeting of the First Session of the Sixth Parliament
of the Second Republic of Sierra Leone.

Proceedings of the Sitting of the House
Held Friday, 10th November, 2023.

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THE CHAMBER OF PARLIAMENT OF THE REPUBLIC OF SIERRA LEONE

Official Hansard Report of the Proceedings of the House

FIRST SESSION – FIRST MEETING OF THE SIXTH PARLIAMENT OF THE SECOND REPUBLIC

Friday, 10th November, 2023.

I. PRAYERS

[The Table Clerk, Mr Sahr Lebbie, Read the Prayers]

[The House met at 10:10 a.m. in Parliament Building, Tower Hill, Freetown]

[The Speaker, Hon. Dr Abass Chernor Bundu, in the Chair]

The House was called to Order

COMMUNICATION FROM THE CHAIR

II. RECORD OF VOTES AND PROCEEDINGS FOR THE PARLIAMENTARY SITTING HELD ON THURSDAY 9TH NOVEMBER, 2023

THE SPEAKER: Honourable Members, we go through the record of Votes and Proceedings for the parliamentary sitting held on Thursday, 9th November, 2023. We shall skip pages 1, 2, 3, 4 and 5. We start with Page 6? Page 7, Page 8? Page 9? Page 10? Page 11? If there is no amendment or correction, can someone move for the adoption of the record of Votes and Proceedings for the parliamentary sitting held on Thursday, 9th November, 2023 as presented?

HON. JOSEPH WILLIAMS-LAMIN: I so move, Mr Speaker.

THE SPEAKER: Any seconder?

HON BRIMA MANSARAY: I so second, Mr Speaker.

[Question Proposed, Put and Agreed To]

[Record of Votes and Proceedings for the parliamentary sitting held on Thursday, 9th November, 2023 has been adopted as presented]

III. ANNOUNCEMENT BY MR SPEAKER

THE SPEAKER: The only announcement I have is on a good note. We started right on time 10'Oclock and I want to commend all of you who were here on time. It is a good sign, a very good sign and I hope we would keep it up. I am sure my friend and brother there from Koinadugu must have been pleased this morning. As I said yesterday two things cannot wait, time and tide, they don't wait for anybody and let us start measuring our progress by time. Let us value our time after all those of us who have been overseas you are remunerated by time, whether it is the month or the hours or the minutes, but your remuneration comes always according to time. So let us try and imbibe that culture of respecting time, when you do that you will see how rapid the development of this country would be. There is no magic to it, even countries who are ahead of us in terms of development achieved it by respecting time and making sure they don't fiddle around they do the real work, substantive work when they are

engaged in it. There is nothing wrong in emulating those good examples, the bad examples we should never encourage and there are many bad examples out there you know that we should never allow to influence our culture or our way of doing things in this country but the good ones let us embrace and adopt and imbibe to be part of our culture. After all cultural development is a process of cross fertilisation. We influence them and they too influence us that is the way the world is and it will continue to be so. So I am very impressed with today's attendance, it enabled us to start right on time, let us maintain that record. I thank you all for ensuring that it happened.

With that said, o yes, I have just been reminded that our brother MP's from Ghana are still with us, may I invite all of them to please rise and be recognised. *[Applause]* as I said the other time they are here to study our Business Committee how we do things here, so that if there are good aspects they too can copy.

HON DANIEL B KOROMA: No, sorry sir, too much noise at the gallery, please warn them.

THE SPEAKER: I cannot see them and I cannot warn people that I cannot see. Just to remind you that our brothers from the Parliament of Ghana are visiting us to come and study the way we conduct business in our Business Committee of Parliament and to learn from our own best practices. By the same token we have been to their Parliament to learn from their own best practices and that is the way we do exchanges between Parliaments of the Commonwealth. We have a common tradition, a common heritage so we learn from each other all the time. I think today is the last working day they are spending with us and I hope their visit has been worthwhile. Anyway they would tell us when we meet again this evening to bid them farewell at dinner. They witnessed when our friends and brothers from the APC joined us and they are now fortunate to witness a very special session of Parliament and that is the reading of the National Budget by the Minister of Finance. We hope they would be able to pick up one or two things that would be of benefit to them when they return back to Ghana. I enjoy a very special comradeship with my brother, Speaker from Ghana, Speaker Bagbin we

were together in Angola recently, along with the Senate President of Nigeria, the Angolan Speaker and the Speaker of South Africa.

In fact between myself, Ghana, South Africa and Nigeria we led the campaign for the Speaker of Tanzania, Speaker Ackson who eventually became elected as the first woman president of the IPU in the entire history of the IPU. So we shared certain affinities with Ghana and those other countries and it is my wish to continue to strengthen the excellent relations that we have shared with those Parliaments. So don't be surprised if you begin to see many more parliaments coming to us to see how we do things here. So it is always important that we do the best so that when they come to learn from us they do not learn the ugly, but the best to take back to their own Parliaments. With that said let us get on with the day's business.

IV PAPER LAID

THE MINISTER OF FINANCE

FISCAL STRATEGY STATEMENT [FSS] FY 2024-2028 IN FULFILMENT OF SECTION 21 & 23 OF PUBLIC FINANCIAL MANAGEEMENTACT 2016

THE SPEAKER: I am still getting noise coming from the galleries. Hello! I can still hear noises, Sergeant-at-Arms do your duty please. Good news for the Honourable Members to my left, by Tuesday you will be getting your tablets. Okay, I think we have got some quiet now from the galleries. Leh ar tell una, leh ar speak the mammy language now, duya una wae cam for cam witnes dis very special occasion ar welcome una to Parliament but una no to parliamentarians o una na visitors. Una bin don elect una parliamentarians na den dison so naya, if una cam wit respect una cam wit good manners, you dae for listen no to fo take part in wetin dae hapin don ya. So duya ar dae beg una leh wan noise no comot from the galleries any more, otherwise ar go order leh den clear una leh ol man go. I am sure na very few nor mo dae mek noise, the vast majority of una no dae make noise so den wan wae den neba dae mek noise tell am say leh e nor be the source of you dreb wan comot na di gallery leh e keep quiet. Thank you. Mr Minister.

MR SHEKU FANTAMADI BANGURA *[The Minister Of Finance]* Mr Speaker, Honourable Members, with your leave I beg to lay on the Table of this Honourable House the following paper:

THE FISCAL STRATEGY STATEMENT (FSS) FY 2024-2028 IN FULFILMENT OF SECTION 21 & 23 OF PUBLIC FINANCIAL MANAGEENT ACT 2016

V BILL

THE APPROPRIATION ACT 2024

INTRODUCTION AND FIRST READING

THE MINISTER OF FINANCE

MR SHEKU FANTAMADI BANGURA *[The Minister Of Finance]*

Mr Speaker, Honourable Members I rise to move that the Bill entitled “The Appropriation Act 2024”, being an Act to authorise expenditure from the Consolidated Revenue Fund for the services of Sierra Leone for 2024, be read the first time”.

I. INTRODUCTION

Mr Speaker, Honourable Members, the last two years have been very challenging for policy makers all over the world, more so in low-income countries, including Sierra Leone, where development needs are very high in the midst of limited fiscal space and high vulnerability to external shocks. The external environment has not been favourable as the recovery of the global economy is losing momentum due to the slowdown of the Chinese economy, disruptions of energy and food markets caused by the Russia-Ukraine crisis and the impact of tighter monetary policy to fight global inflation. The situation is being exacerbated by heightened geo-political tensions, economic fragmentation and climate change risks.

2.Mr. Speaker, Honourable Members, the October edition of the World Economic Outlook projected global economic growth to continue to slow down from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. This was after the strong recovery of 6.0 percent in 2021. Growth in advanced economies is slowing down, especially in the Euro Area, which is more exposed to the Russia-Ukraine Crisis. Economic activity in

the Euro Area is projected to decelerate from 3.3 percent in 2022 to 0.7 percent in 2023 and 1.2 percent in 2024. While growth in emerging markets and developing countries is projected to be broadly stable in 2023 and 2024 at 4.0 percent, the Chinese economy, our major trading partner, is weakening due to problems in the property and real estate sector. Growth in Sub-Saharan Africa is also expected to fall for the second year in a row to 3.3 percent in 2023 before returning to 4.0 percent in 2024, reflecting weak global economic growth, mounting debt levels, high inflation and interest rates and exchange rate pressures.

3. Mr. Speaker, Honourable Members, although global inflationary pressures are easing from the record levels in 2022, inflation is still relatively high. Global inflation is projected to fall from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. Despite this, commodity prices remain volatile-a major risk to the downward trend in inflation.

4. Global oil prices have been fluctuating with an increasing trend, averaging around US\$94.0 per barrel from January to September 2023. Repeated cuts in supply by OPEC Plus members could see prices average above US\$ 90 per barrel in 2023.

5. Food prices remain elevated and could be further disrupted by an escalation of the war in Ukraine, inflicting greater hardship on many low-income countries, including Sierra Leone. Rice prices continued their upward trend throughout the year-averaging around US\$ 495.0 in January to US\$ 620 per metric ton in September 2023. Fortunately, iron ore prices have averaged around US\$120.0 per metric ton and are projected to stay elevated for the rest of the year, following flooding in one of Brazil's biggest iron ore mines.

6. Mr. Speaker, Honourable Members, these adverse global developments and general economic uncertainty have contributed to a difficult socio-economic situation in Sierra Leone characterized by weak economic growth, limited fiscal space, higher inflation, high debt burden and sharp depreciation of the Leone. These, in turn, have translated into high cost of living with adverse implications for food security in our country.

7. In July this year, I presented a Supplementary Budget aimed at bringing back public finances to a sustainable path, and maintaining the recovery from the ongoing war in Ukraine and other related shocks. However, large debt service payments combined with high inflation and exchange rate pressures on the budget have narrowed the policy choices and presented difficult policy trade-offs.

8. Mr. Speaker, Honourable Members, despite the difficult external environment, our programme with the International Monetary Fund (IMF) remains on track. The delayed sixth and seventh reviews of the Extended Credit Facility (ECF) were jointly approved by the IMF Executive Board in June 2023, triggering the disbursement of US\$20 million. Despite the limited fiscal space, we continued to support the Free Quality School Education (FQSE) Programme and infrastructure development, including the completion of key roads. We made progress on fiscal consolidation by instilling fiscal discipline in the management of public expenditures, which enabled us to fulfill two out of the three quantitative performance criteria for the eighth review of the ECF. We also implemented all the prior actions and structural benchmarks. This improved programme performance has paved the way for the staff level agreement on the conclusion of the eighth review, which is now awaiting approval by the IMF Executive Board in late November 2023. The successful completion of the eighth review will trigger the immediate disbursement of US\$20 million and the commencement of discussions on a successor programme with the IMF in 2024.

9. With support from the World Bank, we also implemented wide-ranging sectoral reforms in lands, labour, education, mining, public procurement, revenue administration and digitalization. These and many more, will lay the foundation for sustainable, resilient and inclusive growth in the medium-term.³ 10. Mr. Speaker, Honourable Members, it is, however, disheartening to report that despite these efforts, successive and repeated shocks have exposed the underlying vulnerabilities of our food supply systems to the volatility of the global food market. The ensuing high cost of living has pushed several households into food insecurity. This is untenable and therefore demands unprecedented and innovative solutions.

