



GOVERNMENT OF SIERRA LEONE
MINISTRY OF FINANCE
PRESS RELEASE

The International Monetary Fund Approves the Eighth and Final Review of the Extended Credit Facility Programme and the Immediate disbursement of US\$20.7m

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 20th November 2023, approved the eighth and final review of Sierra Leone's performance under the Extended Credit Facility (ECF) programme, which enables the immediate disbursement of about US\$20.7 million. Completing this final review will also pave the way for the commencement of discussions with the IMF management on a successor programme.

The ECF Arrangement for Sierra Leone was approved by the Executive Board on 30th November 2018, for about US\$172.1 million, or around 60 percent of Sierra Leone's quota for 43 months. This programme was extended by 12 months on July 27, 2021, and another five months on June 5, 2023. The program aimed at reducing inflation, mobilising revenue to allow for necessary spending consistent with debt sustainability, safeguarding financial stability, and maintaining resilience to external shocks.

At the conclusion of the Executive Board's discussion, Mr. Bo Li, Deputy Managing Director and Acting Chair, made the following statement:

“Successive shocks and policy slippages contributed to a build-up in macroeconomic imbalances in recent years, while a cost-of-living crisis has taken a severe toll on the most vulnerable. The authorities have taken bold steps to tighten policies, but reform implementation is challenging amid the large adjustment need and the ongoing cost-of-living crisis. As the ECF arrangement comes to an end, continued reform momentum is critical. Implementing recent tax revenue measures and steadfast spending restraint should help achieve fiscal targets while creating space for priority social spending to support the most vulnerable”.

The Minister of Finance, Sheku Ahmed Fantamadi Bangura, expressed appreciation to the Board and Staff of the IMF and reiterated the Government's commitment to implementing agreed reforms with development partners on fiscal consolidation and prudent debt management. This will complement the efforts of the Bank of Sierra Leone (BSL) to adopt a proactive monetary policy stance that will lower inflation, stabilise the exchange rate, and boost international reserves. The combination of these policies will promote macroeconomic and financial stability and lay the foundation for inclusive green and sustainable growth as we look forward to further engagements with the Fund on the successor programme.

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