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June 1, 2020

**Joint Statement by Mr. Alkhareif, Mr. Tan, Mr. Anwar, and Mr. Keshava on Sierra Leone
(Preliminary)
Executive Board Meeting
June 3, 2020**

We thank staff for the well-focused set of reports and Mr. Mahlinza and Mr. Nakunyada for their insightful Buff statement.

We broadly concur with the staff appraisal and fully support the authorities' request for disbursement under the Rapid Credit Facility to address the urgent balance of payments and fiscal financing needs. The sustained economic recovery and stabilization in the past two years is at risk of being reversed by the COVID-19 pandemic. In this context, we take positive note of staff's assessment that Sierra Leone meets the qualification criteria and other requirements, including the assessment that its public debt remains sustainable and the capacity to repay the Fund remains adequate. We encourage the authorities to ensure that the financial assistance received will be subject to effective and transparent controls, including the auditing of crisis-related expenditures, and welcome the authorities' commitments in this area. Here, we are encouraged that Fund TA is underway to ensure good practices. We urge the authorities to expedite the implementation of safeguards assessment recommendations.

We note that the Fund's financial assistance will substantially help the authorities in narrowing the financing gaps after reallocating their budget resources and securing additional grant financing from the World Bank, debt service relief from the Fund, and the Debt Service Suspension Initiative from the G20 and Paris Club. We expect Fund support to catalyze additional financial resources, ideally grants, from other IFIs and development partners to meet the remaining financing needs. *Should funding from the other IFIs and donors not materialize, are there any concrete plans to close the remaining financing gap?*

The authorities' well-targeted measures to contain the spread of the virus, protect the most vulnerable population, and support the private sector are commendable, but further support from the international community is warranted. We welcome that the coordination mechanism to engage development partners and other stakeholders to ensure the response is targeted and sustainable, efficiently implemented, well-coordinated, and well-governed. *In this vein, we would like staff to elaborate on the Fund's planned contribution in co-chairing the Macro-Fiscal Working Group, including on how to ease the fiscal pressures that are likely to be long-lasting.* We support the authorities' strong commitment to their pre-crisis reform agenda, including revenue mobilization, persevering with feasible reforms even during the current juncture, and reviving other reform efforts once circumstances permit.

To limit shock propagation, sound monetary and financial policies remain crucial. In this context, we welcome the authorities' liquidity support measures and appreciate their efforts to enable importers to secure adequate supply of essential goods, supporting health sector response and food security. We note the supervision of the special credit facility by the Bank of Sierra Leone and look forward to its effective implementation. We welcome the ongoing Financial Sector Stability Review to help identify priority areas for financial reforms and develop a roadmap to be supported by a comprehensive CD program. In the meantime, we support the continuing efforts to enhance the Bank of Sierra Leone's governance to strengthen financial sector oversight. Should conditions worsen, we see merit in giving further consideration to the withholding of shareholder dividends, share buybacks and executive compensation increases.

With these comments, we wish the authorities every success in their endeavors in these extraordinarily challenging times.