11. Against the backdrop of global economic uncertainty, high cost of living and food insecurity, there is an urgent need to restore macroeconomic stability while protecting the poor and vulnerable, hence the theme of the 2024 Government Budget.

12. Mr Speaker, Honourable Members, before elaborating on Government's policy priorities and strategies for addressing the above-mentioned challenges, please allow me to provide a brief review of the domestic macroeconomic developments and budgetary performance for 2023, as well as the medium-term outlook of the economy.

II. MACROECONOMIC DEVELOPMENTS AND BUDGETARY PERFORMANCE IN 2023 AND OUTLOOK

Macroeconomic Developments in 2023

13. Mr Speaker, Honourable Members, after recovering strongly from the COVID-19 pandemic with a growth rate of 4.1 percent in 2021, the Sierra Leone economy slowed down to 3.5 percent in 2022. The economy is projected to grow moderately by 2.7 percent in 2023. The uncertain global economic environment, coupled with high food and energy prices continued to weigh on economic growth in 2023.

14. Inflationary pressures persisted throughout 2023, reflecting imported inflation, domestic food supply shocks, adjustment in fuel prices, and continuous depreciation of the exchange rate. Inflation surged to 54.5 percent in September 2023, from 37.1 percent in December 2022.

15. Mr. Speaker, Honourable Members, total value of exports increased by 16.1 percent to US\$ 659.2 million during the first half of 2023 relative to the same period in 2022. Of this, mineral exports amounted to US\$ 584.7 million, with iron ore exports increasing by 54.7 percent to US\$ 391.0 million.

16. The total import bill decreased marginally by 0.4 percent to US\$ 968.6 million in the first half of 2023 relative to the same period in 2022. The value of rice and petroleum imports amounted to US\$92.1 million and US\$305.7 million, respectively. The combined value of rice and petroleum imports, accounted for 41percent of the total import bill for the review period.

17. The trade deficit narrowed significantly to US\$ 309.4 million in the first half of 2023 from US\$404.9 million in the corresponding period in 2022, reflecting mainly the strong growth in mineral exports.

18. Gross international reserves of the Bank of Sierra Leone amounted to US\$432.9 million (equivalent to 3.0 months of imports) as at end October 2023. The depreciation of the Leone moderated to 17.2 percent between January and October 2023 compared to 39.1 percent in 2022. Policy actions taken by the Bank of Sierra Leone to stabilise the exchange rate include: (i)the removal of administrative barriers in the foreign exchange market; (ii)the amendment of the BSL Act, 2019 to permit the use of currencies other than the Leone in selected transactions in Sierra Leone; and (iii)the announcement effect of the decision to permit lending in foreign currency by commercial banks on a case-by-case basis.

19. The stock of public debt increased slightly by 5.5 percent to NLe53.9 billion as at end June 2023 from NLe51.1 billion as at end December 2022. Domestic debt increased by 13.4 percent to NLe18.2 billion, while foreign debt increased marginally by 0.2 percent to NLe35.7 billion as at end June 2023. The increase in domestic debt was driven mainly by increased domestic borrowing. Budgetary Performance in 2023

20. Mr Speaker, Honourable Members, total domestic revenue collected during January to June 2023 amounted to NLe4.6 billion (5.9 percent of GDP), recording a shortfall of NLe166.4 million. The underperformance in income taxes, goods and services tax (GST) and customs and excise duties contributed to the shortfall. This was due to election-related uncertainty, weak economic activities and delay in fuel pump price adjustment. Total domestic revenue will amount to NLe10.6 billion (13.1 percent of GDP) by the end of 2023.

21. Total grants received from development partners amounted to NLe1.1 billion comprising wholly project grants. The World Bank is expected to disburse US\$65 million as budget support in December 2023. Total grants are projected to reach NLe3.7 billion (4.7 percent of GDP) in 2023.

22. Mr. Speaker, Honourable Members, total expenditure and net lending for January to June 2023 amounted to NLe9.7 billion (12.3 percent of GDP) and was within budgeted amounts. The savings of NLe38 million was due to lower-than-budgeted wages and salaries, interest payments and subsidies and transfers, which more than offset overrun in domestic capital expenditure. Higher inflation and exchange rate depreciation contributed to the overrun in domestic capital expenditure. Total expenditures and net lending are projected to amount to NLe18.3 billion (23.3 percent of GDP) by end of the year.

23. Mr Speaker, Honourable Members, the overall budget deficit, excluding grants is estimated at 6.4 percent of GDP. The deficit, including grants, is estimated at 5.1 percent of GDP as at end June 2023. The deficit was financed mainly by borrowing from the domestic banking system.⁵ Medium-Term Economic Outlook

24. Mr Speaker, Honourable Members, the Sierra Leone economy is expected to remain resilient over the medium-term. Growth is projected to increase to 4.7 percent in 2024 and 5.2 percent in 2025, driven by increased investment in agriculture, mining, and continued recovery in the services sector.

25. Inflation is expected to ease to 23 percent by end 2024 and further decline over the medium-term as the tight monetary policy stance is sustained and supported by prudent fiscal policy. The anticipated decline in global food and energy prices and increases in domestic food supply will also contribute to lowering inflationary pressures.

26. The current account deficit is projected to shrink to 4.2 percent of GDP in 2024 and further to 2.9 percent of GDP in 2025, as the trade deficit narrows. Official foreign reserves are programmed to stay above 3.0 months of imports cover in the medium-term, supported by official inflows and private transfers.

27. The exchange rate is expected to depreciate by the difference between inflation in Sierra Leone and that of our major trading partners. Given the projected decline in inflation, the depreciation of the Leone is expected to moderate in 2024 and the medium-term.

28. However, the outlook of the economy is susceptible to several significant downside risks. These include spillovers from ongoing geo-political tensions, economic fragmentation, escalation of the Russia-Ukraine crisis, prolonged weakening of the Chinese economy, potential collapse of the prices of our key export commodities, continuous depreciation of the exchange rate, and declining international donor support. Moreover, an escalation of the Israeli-Palestine conflict poses a major threat to global economic cooperation, which could also significantly weigh on global growth prospects.

IV. POLICY PRIORITIES OF THE 2024 BUDGET

29. Mr Speaker, Honourable Members, the difficult and uncertain global economic environment and spill overs to our economy, combined with policy slippages have translated into a challenging macroeconomic situation, which in turn have led to an increase in the cost of living. Taking these developments into consideration, the 2024 Budget will seek to: i. improve the management of public finances and enhance the effectiveness of monetary and exchange rate policies to reduce inflation, stabilize the exchange rate to lower the cost of living, thereby protecting the poor and vulnerable; ii. support the implementation of the Feed Salone programme to improve agricultural productivity for food self-sufficiency; iii. expand Social Safety Nets to cushion the impact of the multiple shocks on the poor and vulnerable; iv. consolidate Human Capital Development interventions in education and health in order to improve the quality of life of the people especially women, children and the youth; v. continue to invest in infrastructure and technology to improve the competitiveness of the economy and create employment opportunities; vi. support and promote private sector development for sustainable economic growth and job creation; vii. support the implementation of appropriate climate adaptation and mitigation measures to minimize the impact of climate change on livelihoods; and viii. support the revamping of public administration to improve the efficiency of public service delivery.

V. STRATEGIES FOR ACHIEVING THE 2024 BUDGET POLICY PRIORITIES
A. IMPROVING THE MANAGEMENT OF PUBLIC FINANCES TO STABILIZE THE ECONOMY.

30. Mr Speaker, Honourable Members, there is an urgent need to strike an appropriate balance between revenue effort and expenditure management to reduce the budget deficit and Government borrowing from the banking system, thereby helping to arrest the rate of exchange rate depreciation and lower inflation. In addition, enhanced fiscal discipline will create the fiscal space needed to increase spending on Government priorities.

31. Mr Speaker, Honourable Members, to achieve this balance requires deliberate efforts to intensify domestic revenue collection and prudently manage and control Government expenditures. Intensifying Domestic Revenue Mobilisation

32. Mr Speaker, Honourable Members, the development needs of Sierra Leone are huge and need to be consciously addressed, if we are to make progress in improving the competitiveness of the economy and reducing poverty. However, attempts to address these needs in a sustainable manner are severely constrained by the limited fiscal space. As part of efforts to expand the fiscal space, Government prepared the Medium-Term Revenue Strategy (MTRS), approved by Cabinet in April 2023. The implementation of the MTRS commenced with the Finance Act 2023, which was ratified by this Nobel House in July 2023.

33. In 2024, Government will continue with the implementation of the tax policy and revenue administration measures articulated in the MTRS. Accordingly, Government will implement the following tax policy measures in 2024 as espoused in the 2024 Finance Act, laid before this Nobel House on November 9, 2023: i.harmonization of the final withholding tax rates for capital income comprising dividends, interests, and royalties at a rate of 15 percent. Rental income tax will remain at 10 percent and Capital gains tax at 25 percent; ii.adjusting the GST registration threshold to NLe500,000 from NLe100,000; iii.increase the specific excise duty on petroleum products to a fixed rate

of NLe2.40 per litre for diesel and NLe2.80 per litre for gasoline to internalize the external costs of fuels. This implies that the excise duty rate will no longer be used as an adjustor for the purpose of subsidizing fuel prices; iv. imposing a specific excise tax on plastics at the rate of NLe16.0 per kilogramme, to protect the environment; v. imposing an excise tax on gambling and casino services at a rate of 10 percent of net betting revenue; vi. restoring import duty on iron rods at 10 percent from the current rate of 5 percent and on imported cement at 20 percent from 10 percent to encourage domestic production of these imported commodities. The additional amount collected will be deposited into the Infrastructure Development Fund to support the implementation of infrastructure projects; viii. restoring import duty on cooking gas at 5 percent to encourage domestic production; ix. imposing an ad valorem export royalty on timber exports based on the value of timber products in addition to the current fixed charge of US\$3000 per container retained as a minimum; and x. imposing an Education Levy of one percent of the value of all contracts for the supply of goods, services and works as final withholding tax to support investments and predictable financing in the education sector.⁸

Innovative Financing: Maximising Revenues from the Management of our Mineral Resource Wealth

34. Mr Speaker, Honourable Members, I am pleased to report to this Noble House that Government, through the Sierra Leone Mines and Minerals Development and Management Corporation has established a Special Purpose Vehicle (SPV), the Mineral Wealth Fund Sierra Leone Limited, will manage the commercial and business interest of Government. This will ensure the efficient management of our mineral resources to maximise revenues from the mining sector. Under this arrangement, Government will no longer depend only on the 3.0 percent royalty levied on mineral exports but will also collect revenues on the income earned by the SPV through its investments in key mining projects across the country. The revenue generated by the Corporation will be deposited into the Transformational Development Fund for the financing of transformational projects in accordance with Part VI, Sections 77-82 of the Public Financial Management (PFM) Act, 2016.

