



GOVERNMENT OF SIERRA LEONE
MINISTRY OF FINANCE
PRESS RELEASE

**The International Monetary Fund Approves Sierra Leone's Economic Performance
Under the Extended Credit Facility Programme on 5th June 2023**

The Ministry of Finance, in collaboration with the Bank of Sierra Leone and the National Revenue Authority, wish to inform the general public that the Executive Board of the International Monetary Fund has, on 5th June 2023, approved the Economic Performance Programme of the Government of Sierra Leone, which will trigger immediate disbursement of about US\$20.8 million.

It is worth noting that the global economy is currently facing challenges occasioned by unprecedented overlapping multiple crises severely impacting all countries' economic fabric. These crises have manifested into high inflation, depreciation of currencies, deteriorating external accounts, high-interest rates and rising debt levels and vulnerabilities. The crisis has also worsened food and energy insecurity. Therefore, the approval of Sierra Leone's economic programme by the International Monetary Fund amidst the overlapping multiple crises is a strong recognition and vote of confidence in the Government's commitment to restoring macroeconomic stability, long-term debt sustainability, and enhancing transparency and accountability in public funds.

During the Executive Board meeting, and in view of the global multiple crises, the government is pleased by the statement of Mr Bo Li, Deputy Managing Director and Acting Chair, as follows.

"Sierra Leone continues to face significant economic challenges, amplified by multiple shocks, including Russia's war in Ukraine. However, the Government commitment to bolster tax revenues represents important steps towards tightening the fiscal stance while creating space for priority social spending".

The IMF's approval of the economic programme will pave the way for other international financial institutions to scale up their support towards financing the Government's priority programmes, including Human Capital Development. As a result, we are pleased to inform the general public that the government is at an advanced stage in negotiating with the World Bank to disburse 65 million United States dollars in budget support in 2023. Similarly, the approval will lay the basis for the ongoing negotiations with the European Union for the restoration of budget support of about 100 million Euros for a period of four years, effective 2023. It is also important to note that a sound economic programme with the IMF, among others, will provide comfort for the negotiation of the US Millennium Challenge Corporation (MCC) Compact and signature by the end of 2023.

Therefore, Government reiterates its commitment to implementing agreed reforms with Development Partners, including but not limited to prudent fiscal consolidation, exchange rate and monetary policy management that will lower inflation and stabilise the exchange rate and boost international reserves aimed at promoting macroeconomic and financial stability thereby laying the foundation for inclusive green and sustainable growth.

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5th June 2023

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