

April 3, 2020

**The Acting Chair's Summing Up
Sierra Leone—2019 Article IV Consultation, Second Review
Under the Extended Credit Facility Arrangement, Request for a
Waiver of Nonobservance of Performance Criterion, and
Financing Assurances Review
Executive Board Meeting 20/35
April 3, 2020**

Executive Directors agreed with the thrust of the staff appraisal. They welcomed the progress in stabilizing the economy, underpinned by the authorities' reform program. Noting the serious risk posed by the global COVID-19 pandemic, Directors welcomed the decisive actions taken to protect the health of the population and to minimize potential economic spillovers. They acknowledged that the discussion on medium-term issues had taken place prior to the outbreak of the pandemic, calling for contingency planning and continued external support given the country's high debt burden and capacity constraints.

Once the immediate priority to combat the COVID-19 crisis has passed, Directors stressed the need to continue ensuring fiscal sustainability and creating space to meet development needs over the medium term. They emphasized the importance of mobilizing domestic revenues, strengthening public and debt management, and improving the management of fiscal risks, particularly from state entities and the financing of large public investments. Directors welcomed the new Medium-Term Debt Management Strategy, and efforts to develop a transparent and sustainable plan for arrears clearance.

Directors encouraged continued efforts to bring down inflation and enhance the central bank's operational independence. They recommended in particular improving liquidity management to better align the policy rate with money market rates. Directors highlighted that deepening foreign exchange markets could help level the playing field for businesses. They welcomed efforts to strengthen financial sector stability, through improved guidelines and oversight, and to promote financial inclusion, including by leveraging the Financial Sector Stability Review.

Directors welcomed the National Development Plan, with its focus on addressing governance weaknesses and investing in the education of a young population to establish a strong foundation for sustained development and inclusive growth. They looked forward to further progress in improving the business climate, thereby facilitating private sector-led growth.

Directors took note of the authorities' corrective actions to address the misreporting incident related to the inadvertent omission of securities issued to the non-bank sector.