35. Mr Speaker, Honourable Members, in tandem with the implementation of the forgoing tax policy measures, the National Revenue Authority (NRA) will implement the following revenue administration measures aimed at strengthening tax compliance:

- i. expand the annual NRA Audit Plan to cover a higher proportion of large taxpayers including those in the extractive industry;
- ii. set up and operationalise a Court to deal with tax defaulters and other revenue offences;
- iii. extend the block registration of businesses to all parts of the country;
- iv. establish an Electronic Single Window for the clearance of dutiable goods;
- v. impose fines and penalties on shipping agencies that fail to upload manifests, forty-eight hours before the arrival of vessels;
- vi. strengthening Customs Valuation through the acquisition of a Price Reference Database to support the valuation module in the ASYCUDA World;
- vii. fully deploying and exploiting the benefits of ITAS and ASYCUDA; and
- viii. strengthen the collection of non-tax revenues through rolling out of the mobile payment application to other revenue-collecting MDAs nationwide. Revenue Mobilisation by the Local Councils

36. Mr Speaker, Honourable Members, Government will continue implementing reforms that will enhance local revenue mobilization to reduce the over-reliance of local councils on central Government for financing local⁹ priorities. To this end, a new Fiscal Decentralisation Policy is being prepared and will be completed in 2024, paving the way for innovative and sustainable financing strategies for local development. (i)Expenditure Control and Management

37. Mr Speaker, Honourable Members, Government remains committed to strengthening public expenditure management to create the fiscal space for priority spending. This involves improving the sustainability of the wage bill, rationalising expenditure on goods and services, strengthening the financial sustainability of state-

owned utility companies, improving the management of capital expenditures and ensuring prudent management of public debt. Improving Sustainability of the **Government Wage Bill**

38. Mr Speaker, Honourable Members, to improve the sustainability of the wage bill, Government is pursuing the following actions: i. develop a Medium-Term Wage Bill Management Strategy that introduces additional reforms to strengthen payroll management; ii. operationalise the Wages and Compensation Commission following the enactment of the Wages and Compensation Commission Act in April 2023. The process of appointing a Chief Executive Officer (CEO), a Deputy CEO and a Chairman of the Board commenced in September 2023 and will be completed by the end of the year; iii. carry out a biometric verification exercise for teachers and health workers. The United Kingdom Foreign Commonwealth and Development Office (FCDO) has committed to provide financial and technical support for the biometric verification of teachers while the European Union (EU) has indicated support for the verification of the health sector payroll; iv. institute workforce planning for major payroll categories to improve the controls relating to new recruitments. Workforce quotas will be set for major categories of the payroll and this will be effectively monitored during the execution of the budget; v. institute a moratorium on salary adjustments to all sub-vented agencies for FY2024 pending the operationalization of the Wages and Compensation Commission. The requests for salary adjustments received from sub-vented agencies have not been uniform, thus awarding these salary increases will further exacerbate the wage disparity in the public sector; and vi. conduct separate annual payroll budget discussions for ALL Ministries, Departments and Agencies (MDAs). This is an opportunity for the Ministry of Finance to adequately ascertain the payroll requests required by MDAs. It will also improve payroll budgeting and minimize the persistent in-year requests for recruitments and salary adjustments received during budget execution.

Rationalising Recurrent and Domestic Capital Expenditure

39. Mr Speaker, Honourable Members, Government will continue with efforts to rationalise non-salary recurrent expenditures and improve the management of capital

projects especially those funded by Government to improve the credibility of the budget. The following actions will be implemented in 2024: i. implement baseline budgeting with technical assistance from the IMF to improve budget planning and execution; ii. extend the coverage of the IFMIS to additional twenty MDAs including sub-vented agencies bringing the total to ninety-eight MDAs in 2024. This is to ensure that majority of Government expenditures are processed through the IFMIS and avoid overspending and the accumulation of arrears; iii. continue to strengthen cash management by ensuring that cash flow forecasts approved by the Cash Management Committee form the basis of quarterly budget allocations to MDAs to avoid the accumulation of arrears; and iv. implement a block system of allocation for non-contractual expenditure. In order to ensure that spending by MDAs is within the budgeted limits, allocations for administrative and operating expenses such as fuel, travel, office and general supplies will be separated from allocations for contractual obligations. Allocations for administrative expenses will be made in bulk and deposited into MDAs' departmental accounts at the Bank of Sierra Leone. Allocations relating to payments to contractors will be processed and paid directly into the accounts of contractors or suppliers of goods, services and works. The Ministry of Finance will continue to capacitate Budget Officers and Budget Committees in MDAs to support the implementation of this system.

40. Mr Speaker, Honourable Members, Government is also working towards improving the financial sustainability of State-Owned Enterprises (SoEs) especially the Electricity Distribution and Supply Authority (EDSA), by boosting its revenue collection potential through regular adjustment of electricity tariffs to reflect the cost of electricity generation and transmission. This will eliminate subsidies and reduce pressure on the budget.

41. Mr Speaker, Honourable Members, Government is committed to strengthening the formulation and execution of the Public Investment Programme (PIP) also known as the Capital Budget. With support from the World Bank, Government will develop a Public Investment Management Information System (PIMIS). This system will provide a

platform for projects to be developed in line with the Public Investment Management (PIM) cycle. It will also support efficient public investment management for both Central Government and local councils.

42. The Ministry of Planning and Economic Development (MoPED) will issue policy guidelines on the management of the PIP, spelling out clear roles and responsibilities of key institutions in relation to project identification, design, appraisal, implementation, monitoring and evaluation. Government will also develop a system to better control and monitor multi-year commitments. Improving the Sustainability of Public Debt

43. Mr Speaker, Honourable Members, debt service payments account for an average of 25 percent of domestic revenues, thereby reducing the resources available for spending on Government priority programmes. In addition to the fiscal consolidation measures mentioned in the foregoing paragraphs, Government will pursue the following actions to improve the sustainability of public debt and create the fiscal space to scale up spending on the Big Five Game Changers: i. continue to introduce medium to long-term bonds to extend average maturity, in line with the updated Medium-Term Debt Strategy; ii. limit external borrowing in line with programme ceilings agreed with development partners; iii. continue to seek grant financing and borrow highly concessional loans to finance investments in key sectors of the economy, especially infrastructure; iv. continue to explore non-debt-creating financing models such as Public Private Partnerships (PPPs) supported by thorough analyses of the potential fiscal risks; v. implement the Medium-Term Debt Strategy every year to guide public debt management; vi. implement the updated Arrears Clearance Strategy; vii. continue to improve debt reporting and transparency through the regular publication of debt and contingent liabilities of SoEs; viii. review the Debt Management Act to further strengthen debt management; and ix. deploy a contract profiling tool for the effective management of contracts with support from the African Development Bank.

44. The West African Monetary Institute (WAMI) in collaboration with the West African Institute for Financial and Economic Management (WAIFEM) is providing technical assistance in the development of the domestic debt market. This is expected

to increase the capacity of domestic investors to take up more domestic debt with longer maturities.

Monetary and Exchange Rate Policies

45. Mr Speaker, Honourable Members, the Bank of Sierra Leone is committed to taking decisive actions to bring inflation down and stabilize the exchange rate. To achieve this, the BSL will: i. sustain the tight monetary policy stance by continuing to raise the monetary policy rate to send a strong signal of its intention to bring down inflation; ii. develop a framework to introduce BSL-owned instruments to support effective liquidity management operations; and iii. improve communication to explain monetary policy decisions, past outcomes, and actions necessary to align inflation expectations with policy objectives. This will be designed to explain basic concepts of monetary policy clearly to stakeholders in the industry and the public.

46. Mr Speaker, Honourable Members, in addition to tightening monetary policy to lower inflation, the Bank of Sierra Leone will take the following actions to stabilise the exchange rate: i. continue to remove restrictions on foreign exchange transactions and simplify the rules of the interbank foreign exchange market; ii. with effect from January 2024, the BSL in collaboration with the relevant regulatory agencies will enforce the requirement to repatriate a minimum of 30 percent of export value into the banking system by exporters of minerals, agricultural, fisheries, forestry and forestry products; iii. The Bank of Sierra Leone will recommence the purchase of gold to help build foreign exchange reserves; iv. The BSL will monitor compliance with its directives to offshore foreign exchange brokers to trade donor funds for development projects in Sierra Leone at the daily reference market rate (BSL mid-rate); and v. Government will require all disbursements for donor-funded projects to be channelled through the Bank of Sierra Leone. The BSL will convert these funds at the reference market rate on the value date of the transactions. The operational accounts of projects will be held at respective commercial banks.

B. FEED SALONE: BOOSTING AGRICULTURAL PRODUCTION AND PRODUCTIVITY TO ACHIEVE FOOD SELF-SUFFICIENCY

47. Mr Speaker, Honourable Members, food accounts for 25 percent of our total import bill. The value of rice imports averages US\$200 million per year. As the global price of food, including rice continues its upward trend, the food import bill will continue to increase, posing a threat to food security, depletion of foreign exchange reserves and further weakening of the Leone. With the increasing number of food insecure households, there is an urgent need to strengthen our food systems to achieve food self-sufficiency.

48. Mr Speaker, Honourable Members, recognising this untenable situation, His Excellency, Brigadier (Rtd), Dr Julius Maada Bio, declared Feed Salone as the flagship programme of his Government for the next five years. The goal of the Feed Salone programme is to establish a framework, involving several interventions for delivering food self-sufficiency within the shortest possible time. The key objectives of the programme are to: i. reduce the importation of food items, including our staple food-rice; ii. reduce hunger and malnutrition; iii. create job opportunities especially for the youth; iv. build resilience to climate change and food price shocks; and v. boost export earnings from agriculture.

Development of Agro-Ecological Zones

49. Mr Speaker, Honourable Members, to achieve these objectives, Government has identified 6 agro-ecological zones for rice production. These include: i. Tormabum in Bonthe District; ii. Gbondapi in Pujehun District; iii. Komrabai-Mamilla in Tonkolili District; iv. Senehun in Moyamba District; v. Rhombe-Mambolo-Kychom in PortLoko and Kambia Districts; and vi. Rolakoh in the Bombali District.

50. Mr Speaker, Honourable Members, three of these zones have been grouped into two clusters-(i) Tomabum and Gbondapi in Bonthe and Pujehun Districts and (ii) Rhombe-Mambolo and Kychom in the Kambia and Port Loko Districts. The 2024 Budget will focus on developing these clusters into agro-industrial production and processing

centres with strong private sector participation. These ecologies constitute both riverine and mangrove swamps with available water to support multiple cropping in a year. These two clusters combined, have the potential for the cultivation of 34,400 hectares of irrigated and non-irrigated rice fields, with a yield potential of 3.0 to 4.0 metric tons per hectare compared to the current yield of 1.8 to 2.0 metric tons per hectare. In 2024, an estimated 11,000 hectares of irrigated fields will be developed for cultivation with the possibility of increasing the acreage in subsequent years and expansion to other ecological zones.

51. Mr Speaker, Honourable Members, Government will de-risk private investment in these agro-ecological zones by investing in public infrastructure, including feeder roads leading to these zones, provision of electricity and irrigation systems. This will unlock private investment into rice production, aggregation and processing in these zones. To consolidate private investment in the agriculture sector, Government will support medium and large commercial farmers through policy and institutional reforms, including enhancing access to land as well as ensuring a stable economic environment.

