

The contents of this document are preliminary and subject to change.

GRAY/20/2236

June 2, 2020

**Statement by Ms. Levonian, Ms. McKiernan, and Mr. Mooney on Sierra Leone
(Preliminary)
Executive Board Meeting 20/66
June 3, 2020**

We thank staff for their report and Mr. Mahlinza and Mr. Nakunyada for their informative Buff statement. It is evident that the COVID-19 pandemic will put pressure on Sierra Leone's economy, which is compounded by the recent Ebola crisis. Staff has estimated public debt as sustainable and capacity to repay the Fund as adequate. **In light of the foregoing, we support the country's request for assistance under the exogenous shocks window of the Rapid Credit Facility (RCF) equivalent to 50 percent of quota.**

We welcome the authorities' proactive measures to limit the impacts of the pandemic, such as closing land borders and establishing the dedicated COVID-19 Fund at the Bank of Sierra Leone (BSL), as outlined in the Buff. It will be important for Sierra Leone to continuously provide support for vulnerable households and businesses most affected by the crisis. *With the World Health Organization expecting known cases to escalate rapidly once testing capacity improves, and for the health crisis to peak later this year, how do authorities plan to ensure their mitigation efforts are sustainable in the long term?*

Strengthening debt management should remain a key priority. We positively note the authorities' request for liquidity and fiscal space to fight the pandemic, including through new IFI financing and support through the Debt Service Suspension Initiative. We welcome the authorities' intention to pursue both revenue enhancing and expenditure rationalization measures to consolidate the gains made under the ECF program, as outlined in the Buff. We agree with staff that there will be a need for adjustment over the medium term, underpinned by strengthened public financial management, effective expenditure prioritization, and redoubling structural reform efforts.

We welcome the establishment of the COVID-19 Response Taskforce on Transparency. We positively note that the Audit Service Sierra Leone (ASSL) will conduct ex-post audits

on the management of the government's COVID-19 Fund, and the broader pandemic response, with the associated assessments published online. We look forward to the introduction of further steps to strengthen governance and public financial management.