Sustaining Support to Smallholder Farmers through the e-Voucher Platform

52. Mr Speaker, Honourable Members, Government will continue to provide high-yielding, climate-resilient and disease-resistant seeds, fertilisers, other agrochemicals and machine services to smallholder farmers through the evoucher system to boost production and productivity of food crops. In this context, Government will refine the e-voucher system to improve efficiency, transparency and timely delivery of inputs to farmers. To this end, Government will expand the digital registration of farmers with a view to categorizing them for better targeting. The provision of inputs will be complemented by robust extension services to enhance farmer knowledge in the correct and efficient use of inputs and encourage them to adopt modern technologies.

Investing in Agricultural Research, Innovation and Extension Services

53. Mr Speaker, Honourable Members, Government will also scale up investment in agricultural research, innovation and extension systems to promote climate-smart agriculture and agricultural technologies for producing high-yield variety of seeds to

boost resilience against climate change. This will include increasing support to the agriculture research institutions to improve data management and enhance the capacity to translate research into informed interventions.

Enhancing Access to Agricultural Finance

54. Mr Speaker, Honourable Members, Government will promote access to various forms of agricultural finance, including affordable credit facilities, agricultural insurance, minimum price guarantees and matching grants for farmers. Government will also design special initiatives to help women secure affordable loans for agriculture and encourage rural youths to establish youth farms and agribusinesses.

Promoting Institutional Feeding 55

Mr Speaker, Honourable Members, to further stimulate domestic food production and demand, Government will promote institutional feeding programmes for schools, hospitals, correctional services, fire force, the military and police. From 2024, contracts for the supply of rice to these institutions will be required to source at least 10 percent of the contract from locally produced rice. Institutions can self-produce, contract, or source locally produced and processed rice from the market in Sierra Leone. This will increase the demand for locally produced food items such as rice, thereby incentivizing farmers to produce more. Improving productivity in the Fisheries Sector to Support the Feed Salone Programme 56.

Mr. Speaker, Honourable Members, the strategic objective of the fisheries sector is to scale up production and processing of fisheries and other marine products to support the Feed Salone programme for food and nutrition security and create job opportunities for the youth while mobilising resources to contribute to domestic revenues. To achieve this, Government will implement the following actions in the fisheries sector: i. review the Fisheries and Aquaculture Act of 2018 and accompanying Regulations of 2019 to align with emerging issues of quota management regime to attract fisheries investments. The Ministry of Fisheries and Marine Resources will sensitize fisheries operators on the provisions of the Act and Regulations; ii. increase the frequency of industrial fisheries patrols and surveillance per year to combat illegal, unregulated and unreported fishing activities; iii. accelerate the process of lifting

the EU restrictions on fish exports from Sierra Leone; iv. increase the frequency of community surveillance patrols for artisanal fisheries to 100 per year and implement closed season for fishing trawlers to protect juvenile fishes and increase fish production; v. establish and support women and youth fish farmer groups for construction and management of chiefdom fish farms nationwide; and vi. establish and support pilot school fish farming project.

C. CONSOLIDATING HUMAN CAPITAL DEVELOPMENT INTERVENTIONS

57. Mr Speaker, Honourable Members, at the Africa Heads of State Human Capital Summit held in Dar Es Salaam, Tanzania in July this year, His Excellency, President Binaisa made a renewed commitment to invest in people to ensure a highly productive, inclusive and resilient economy. To this end, Government will continue to sustain its human capital development interventions in the education and health sectors.

Primary and Secondary Education

58. Mr. Speaker, Honourable Members, to expand access and improve the quality of basic and senior secondary education, including universal access for all learners Government will: i. sustain the Free Quality School Education (FQSE) Programme by continuing to pay tuition and public examination fees, provide teaching and learning materials and gradually expand the school feeding programme to support more children in Government and Government-assisted schools; ii. rehabilitate and construct additional secondary schools and classrooms and equip the science laboratories; iii. construct, rehabilitate, refurbish and provide furniture to Government boarding schools; iv. rehabilitate and construct school libraries in regional and district headquarter towns; v. strengthen the implementation of the integrated Education Management Information System (EMIS), including the deployment of digitized and securitized data to provide unique IDs for all learners; and vi. implement the Credit Scoring Framework and Code of Conduct for teachers developed by the Teaching Service Commission as an incentive to improve teacher performance.

Technical and Higher Education

59. Mr Speaker, Honourable Members, with the increasing number of pupils promoting to tertiary institutions from senior secondary schools, we must position ourselves to effectively respond to the requirements of modern education that will equip students with the relevant skills to enable them to effectively participate in the labour market. To achieve this, Government will: i. operationalise the Kono University of Science and Technology; ii. provide modern teaching and learning materials to tertiary institutions; iii. review the curriculum for teacher education and implement the teaching practice policy in support of the FQSE Programme; iv. popularise and implement the Education Sector Plan, 2022-2026; v. develop and implement a Dual Apprenticeship Policy; and vi. scale up funding for the Student Loan Scheme to target more beneficiaries.

Improving Healthcare Services

60. Mr Speaker, Honourable Members, pursuing Universal Health Coverage (UHC) through access to quality and affordable healthcare is an important component of Government's human capital development agenda. Over the past years, Government has increased budgetary spending to the health sector and expanded primary health facilities in the country. As a result, health outcomes have improved. For example, life expectancy increased from 53 years in 2017 to 61 years in 2023, while the maternal mortality ratio of 443 per 100,000 live births is lower than the Sub-Saharan Africa average of 536. These results manifest the strides that Government is making to better the lives of its citizens. To further improve the delivery of healthcare services, Government will: i. continue to support the Free Health Care Initiative for under-fives, pregnant women and lactating mothers; ii. scale up and sustain the provision of maternal, child and adolescent health services and expand sexuality education and family planning services; iii. support ongoing rehabilitation and expansion of secondary and tertiary hospitals and commence new hospital projects in Karene, Moyamba, Pujehun, Koindu and Zimmi; iv. complete the Port Loko Emergency Hospital; v. complete the construction and operationalise the Lumley Paediatric Hospital; vi. complete the on-going construction of the eight Peripheral Health Units (PHUs) across

the country; vii. operationalise the National Public Health Agency; viii. expand health service delivery through mobile clinics; and ix. launch the construction of a cancer diagnostic and treatment centre.

D. MITIGATING THE IMPACT OF THE MULTIPLE SHOCKS ON THE POOR AND VULNERABLE (SOCIAL SAFETY NETS)

61. Mr. Speaker, Honourable Members, against the background of the high cost of living, that has pushed several thousands of people into food insecurity, Government recognises the compelling need for targeted social safety nets. In this regard, Government is working with development partners including the World Bank, European Union and Islamic Development Bank, through the National Commission for Social Action (NaCSA), to provide much-needed support to the poor and vulnerable households across the country. Government is also implementing various social safety net programmes in other MDAs including the Ministry of Basic and Senior Secondary School Education, Social Welfare, Gender and Children's Affairs, Health and Sanitation and Youth Affairs.

Scaling Up Cash Transfers to the Extremely Poor

62. Mr. Speaker, Honourable Members, Government will enhance the on-going cash transfer programme implemented by NaCSA. With support from the World Bank-funded Productive Social Safety Net and Youth Employment (PSSNYE) Project, NaCSA has already commenced the provision of emergency cash transfers to 35,000 beneficiaries.

63. Mr. Speaker, Honourable Members, under this project, NaCSA will continue to provide cash transfers to 15,000 extremely poor households, with priority given to female beneficiaries. The project will also support 4,500 households of persons with disability. In addition, the project will support 6,000 extremely poor households in eleven districts including Kailahun, Pujehun, Bonthe, Moyamba, Kambia, Karene, Falaba, Koinadugu, Kono, Tonkolili, and Western Area Rural districts, who had previously benefitted from the Social Safety Nets (SSN) Project. These beneficiaries will receive an economic inclusion package of US\$400 per household. The project will also

provide immediate employment for 7,000 youth in rural areas and 6,000 youth in urban areas. At least 50 percent of all youth supported will be female and 15 percent will be persons with disability (PWD). Furthermore, through the Ministry of Employment, Labour and Social Security, Government will scale up the cash transfer programme for the aged.

64. Mr. Speaker, Honourable Members, under the Government-funded Sierra Leone Disability Project (SLDP), NaCSA will provide micro-grants to 400 groups of persons with disability and will work with households that have disabled persons to establish at least 1,000 sustainable livelihoods nationwide. The targeted households, will benefit from capacity building to improve financial literacy. The intervention will also support children affected by disability, focusing on increasing access to education and nutrition.

Labour Intensive Public Works Programme

65. Mr. Speaker, Honourable Members, under the Government contribution to the Community Driven Development Project (CDDP) and Rapid Community Development Initiative (RACODI), NaCSA will provide short-term employment to 15,000 youth in 2024 through the construction and rehabilitation of community schools, health and vocational centres and grain stores. 66. In partnership with city councils, NaCSA will also provide temporary employment for 2,500 rural youth engaged in tree planting and sanitation through the Green Public Works (GPWs) programme. The Productive Social Safety Net and Youth Employment Project will also provide temporary employment for 700 unskilled youth engaged in sanitation works in the Western Area.

Support to Micro Enterprise Groups and Self-Affinity Groups

67. Mr Speaker, Honourable Members, Government with support from the IsDB, through NaCSA will launch the Islamic Micro Finance Programme targeting 400 Self-Affinity Groups (SAGs) and 320 Micro Enterprise Groups (MEGs) with a total of 10,800 beneficiaries, to increase access to finance for agriculture and food systems development.

68. NaCSA will also support the construction of two Community-Managed Regional Resource Centres in Moyamba and Port Loko to serve as planning centres for all agricultural activities and three Model Markets in Sembehun, Bradford and Mabang to support agro-processing and marketing activities.

69. Under this programme, NaCSA will also provide high-quality agricultural inputs to farmer groups in Rural Growth Poles (RGPs) in the Kenema, Moyamba, Tonkolili, Port Loko and Karene districts. The inputs include seed rice, cassava and sweet potato cuttings, and livestock. The programme will also provide renewable energy solutions, water conservation and harvesting infrastructure, grain stores, markets and resource centres to micro enterprises.

Climate Change Mitigation for Poor and Vulnerable Farmers in Rural Communities

70. Mr. Speaker, Honourable Members, mitigating the impact of climate change is critical for rural farming groups nationwide. In this regard, Government is funding a project on Renewable Energy for Productive Use, anchored largely on integrated water and energy management for food production. This intervention will directly benefit 28,500 poor and vulnerable women and young farmers living near solar mini-grid locations across the country. The project will establish solar powered mini-irrigation plots, greenhouses and aquaculture ponds, and build capacity of local farmers in climate-smart food production.

71. Mr. Speaker, Honourable Members, Government in collaboration with the IsDB, through NaCSA, will also support the construction of 4 water conservation and irrigation systems. The intervention will cultivate 1,500 hectares and provide livelihoods for 550 farming groups in Lower Bambara in Kenema; Ribbi and Bagruwa in Moyamba; Kolifa-Mabang and Konike-Sanda in Tonkolili.

School Feeding

72. Mr Speaker, Honourable Members, Government will sustain the school feeding programme to encourage enrolment and retention. In the 2023/2024 school year, an

estimated 800,000 school children will benefit from the school feeding programme for 180 days at a cost of NLe7.0 per child. The programme will cover an additional 100,000 school children each year in the subsequent school years. In addition, the World Bank under the Crisis Response Window (CRW) is also supporting school feeding, covering 114,000 children in three districts - Bonthe, Kenema and Karene districts.

Public Transportation

73. Mr Speaker, Honourable Members, to further demonstrate Government's commitment to ameliorating the transport constraint on the populace, Government, through the Ministry of Transport and Aviation, will procure 100 buses in 2024. The fleet will provide a daily-carrying capacity of 46,000 passengers within the Western Area. The 50-seater buses will be managed by private sector operators, with fares expected to be below market rates.

Free Health Care Initiative

74. Mr Speaker, Honourable Members, with support from development partners, Government will continue to implement the Free Health Care Initiative to sustain the achievements made in reducing child and maternal mortality. The programme will also continue to reduce out-of-pocket expenses for primary medical care for under-fives, pregnant women and lactating mothers.

MUNAFI Microfinance Scheme

75. Mr Speaker, Honourable Members, the lack of access to capital has been identified by various studies as one of the key impediments to the growth of small and medium-sized enterprises (SMEs). Recognising the important role of SMEs in job creation and growth of the economy, Government established the MUNAFI Fund in 2019 with an initial capital of NLe30 million to enhance access to affordable capital for SMEs.

76. In 2024, Government will provide additional capital to expand the outreach of the Fund to support new businesses, particularly women-owned, to promote financial inclusion, job opportunities and inclusive growth.

Salary Increase for Civil Servants in Grades 1-6

77. Mr Speaker, Honourable Members, civil servants in lower cadre suffer more from the increase in fuel, food and electricity prices. Unlike their counterparts in the education, health and security sectors, they have not received any salary increase since 2019. To enable them to cope with the current high cost of basic necessities, Government will review the salaries of civil servants in Grades 1 to 6 effective January 2024. The details will be announced in Section V (b) of this Statement below.

C. Investing in Infrastructure, Technology and Innovation

78. Mr Speaker, Honourable Members, Government recognises the need to invest in critical infrastructure, including digital technologies, which remains a significant enabler of economic growth, development, and poverty reduction. Scaling up these investments is consistent with three specific Sustainable Development Goals (SDGs): water, sanitation, and hygiene (SDG 6), energy (SDG 7), and infrastructure and industrialisation (SDG 9). In this context, Government will undertake the following: In the road sector, Government with support from development partners will: i. complete the Bo-Tinkoko and Tagrin-Lungi-Conakry Dee roads. This is in addition to the recently completed Hill-Side Bye-Pass Road; ii. complete the on-going construction of township roads in Freetown, Bo, Kenema, and Waterloo; iii. accelerate the construction of Tikonko-Kpetema-Mattru-Jong Road Project with support from BADEA; iv. construct the Kambia-Tonkolimba-Kukuna-Guinea Border Road; v. continue to support the on-going construction of the Bandajuma-PujehunGbondappi; Kabala-Falaba-Krubola; and Taiama-Njala roads; vi. continue to support the embarkment and construction of bridges and culverts along the Molakika and Gbongboma stretch in Bonthe Island; vii. accelerate the on-going construction of the Gendema, Mattru, Manowa and Tompari rural bridges with support from the World Bank; and viii. continue the implementation of Phase 3 of the Mano River Union Road Development and Transport Facilitation Project with support from the AfDB. In the energy sector, Government will: i. complete the electrification of the seven district towns; ii. commence the rehabilitation of the Dodo Hydro Dam; iii. install solar mini grids in 20 communities nationwide; iv. extend

the transmission and distribution lines to mining companies as part of efforts to improve the financial sustainability of EDSA, while reducing the operating costs of mining activities; v. install 40 megawatts of containerised solar power under the Regional Emergency Solar Power Intervention Project (RESPITE); and vi. implement the Transformational Energy Access Project for Sierra Leone with support from the European Union. To improve access to water in several communities, Government will:

- i. complete the construction of water supply facilities in 6 district headquarters towns;
- ii. complete the implementation of the Blama Bandawor and Six Villages Water Supply Project;
- iii. continue to support the on-going implementation of the Lungi and Bonthe Municipality Water Supply System Projects;
- iv. commence the construction of water supply systems in Kamakwei, Mambolo, and Rokupr by the Sierra Leone Water Company (SALWACO);
- v. commence the installation of solar-powered mini grids for Bo, Kabala, Kenema and Makeni water supply systems; and
- vi. undertake the drilling of 100 solar-powered bore holes in urban and rural communities with support from the Saudi Fund for Development.

79. In the Information and Communications Technology sector, Government will accelerate the implementation of the World Bank-funded Digital Transformation Project.

E. SUPPORTING PRIVATE SECTOR DEVELOPMENT FOR JOB CREATION

Implementing Business Regulatory Reforms

80. Mr. Speaker, Honourable Members, Sierra Leone is ready for business and Government is highly committed to improving the investment climate to attract private investment in the agriculture, manufacturing, tourism and renewable energy sectors. In addition to ensuring a stable macroeconomic environment, enhancing access to finance and improving basic infrastructure, Government will accelerate the implementation of on-going regulatory reforms. In 2024, Government will complete the review of the Companies Act, 2009 and the Companies (Amendment) Act, 2014. Government will also complete the establishment of the Online Business Registration System (OBRS), the automation of construction permits and digitisation of property records.

Building the Capacity of SMEs

81. Mr Speaker, Honourable Members, with support from the Sierra Leone Economic Diversification (SLEDP) Project, Government through the Small and Medium Enterprise Development Agency (SMEDA) is supporting SMEs with financial support and capacity building in business development.

82. Building on the support provided to 60 SMEs in 2022, an additional 60 were provided with financial and business development support services during 2023 and this will continue in 2024. These SMEs have also received matching grants totaling US\$ 2.1 million. The project will also provide technical and financial assistance to 3 emerging providers of business development services and 2 tertiary institutions to improve their capacity.

Establishment of Special Economic Zones (SEZs)

83. Mr Speaker, Honourable Members, in the quest for economic diversification, Government has developed a Special Economic Zone (SEZ) policy to promote industrialization along key value chains to create jobs and position Sierra Leone as a destination for foreign direct investment (FDI). These economic zones will promote technology transfer and skills training; promote exports and generate foreign exchange earnings; facilitate inter-firm linkages; and create employment. Government has therefore established the KOYA Industrial Zone with beneficial tax and non-tax incentives to address market failures and binding constraints to attracting FDI.

F. YOUTH EMPLOYMENT PROGRAMMES

84. Mr Speaker, Honourable Members, the programmes and projects highlighted so far in this Statement will create immense job opportunities. To build on and expand these opportunities, Government will continue to support youth employment initiatives such as the Youth in Fisheries, Youth in Agriculture and Life Skills Development programmes.

Youth in Fisheries

85. Mr Speaker, Honourable Members, Government will implement interventions aimed at increasing access to livelihood opportunities for young people living in coastal communities. The Youth in Fisheries programme will provide jobs for 4,200 youth

across 16 districts through the following interventions: i. construct, stock and equip fish ponds in all districts; ii. construct 100 fishing boats with ultra-modern accessories; this component will provide direct employment for 2,000 youth and indirect employment for 10,000 beneficiaries across 7 coastal districts, including Bonthe, Moyamba, Western Rural, Western Urban, Port Loko, Pujehun, and Kambia; iii. establish and support female-led marketing groups with skills in fish processing, preservation and marketing, and provide cooling facilities and electricity supply for fish preservation; and iv. provide start-up capital to women engaged in the fish value-chain in 70 coastal communities.

Youth in Agriculture

86. Mr. Speaker, Honourable Members, you will recall that Government had begun investing in Chiefdom Youth Farms. This package has enabled youth cooperatives to engage in agribusinesses along the rice value chain. To further strengthen the capacity of youth in producing, processing and marketing of rice at the chiefdom level, Government will: i. support the cultivation of 40 hectares of farmland across the 192 Chiefdom Youth Farms, thereby, creating 28,000 direct employment opportunities; ii. construct a state-of-the-art farm settlement at Robinkie, Tonkolili district, that will serve as a practical training ground with integrated farming systems, recreational facilities and hostels to make agriculture attractive to youth; and iii. provide capacity building on agronomic practices, tractor and power tiller operations, manure construction, training in livestock and poultry development.

Life Skills Programme

87. Mr. Speaker Honourable Members, to ensure that our socially and economically deprived youth are included in the national agenda for job creation, the Government will expand its support to the Car Wash Service, as a viable employment-creating business that will increase their incomes and make them self-reliant. The Government will also support youth in commercial transportation by procuring 100 fully licensed tricycles and motorbikes. Similarly, training will be provided to 5,000 youth on entrepreneurship and business development.

G. IMPROVING FINANCIAL GOVERNANCE

88. Mr. Speaker, Honourable Members, Government remains committed to improving governance and enhancing transparency and accountability in the management of public resources. In this regard, the Audit Service Act, 2014 was amended to strengthen the budgetary autonomy of the Audit Service Sierra Leone (ASSL). Furthermore, the Ministry of Finance developed a manual of Standard Operating Procedures (SoPs) for the follow-up of audit recommendations. Government amended the PFM Act, 2016 to make the SoPs legally binding. Government will roll out an automated web-based software to track the implementation of audit recommendations. This application is capable of capturing audit findings and recommendations, storing uploaded documentary evidence and producing summary reports for decision-making.

89. Mr. Speaker, Honourable Members, the Audit Service Act, 2014, the Public Financial Management Act, 2016, and the amended Local Government Act, 2022, provide for the application of disallowance and surcharge by the Auditor-General. Disallowance and surcharge are constitutional or legislative mechanisms that empower the Auditor-General to sanction public officials for illegally expending or mismanaging public funds. However, the legislative provisions on disallowance and surcharge have remained dormant for a long time owing to the absence of Regulations guiding their implementation. This has constrained the ability of the Auditor-General to sanction public officials for the mismanagement or illegal expense of public funds. To address this situation, the Audit Service Sierra Leone is being supported to formulate the Regulations providing for reactivation of disallowance and surcharge application and ancillary matters to ensure the effective application of the provisions.

Enhancing Transparency in Public Procurement

90. Mr. Speaker, Honourable Members, effective public procurement systems remain a critical area for improving delivery of basic services to the citizens of Sierra Leone. Preparations for the introduction of e-procurement is at an advanced stage. The e-procurement system will allow for real-time submission of bids and facilitate display of procurement data including, contracts awards, suppliers and contract cost, using the Open Contracting Data Standards (OCDS). This platform will be rolled out and

mainstreamed in all MDAs to facilitate monitoring and evaluation of procurement activities. The National Public Procurement Authority (NPPA) will embark on effective contract monitoring and implementation supervision.

91. In addition to enhancing transparency in public procurement, the NPPA will provide training and support to local businesses to enhance their capacity to participate in Government tenders. In this regard, the NPPA will create an inclusive environment for SMEs, especially women-owned, in public procurement by introducing set-asides, margin of preference or quotas, simplify the bidding process, and develop capacity building programmes to help SMEs compete effectively for Government contracts. The NPPA will also review the threshold for non-competitive bidding, to avoid contract splitting and allow SMEs to participate effectively in the supply of goods and services to Government and the private sector.

Improving the Governance of State-Owned-Enterprises (SoEs)

92. Mr. Speaker, Honourable Members, Government is taking action to improve the governance of our State-owned Enterprises (SoEs) to strengthen not only their finances but more importantly, the quality of service delivery. The Ministry of Finance with support from the World Bank and in collaboration with the National Commission for Privatisation (NCP) and other relevant MDAs carried out a comprehensive diagnostic assessment of the corporate governance of these SoEs, which culminated into the formulation of an SoE Governance Policy. Building on the SoE Governance policy, Cabinet has approved an SoE Governance Bill. The goal is to bolster the governance framework, as this would have a profound impact on the performance of SoEs and the potential involvement of private investors. The Bill, upon becoming law, will lead to the establishment of a new entity with a defined mission and clear roles and responsibilities of all stakeholders involved in the governance and oversight of SoEs.

H. ADDRESSING CLIMATE CHANGE RISKS AND CLIMATE FINANCING

93. Mr. Speaker, Honourable Members, climate change poses a real threat to our livelihoods and therefore requires collective efforts to adapt to and mitigate its impact

on our environment. As part of these efforts, Government will therefore take the following actions in 2024: i. implement the third phase of the Tree Planting Project by planting the remaining 2.2 million trees in addition to 2.8 million trees already planted during the first and second phases of the project; ii. with support from the Food and Agriculture Organisation (FAO), Government will develop a National Forestry Inventory of Sierra Leone to update the Inventory developed in 1975. The updated Inventory will provide Sierra Leone with data, methodology, and capacity to measure, report and verify its natural resources and land use changes at the national, sub-national and protected area levels. The project will also build capacity for the preparation of Sierra Leone's Forest Reference Levels, and this will enable Sierra Leone to comply with international climate finance requirements; iii. implement the Sustainable and Integrated Landscape Management of the Western Area Peninsula Forest National Park to protect globally significant biodiversity, safeguard ecosystem services and discourage land degradation activities; iv. develop a Domestic Measurement Reporting and Verification (MRV) Framework (MRV) for effective monitoring and reporting on climate actions; and v. commence the development of Sierra Leone's first Biennial Transparency Report (BTR) consistent with the Paris Agreement on the global response to the threats of climate change.

94. Mr. Speaker, Honourable Members, the Ministry of Finance recognises that undertaking the necessary investments to adapt to and mitigate the impact of climate change requires substantial resources. For example, transitioning to cleaner energy, introducing climate-smart agriculture (CSA) and building resilient infrastructure require not only sound planning, but also significant financial commitments.

95. Mr. Speaker, Honourable Members, the Ministry of Finance through its recently established Climate Finance Unit will coordinate and facilitate the mobilisation of international public and private climate finance to complement domestic resources in the fight against climate change.

96. The Ministry of Finance will therefore collaborate with the Ministry of Environment and Climate Change to develop policy frameworks and regulations relating to climate

finance. To this end, in 2024, these two Ministries, with support from development partners, will undertake the following activities: i. develop a Climate Finance Strategy; ii. develop a Carbon Market and Non-Market Trade policy framework to facilitate Sierra Leone's participation in the international carbon market, which will complement climate finance mobilisation efforts, locally and internationally; iii. introduce Climate Budget Tagging to track and trace Government expenditures on climate change. This will provide evidence to development partners on our commitment to the fight climate change and hopefully encourage them to provide additional financial and technical support; and v. undertake a Climate-Sensitive Public Investment Management Assessment (C-PIMA) with support from the IMF to inform Government decisions on investing in resilient infrastructure.

I. REVAMPING PUBLIC ADMINISTRATION

97. Mr Speaker, Honourable Members, an efficient, accountable, and inclusive public service is vital to the successful implementation of the policies, programmes and projects outlined in this Budget Statement and the Medium-Term National Development Plan, (MTNDP) 2024-2030. This will be achieved through reviewing and deepening ongoing reforms and developing new ones with a focus on fostering a culture of professionalism, competence and skills development to enhance the delivery of public services. In this context, Government will take the following actions: i. review and harmonise policies and legal frameworks to develop and roll out norms and standards aimed at addressing the current challenges associated with human resource management practices; ii. develop a Public Service Competency Framework that will form the basis for merit-based recruitment, retention, capacity building and performance management; iii. establish delivery units in selected Ministries driving the Big Five Agenda linked to a central delivery unit in the Presidency; iv. operationalise the Wages and Compensation Commission to facilitate the process of reviewing and harmonizing wages and salaries in the public service informed by job evaluations and labour market surveys; v. carry out comprehensive mapping of the public service in 2024 to support the restructuring and rationalisation of staff, and deployment of civil

servants to achieve a balanced distribution of technical and administrative staff; vi. implement a national capacity building framework, focusing on induction and training, civic education, institutional support and strengthening; and vii. commence the upgrading of the Human Resource Information Management System through integration with other existing Government information management systems including the National Civil Registration Authority (NCRA) database, to improve payroll management.

V. THE 2024 BUDGET

(a) Domestic Revenues and Grants

98. Mr. Speaker, Honourable Members, on the basis of the tax policy and administrative measures highlighted earlier and the expected recovery in economic activities, domestic revenue is projected to increase to NLe14.9 billion (14.8 percent of GDP) in financial year 2024. Income taxes will contribute NLe5.4 billion; goods and services tax (GST), NLe3.5 billion; customs and excise duties, NLe3.1 billion; royalties and mining licences, NLe856.6 million; royalties and licences on fisheries, NLe223.6 million; parastatals dividends, NLe154.4 million; revenues from other Government departments, including TSA agencies and royalty on timber exports will amount to NLe1.7 billion. Road user charges and vehicle licences will contribute NLe129.3 million to domestic revenue in 2024.

99. Total grants to be disbursed by development partners are projected to amount to NLe5.9 billion (5.8 percent of GDP), of which, budget support from the World Bank and the European Union will amount to NLe2.7 billion. Project grants from several development partners will amount to NLe3.2 billion. Total revenue and grants will amount to NLe20.9 billion (20.7 percent of GDP). (b) Expenditure Priorities and Budget Allocations 100. Mr. Speaker, Honourable Members, the priorities of Government for the next five years have been identified as the BIG FIVE GAME CHANGERS and include Feed Salone; Consolidating Human Capital Development; Youth Employment Scheme; Revamping Public Administration; and investing in Technology and Infrastructure. The

composition and allocation of Government expenditures, both recurrent and capital, for the 2024 financial year reflect these priority areas.

101. Mr Speaker, Honourable Members, total expenditure and net lending for 2024 is projected at NLe23.5 billion (23.3 percent of GDP). Of this, recurrent expenditure will amount to NLe16.5 billion (16.3 percent of GDP) and capital expenditure and net lending to NLe7.1 billion (7.0 percent of GDP). Foreign financed capital expenditure is projected at NLe4.3 billion (4.2 percent of GDP) and domestic funded capital expenditures at NLe 2.8 billion (2.7 percent of GDP).

Wages and Salaries

102. Mr. Speaker, Honourable Members, Government Wage Bill is projected to increase to NLe6.5 billion (6.4 percent of GDP) in 2024 from NLe5.3 billion (6.7 percent of GDP) in 2023. Of this, NLe385.3 million is allocated to Pensions and Gratuities and other allowances. Contributions to the Social Security Fund for Government workers will amount to NLe526.4 million. The increase in the nominal wage bill provides for the following: i. Government's commitment to a 45 percent increase in salaries for teachers which started in 2023 remains intact. Teachers will receive the second tranche of 15 percent in January 2024. Government will also recruit 2,000 additional teachers and reassess and promote 2,200 teachers, effective September 2024; ii. recruitment of 2,000 health workers, which is part of the delayed recruitment for FY2021 and FY2022 quotas as follows: 1,000 effective March 2024 and another 1,000 effective July 2024; iii. recruitment of 500 new employees by sub-vented agencies including the newly established; iv. recruitment of additional 500 civil servants including the newly established Ministry Communication and Technology; v. recruitment of 500 staff by tertiary educational institutions effective April 2024 as follows: Universities - 300, Colleges -100 and technical and vocational institutions -100 staff; vi. recruitment of 700 military personnel (including 58 military health workers) effective July 2024; vii. recruitment of 1,000 new employees by the Sierra Leone Correctional Services, effective July 2024; viii. recruitment of 200 new employees by Fire Force Authority effective, July 2024; and x. recruitment of 100 consultants in FY2024;

103. Mr Speaker, Honourable Members, in recent years, despite the tight fiscal space, Government awarded salary increases to teachers, staff of tertiary educational institutions and the security forces. Government also awarded salary increase to health workers by maintaining the COVID-19 allowance.

104. Mr Speaker, Honourable Members, however, the salaries of civil servants have not been reviewed since 2019. Therefore, the projected wage bill also provides for adjustment in the wages and salaries of civil servants to partly compensate for the increase in the cost of living. With effect from January 2024, the least paid civil servant will receive a take home pay of NLe1,000.

Debt Service payments

105. Mr Speaker, Honourable Members, total interest payments are projected at NLe4.1 billion in 2024. Of this, interest payments on domestic debt will amount to NLe3.8 billion, and on external debt, NLe319 million.

Non-Interest Recurrent and Capital Expenditures Feed Salone:

Improving Agricultural Productivity for Food Security

(a) Agriculture and Food Security

106. Mr Speaker, Honourable Members, Government is allocating a total of NLe1.1 billion to the agricultural sector, accounting for 7.0 percent of total primary expenditure compared to 2.1 percent in 2023. Of this amount, NLe836.0 million is allocated from the domestic capital budget to the Feed Salone Programme, of which, NLe693.6 million is provided for the development and promotion of agro ecological zones. This amount will support road improvements, generation and transmission of electricity and construction of water supply and irrigation systems to the two agro-ecological clusters (Tomabum and Gbondapi in the South and Mambolo and Kychom in the North-West). Government is also allocating NLe30.2 million for the provision of agricultural inputs and machine services to smallholder farmers through the e-voucher system.

107. The total allocated amount also includes NLe80.0 million from the recurrent budget to support the various departments in the Ministry of Agriculture and Food Security engaged in activities related to increasing agricultural productivity and value-addition. In addition, NLe10.0 million is provided to the Sierra Leone Agricultural Research Institute. Transfers to Local Councils for devolved functions in the agricultural sector will amount to NLe41.2 million. The sum of NLe85.8 million represents the wage bill of the Ministry of Agriculture and Food Security and allied agencies.

108. Development partners, including the World Bank, AfDB, IsDB, IFAD, BADEA and Indian EXIM Bank will disburse NLe1.6 billion to support the implementation of various projects in the agricultural sector, including the construction of Tompari, Matru, Gendema and Manowa rural bridges.

(b) Fisheries and Marine Resources

109. Mr Speaker, Honourable Members, the sum of NLe23.5 million is allocated from the recurrent budget to the Ministry of Fisheries and Marine Resources, in support of artisanal fishing and fish export activities. In addition, an amount of NLe28.9 million is allocated to support inland fisheries and aquaculture, monitoring and surveillance systems, fish stock assessment and women in fisheries. Transfers to Local Councils for devolved functions in the fisheries sector will amount to NLe4.3 million. The sum of NLe6.8 million represents the wage bill of the Ministry of Fisheries and Marine Resources.

Human Capital Development

(a) Education

110. Mr Speaker, Honourable Members, Government is allocating an amount of Le3.0 billion to the education sector, representing 20.0 percent of total primary expenditures. Of this, an amount of NLe535.1 million is allocated from the domestic capital budget to support the Free Quality School Education Programme. An amount of NLe488.6 million is allocated to the Ministry of Basic and Senior Secondary Education for the expansion

of boarding schools, equipping laboratories in secondary schools, and supporting library services.

111. The sum of NLe44.5 million is allocated from the recurrent budget to the Ministry of Basic and Senior Secondary Education to support, among others, Grants-in-Aid for boarding schools, and grants to schools for the physically challenged. The Teaching Service Commission is allocated NLe6.5 million.

112. The sum of NLe189.0 million is allocated from the recurrent budget to the Ministry of Technical and Higher Education, including NLe120.0 million as transfers to tertiary institutions, NLe31.3 million as Grants-in-Aid, and NLe14.3 million for technical and vocational education. An amount of NLe10.0 million is allocated to the Students Loan Scheme. Grants to local councils for devolved education services will amount to NLe40.6 million.

113. The sum of NLe3.5 million is allocated from the domestic capital budget to the Ministry of Technical and Higher Education for the construction and equipping of a National Archive and Record Center and rehabilitation of teacher training colleges.

114. Development partners, including the World Bank, IsDB, OFID, BADEA, Saudi Fund, and EBID will disburse NLe111.4 million to the Ministry of Technical and Higher Education to support the implementation of various projects including the construction of the Kono University of Science and Technology.

115. The wage bill of tertiary educational institutions will amount to NLe487 million and that of teachers, will amount to NLe1.0 billion.

(b)Health

116. Mr Speaker, Honourable Members, Government is allocating a total of NLe1.1 billion to the health sector, accounting for 7.0 percent of total primary expenditure. Of this, an amount of NLe133.2 million is allocated from the recurrent budget to the Ministry of Health and Sanitation and includes NLe44.6 31million for tertiary hospitals and ambulance services, NLe16.1 million for primary health services; and NLe8.8 million for reproductive and child health services. The sum of NLe83.5 million is allocated to

the National Medical Supplies Agency, of which, NLe60.9 million is for the procurement of free health care drugs. An amount of NLe10 million is also allocated to the National Public Health Agency and NLe6.5 million to the Health Service Commission. Transfers to local councils for devolved health functions will amount to NLe27.8 million.

117. From the domestic capital budget, Government is allocating the sum of NLe31.0 million to the Ministry of Health and Sanitation, of which, NLe15.0 million is for the construction of Pharma Grade Warehouse and Ancillary Structures and NLe10.0 million for the completion of the Port Loko Emergency Hospital.

118. Development partners, including the World Bank, IsDB, BADEA and Kuwaiti Fund will disburse NLe207.7 million to support the implementation of various projects in the health sector including the construction of three tertiary hospitals. The sum of NLe776.9 million is also allocated as wages and salaries for health sector workers and NLe24.4 million for the wage bill of allied health agencies.

(c) Social Protection

119. Mr Speaker, Honourable Members, Government recognises the critical role of social safety nets in mitigating the impact of the high cost of living on the poor and vulnerable in our society. In addition to NaCSA, other MDAs are also implementing social safety net programmes. These include the Ministries of Social Welfare, Employment, Labour and Social Security, Youth Affairs, Basic and Senior Secondary School Education, Gender and Children's Affairs, Health and Sanitation. In addition, development partners including the World Bank, IsDB and the EU are supporting the roll-out of several social safety net programmes as already mentioned in the earlier part of this statement.

120. The sum of NLe8.6 million is allocated from the recurrent budget to NaCSA, of which, NLe5.0 million is for social safety nets. The sum of NLe4.8 million is also provided in the domestic capital budget for the implementation of the Rural Renewable Energy for Productive Use Project and Sierra Leone Disability Project.

121. The World Bank and IsDB will disburse NLe118.9 million to NaCSA for the implementation of the Productive Social Safety Nets and Youth Empowerment Project and the Sierra Leone Community Development Driven Project. In addition, the sum of NLe25 million is allocated from the domestic capital budget to NaCSA as counterpart contribution to the implementation of these donor - funded projects. Government is allocating the sum of NLe18 million to NaCSA for staff wages and salaries.

122. Mr. Speaker, Honourable Members, the Ministry of Social Welfare is allocated the sum of NLe23.0 million from the recurrent budget, of which, NLe13 million is for social safety net programmes including diets for approved schools and programmes for the disabled. In addition, the sum of NLe2.5 million is allocated from the domestic capital budget for the rehabilitation of Approved Schools and Remand Homes and livelihood support to persons with disability.

123. Mr Speaker, Honourable Members, the Ministry of Employment, Labour and Social Security is allocated NLe17 million, of which, NLe5 million is for social safety nets for the aged. The Ministry of Gender and Children's Affairs is allocated NLe6.9 million, of which, NLe3.7 million is for Gender and Children's programmes and NLe3.1 million for the Children's Commission. In addition, NLe800 thousand is allocated for the establishment of the Women Economic and Development Fund and reintegration of street children.

Infrastructure and Technology

124. Mr Speaker, Honourable Members, the sum of NLe655.2 million is provided from the domestic capital budget to support the implementation of infrastructure and technology projects.

(a)Roads

125. Of this amount, NLe186.7 million is allocated to the Sierra Leone Roads Authority (SLRA) for the on-going construction, rehabilitation and completion of trunk and township roads. Of this, NLe45 million is for the completion of township roads, NLe30 million for the rehabilitation of major highways and NLe8.5 million for the re-gravelling

works on selected trunk roads. The allocation also includes budgetary provision for the reconstruction of Kabala-Falaba-Krubola Road; Targrin-Lungi-Conakry Dee Road, Bandajuma-Pujehun-Gbondapi Road, Kenema-Zimmi Road, Taiama-Njala Road and Bo-Tinkoko Road.

126. The African Development Bank, BADEA and the Kuwaiti Fund will also disburse NLe137.4 million to support the implementation of several road projects including the Tinkoko-Kpetema-Matru-Jong Road and the Mano River Road Development and Transport Facilitation project. In addition, Government is providing NLe99.0 million from the domestic capital budget as counterpart contribution towards the implementation of these road projects. The wages and salaries of staff of the SLRA will amount to NLe35.6 million

(b)Energy

127. Mr. Speaker, Honourable Members, the sum of NLe122.0 million is provided from the recurrent budget to the energy sector, of which, NLe75.0 million is for the completion of the Seven Districts Electricity Project, NLe12.0 million for the construction of the Goma-Dodo Hydro-Dam and NLe5.0 million for the installation of mini-grids. In addition, Government is providing NLe895.0 million as subsidies to EDSA for the payment of outstanding invoices to the independent power providers (IPPs), including Karpower and Cote D'Ivoire, Liberia, Sierra Leone (CLSG) transmission line.

128. The World Bank, AfDB and the Indian EXIM Bank will disburse NLe1.7 billion for the implementation of several projects in the energy sector, including the installation of 40 Megawatts containerized solar power, rehabilitation and extension of the Bo-Kenema distribution system, and rehabilitation of transmission lines in the Western Area. The EU is supporting improvement in energy access under Transformational Energy Access for Sierra Leone Project. Government is providing NLe5.3 million as counterpart contribution towards the implementation of these projects. In addition, Government is providing NLe5.9 million for administrative expenses and NLe9.5 million for wages and salaries to the Ministry of Energy.

(c)Water Supply

129. The sum of NLe34 million is allocated from the domestic capital budget to the Ministry of Water Resources and Sanitation, of which, NLe33 million is to the Lungi Water Supply Project. In addition, NLe95 million is allocated to the Sierra Leone Water Company (SALWACO), of which, NLe65 million is for the construction of water supply facilities in six district headquarter towns, NLe8.5 million for the construction of water supply systems in Mambolo, Kamakwei, and Rokupr and NLe8.5 million for the construction of water supply system in the Bonthe Municipality. The Guma Valley Water Company is also allocated NLe7.5 million for the restoration of water supply at IMATT and Hill Station Communities and extension of the distribution network by 20 kilometres.

130. From the recurrent budget, the sum of NLe19.5 million is provided to the Ministry of Water Resources and Sanitation, of which, NLe4.3 million is to the Water Resources Management Agency and NLe10.0 million as grants to SALWACO. The wage bill of the Ministry of Water Resources and Sanitation and allied agencies will amount to NLe28.9 million.

131. The Saudi Fund will disburse NLe10.4 million to SALWACO for the drilling of one hundred solar-powered boreholes. The AfDB, OFID and Kuwaiti Fund will disburse NLe25.0 million to the Guma Valley Water Company under the Freetown WASH Project.

(d) Communication and Technology

132. The Ministry of Communication and Technology is allocated NLe9.0 million from the recurrent budget, of which, NLe5.0 million is for administrative costs and NLe4.0 million to the Directorate of Science, Technology and Innovation (DSTI). The sum of NLe5.0 million is allocated from the domestic capital budget for the operationalisation and expansion of the e-Government platform. The World Bank will disburse funds for the implementation of the Digital Transformation Project. (e)Government Buildings

133. Mr Speaker, Honourable Members, Government is also allocating NLe168.5 million from the domestic capital budget to the Ministry of Works and Public Assets for the

rehabilitation of existing presidential lodges, the State House, provincial and district administrative buildings and the lifts at the Youyi Building. The amount also covers the construction of the administrative buildings of the Judiciary and the Ministry of Employment, Labour and Social Security. From the recurrent budget, the sum of NLe47.9 million is allocated to the Ministry of Works and Public Assets, of which, NLe36.2 million is to the Public Assets Division for the payment of rents and rates. The wage bill of the Ministry of Works and Public Assets will amount to NLe6.4 million.

Economic Diversification

(a) Tourism

134. Mr Speaker, Honourable Members, Government is allocating NLe11.2 million from the recurrent budget to the Ministry of Tourism and Cultural Affairs, NLe6.1 million to the National Tourist Board, NLe3.4 million to the Monuments and Relics Commission and NLe1.9 million to the National and Railway Museums.

135. From the domestic capital budget, the sum of NLe7.5 million is allocated to the Ministry of Tourism and Cultural Affairs, NLe4.3 million is for the construction of Tourism Information centres and NLe3.0 million for the construction of physical infrastructure for cultural heritage.

136. The World Bank will disburse NLe92.4 million for development of tourist sites at Leicester Peak, Tacugama Sanctuary and Bureh Beach under the Sierra Leone Economic Diversification Project.

(b) Trade and Private Sector Development

137. Mr Speaker, Honourable Members, to encourage the expansion of private investment activities and promote trade, Government is allocating NLe20.1 million to the Ministry of Trade and Industry, of which, NLe14.2 million is for export development, quality control, business reforms and consumer protection. The sum of NLe18.7 million is also allocated to the National Investment Board (NIB) and NLe4.2 million to SMEDA. From the domestic capital budget, NLe10.0 million is allocated to SMEDA as additional capital to the MUNAFA Fund.

Governance and Accountability

138. Mr Speaker, Honourable Members, in line with Government's unwavering commitment to improving governance, the sum of NLe30.0 million is allocated to the Judiciary; NLe38.3 million to the Law Officer's Department; NLe16.2 million to the Audit Service Sierra Leone; NLe60.0 million to the House of Parliament; NLe12.1 million to the Anti-Corruption Commission; NLe5.0 million to the Human Rights Commission of Sierra Leone; NLe159.2 million to the National Electoral Commission; and NLe6.0 million to the Independent Commission for Peace and National Cohesion. The wage bill of the governance agencies including other subvented agencies will amount to NLe999.6 million.

139. In addition, the sum of NLe441.0 million is allocated to the Ministry of Defence; NLe307.8 million to the Sierra Leone Police; NLe157.0 to the Sierra Leone Correctional Services; NLe12.8 million to the Fire Force Authority; NLe15.8 million to the Central Intelligence and Security Agency (CISA); NLe17.5 million to the Office of National Security (ONS); and NLe17.0 million to the National Disaster Management Agency. The wage bill of the security sector will amount to NLe908.3 million.

Public Administration

140. Mr Speaker, Honourable Members, to support the coordination of the process of revamping public administration; Government is allocating the sum of NLe7.4 million to the Ministry of Public Administration and Political Affairs; NLe6.4 million is allocated to the Cabinet Secretariat; NLe4.2 million to the Public Service Commission; NLe5.1 million to the Human Resource Management Office and NLe3.3 million to the Public Sector Reform Unit. The sum of NLe1.7 million is allocated towards the operationalisation of the Wages and Compensation Commission.

Employment, Youth and Sports

141. The Ministry of Employment, Labour and Social Security is allocated NLe17.0 million, of which, NLe5.0 million is for social safety nets (cash transfers to the aged).

The Ministry of Youth is allocated NLe7.0 million, of which, NLe 3.6 million is for the National Youth Commission. The National Youth Service is allocated NLe3.4 million. The Ministry of Youth is allocated NLe5.5 million for administrative expenses. The National Sports Authority will receive NLe99.1 million, of which NLe93.9 million is for sporting activities.

Environment and Climate Change

142. Mr Speaker, Honourable Members, in support of efforts to address Climate Change risks, Government is allocating NLe9.7 million from the recurrent budget to the Ministry of Environment and Climate Change; NLe5.5 million to the National Protected Area Authority; NLe62.0 million to the Environmental Protection Agency; NLe7.1 million to the Nuclear Safety and Radiation and NLe6.0 million to the Sierra Leone Meteorological Agency. In addition, the sum of NLe15.0 million is allocated to the Presidential Initiative for Climate Change, Renewable Energy and Food Security.

Budget Financing in 2024

143. Mr Speaker, Honourable Members, the budget deficit, excluding grants deficit is projected at 8.6 billion (8.5 percent of GDP). The deficit including grants is projected at NLe2.7 billion (2.7 percent of GDP). The deficit will be financed mainly by borrowing from the domestic banking system projected at NLe3.5 billion (3.5 percent of GDP). Borrowing from the Non-bank sector will amount to NLe277.6 million.

RISKS TO THE IMPLEMENTATION OF THE 2024 BUDGET

144. Mr Speaker, Honourable Members, several factors could possibly derail the implementation of this Budget and achievement of its objectives. These include: i. continued geo-political tensions, including the escalation of the Russian Ukraine war and the Palestine-Israel conflict; ii. continued increase in global food and energy prices, and its effect on domestic prices; iii. continuous depreciation in the exchange rate and its impact on the implementation of the Budget; iv. weak recovery of the global economy and general economic uncertainties, which may lead to decline in overseas development assistance and foreign direct investment (FDI) inflows; v. delay and partial

implementation of the Medium-Term Revenue Strategy and associated revenue shortfalls, which may affect the implementation of the Big Five Game Changers; vi. non-compliance by MDAs to stay within budget limits through persistent in-year requests for extra budgetary expenditures, including salary increases; and vii. the weak financial performance and contingent liabilities of SoEs, which pose significant risk to the budget.

CONCLUSION

145. Mr Speaker, Honourable Members, I started the presentation of this Budget by highlighting that the global economy continues to encounter multiple and interrelated crises with spill overs to our domestic economy. Government is not oblivious to the current predicament of Sierra Leoneans in their effort to cope with the daily economic realities. Accordingly, the 2024 Budget has been prepared against the backdrop of "restoring macroeconomic stability while protecting the poor and vulnerable" – this is the theme of this Statement.

146. Mr Speaker Honourable Members, the revenue and expenditure measures announced in this Budget Statement, will create the fiscal space required to finance the Big Five Game Changers, including the Feed Salone Programme in a sustainable manner. The sustainable financing of Government programmes and projects will bring down the debt levels, while complementing the efforts of the Bank of Sierra Leone in lowering inflation and stabilising the exchange rate. In addition, this Budget outline several social safety nets to improve the quality of life of the vulnerable segments of our society. The Budget also highlights various programmes and projects that will create job opportunities for our women and youth. These, in turn will, go a long way in addressing the high cost of living.

147. Mr Speaker, Honourable Members, as observed earlier in the Statement, the repeated shocks in recent years have also exposed the vulnerability of our economy in general, and food systems, in particular, to the geo-political and economic fragmentation of the world economy. Therefore, we need to undertake bold reforms to boost the resilience of our economy. Some of the policy reforms may appear to be

difficult but we need to implement them now to strengthen the capacity of our economy to withstand adverse external shocks.

148. Mr Speaker, Honourable Members, the wide-ranging structural and sectoral reforms proposed in this Budget, which are consistent with Government priorities as articulated in the Big Five Game Changers, will lay the foundation for sustainable and inclusive economic recovery. These programmes and policies demonstrate Government's determination to tackle the socio-economic and development challenges, build resilience and improve the quality of life of our citizens.

149. Mr Speaker, Honourable Members, sound economic and financial governance is also critical for the effective delivery of the commitments that we have outlined in this Budget. In particular, to achieve the deliverables of the Big Five Game Changers, it is imperative for MDAs to implement only policies, programmes and projects that have been agreed in this Budget. The Ministry of Finance, will not entertain any expenditures outside the agreed Budget to avoid overruns, accumulation of arrears and wage bill pressures.

150. Mr Speaker, Honourable Members, I would like to conclude this statement by thanking His Excellency, the President, Dr. Julius Maada Bio, for his leadership in crafting a visionary and transformative five year development programme, that will improve the living standards of our people as well as put our economy on a sustainable growth path. His guidance and oversight provided during the Economic Management and Cabinet meetings, continue to motivate us to deliver the development outcomes required to change the lives of our citizens.

151. I would like to thank the Honourable Vice President, Dr. Mohammed Juldeh Jalloh, for his commitment to launch the annual budget preparation process. I am particularly appreciative of his usual articulation of the Government's priorities and the impetus he gives to MDAs during the Budget Policy Hearings.

152. The Chief Minister deserves commendation for championing the implementation of the Big Five Game Changers and his zest for effective service delivery. Other Cabinet

colleagues are also appreciated for their usual collaboration and support in shaping the budget framework and implementing key reforms.

153. Mr Speaker, Honourable Members, the two Deputy Ministers of Finance possess a wealth of experience, that have provided me with the required support in steering the fiscal and economic management of the country. I thank the two of you very much for always working in a very collaborative manner.

154. Mr Speaker, Honourable Members, I have a robust and dependable team at the Ministry of Finance, whose invaluable contribution towards the achievement of my mandate must be commended. I want to sincerely thank the Financial Secretary, the Principal Deputy Financial Secretary, the Senior Deputy Financial Secretary, the Accountant General, the Chief Economist, the Director of Budget, and all the Directors and staff in the Ministry of Finance for working tirelessly in managing the fiscal and economic affairs of the country.

155. Mr Speaker, Honourable Members, I specifically want to thank the Minister of Planning and Economic Development, the Development Secretary and staff of that Ministry, for their contribution in preparing the capital budget that will ensure we deliver on the Big Five Game Changers. The leadership and teams of all other MDAs, continue to contribute in diverse ways to the implementation of our development policies and programmes and therefore deserve commendation.

156. I also want to thank the Governor (Designate), Deputy Governor, management and staff of the Bank of Sierra Leone for the continued collaboration and coordination in managing the economy, especially in these challenging times.

157. The Commissioner-General, management and staff of the NRA are also recognised, for contributing to the preparation of the Medium-Term Revenue Strategy (MTRS). We look forward to the full implementation of the MTRS by the NRA, to provide the much-needed resources for the delivery of Government priorities.

158. Mr Speaker, Honourable Members, I would like to commend this Noble House of Parliament, including your good self, the Clerk and his staff, for the meticulous scrutiny

and approval of the Budget. The Budget oversight activities of this Noble House are deeply appreciated.

159. My gratitude also goes to the Non-State Actors, including Budget Advocacy Network (BAN), District Budget Oversight Committees (DBOCs), Civil Society Organisations (CSOs) and members of the electronic and print media, who continue to participate in our bilateral budget discussions and regularly monitor and report on activities of the Ministry of Finance.

160. Mr Speaker, Honourable Members, let me also express my profound gratitude and appreciation to our development partners, especially the IMF, World Bank, EU, AfDB, FCDO of the UK Government, EBID, IsDB, BADEA; Governments and people of Turkey, United Arab Emirates, United States of America, Japan, China, India, Ireland, Canada as well as the UN Family, for their renewed support in partnering with Government for the successful implementation of the Big Five Game Changers over the next five years.

161. I also wish to acknowledge the role of International and Local NGOs in complementing the development programmes of Government in key sectors. The relevant Government bodies will continue to coordinate and monitor these programmes especially at the local level.

162. I owe the timely printing of the Budget Statement and Estimates to the Government Printer and staff. Your usual untiring efforts and professionalism are appreciated.

163. Mr. Speaker, Honourable Members, the implementation of the policy priorities articulated in this budget including Feed Salone, human capital development, social safety nets, infrastructural development, private sector development, improving governance and revamping public administration gives hope to our people for an inclusive and prosperous nation. I, therefore, commend this Budget to the House.

Mr Speaker, Honourable Members, I move that the Bill entitled: The Appropriation Act, 2024 be read the first time.

THE SPEAKER: Before I put the question I would like on behalf of the entire House to congratulate most warmly the Minister for his budget statement. There was one little omission but that is the matter I will engage with the Minister in my chambers. It concerns me personally and where I come from. When they mention roads and they don't mention Gbinti, it is a matter of great concern to me.

[Question Proposed, Put And Agreed To]

[The Bill entitled, the Appropriation Act, 2024 has been read the first time]

THE SPEAKER: Once again, Mr Minister I thank you most warmly, you may now take leave of us and I also want to extend our warmest thanks to the Female Police Officer there, who has helped to interpret the Sign Language. Any announcements.

ANNOUNCEMENT

The Office of the Whips of the Sierra Leone Peoples Party wants to inform all SLPP MP's to attend a very important meeting today immediately after sitting in Committee Room one. Please endeavour to attend and on time. Signed: Chief Whip, Honourable Dickson Momoh Rogers.

HON BASHIRU SILIKIE: Mr Speaker, this is to inform all Member of the Works Committee that we meet immediately after sitting in my office. It will be less than five minutes.

THE SPEAKER: Honourable Members, Order! Members of the gallery take your seats you are not allowed to leave

ADJOURNMENT

[The House rose at 12.30 and was adjourned to Thursday, 16th November, 2023 at 10:00 a.m]