

International Monetary Fund

[Sierra Leone](#) and the
IMF

Sierra Leone: Letter of Intent, Memorandum of Economic Financial
Policies, and Technical Memorandum of Understanding

Press Release:

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May 17, 2017

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The following item is a Letter of Intent of the government of Sierra Leone, which describes the policies that Sierra Leone intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Sierra Leone, is being made available on the IMF website by agreement with the member as a service to users of the [IMF](#) website.

Letter of Intent

May 17, 2017

Madame Christine Lagarde
Managing Director
International Monetary Fund
Washington, D.C. 20431
U.S.A.

Dear Madame Lagarde:

- 1. On behalf of the Government of Sierra Leone, we are pleased to submit herewith a Memorandum of Economic and Financial Policies (MEFP)** for which Sierra Leone is requesting a three-year arrangement with the International Monetary fund (IMF) under the Extended Credit Facility (ECF) for the period 2017–20.
- 2. The objectives of the program and measures envisaged for achieving them are described in the MEFP.** They are consistent with Sierra Leone’s Post Ebola Recovery Strategy, which was built on the *Agenda for Prosperity*, and the Sustainable Development Goals (SDGs). The program focuses on (i) consolidating the gains from the previous ECF-supported program, (ii) strengthening revenue performance and improving public financial management to efficiently channel adequate resources to infrastructure and poverty-related spending, (iii) stepping up financial sector reforms to support financial deepening and economic growth; and (iv) strengthen the external position, and enhance overall competitiveness. Development partners have pledged to assist the government to attain these broad objectives.
- 3. The program supported by the previous ECF arrangement 2013–16 contributed to ensuring macroeconomic stability despite two severe exogenous shocks in 2014–15—the Ebola epidemic and the sharp drop in iron ore prices.** Though the shocks resulted in a temporary decline in our GDP, thanks to sound macroeconomic policies growth has since resumed. Consistent with the objectives we set out to achieve at the inception of that program, we maintained macroeconomic stability through the pursuit of prudent fiscal and monetary policies.
- 4. The government requests that the MEFP be supported under a new three-year ECF arrangement in an amount equivalent to SDR 161.8 million (or 78 percent of quota).** We also request that the first disbursement, in an amount equivalent to SDR 39.166 million, of which SDR 22.5 million for budget support, be made available after approval of the ECF arrangement by the Executive Board of the IMF. To monitor progress in implementing our reform agenda, the program includes a set of periodic and continuous performance criteria, indicative targets, prior actions, and structural benchmarks outlined in the MEFP and the Technical Memorandum of Understanding (TMU).
- 5. The economic outlook remains promising over the medium term.** Both total and non-iron ore real GDP growth are expected to gradually increase to beyond 7 percent in 2021

from 6.0 and 4.0 percent in 2017, respectively. We are committed to prudent fiscal and monetary policies to dampen inflationary pressures. CPI is expected to fall to 12 percent by end 2017 and further down to single digits by end 2018. We expect a careful execution of government spending, in the context of the newly implemented Public Finance Management Act.

6. The Government believes that the policies contained in the attached Memorandum of Economic and Financial Policies (MEFP) are adequate to achieve the objectives of its program, but it will take any further measures that may become appropriate for this purpose. Sierra Leone will consult the Fund on the adoption of these measures, and in advance of revisions to the policies contained in the MEFP, in accordance with Fund policies on such consultations. Sierra Leone will provide the Fund with any information that may be necessary for monitoring the implementation of the measures and the achievement of program objectives.

7. Further, and in line with its commitment to transparency and accountability, the government authorizes the IMF to publish this letter, its attachments, and related staff report, including placement of these on the IMF website in accordance with Fund procedures, following the IMF Executive Board's approval of the request.

Very truly yours,

_____/s/_____
Momodu Kargbo
Minister of Finance and Economic Development

_____/s/_____
Ibrahim L. Stevens
Deputy Governor of Bank of Sierra Leone

Attachments: Memorandum of Economic and Financial Policies
Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

Freetown, March 28, 2017

INTRODUCTION

- 1. This Memorandum of Economic and Financial Policies (MEFP) lays out the medium-term reform program of the government of Sierra Leone under the Extended Credit Facility (ECF) 2017–20.** The ultimate policy objective of this program is to continue to safeguard macroeconomic stability, advance the ongoing structural reform agenda, and scale up spending on essential infrastructure and social safety net programs. The program aims to place the country on a sustained path toward economic diversification and growth, employment creation, and improving social conditions, consistent with the objectives of *the Agenda for Prosperity* and the Sustainable Development Goals (SDGs). This memorandum focuses on the targets and objectives both in the first year of the ECF and over the program period, setting forth the policy measures and structural reforms needed to preserve macroeconomic stability, strengthen the external position, and enhance overall competitiveness.
- 2. The program supported by the Extended Credit Facility (ECF) arrangement 2013–16 contributed to ensuring macroeconomic stability despite two severe exogenous shocks in 2014–15:** the Ebola epidemic and the sharp drop in iron ore prices. Though the shocks resulted in a temporary decline in our GDP, thanks to sound macroeconomic policies growth has since resumed. Consistent with the objectives we set out to achieve at the inception of that program, we maintained macroeconomic stability through the pursuit of prudent fiscal and monetary policies.
- 3. However, notwithstanding the good program performance, a number of challenges remain to be addressed in our quest to achieve the objectives of our *Agenda for Prosperity*.** Fiscal operations are complicated by pressures to address post-Ebola needs, as well as our longer term development agenda. Monetary policy is contending with the second round impact of exchange rate depreciation on prices and the one-off hiking of fuel prices in November 2016. On the external sector, while exports are recovering, they remain well below their level prior to the twin shocks. We are thus witnessing a slower than anticipated improvement in external balances. Responses to these emerging threats are compounded by delays—largely caused by the impacts of Ebola—in the implementation of structural reform policies that would have moderated their impact. Therefore, our objectives going forward are to maintain macroeconomic stability by focusing on maintaining debt sustainability, reducing inflation, strengthening our international reserve buffers, addressing infrastructure bottlenecks, promoting economic diversification, and inclusive growth with an expanded social protection program. To make all these possible, we will focus on increasing domestic revenues, which will be critical to the success of this program and the achievement of our economic goals.

RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

4. Real GDP growth has resumed, as the country is experiencing a gradual recovery from the two exogenous shocks. Non-iron ore growth is estimated to have been 4.3 percent in 2016, led by manufacturing and trade. Iron ore growth is also recovering, with the main producing company now operating with moderate profitability. Overall growth is estimated to have reached 6.1 percent.

5. Nonetheless, the macroeconomic situation remains challenging. End-period inflation increased significantly in 2016, to 17.4 percent from 10.1 percent in 2015. The spike in inflation was driven by the 60 percent increase in retail fuel prices in November 2016, as well as exchange rate depreciation (26.4 percent in 2016), which in turn was driven by continued low exports and a decline in donor inflows. However, base money grew 23.9 percent, more than double the targeted 11.4 percent, driven in part by an increase in Government borrowing from the BSL. The fiscal deficit is estimated to have increased from 4.6 percent in 2015 to 8.3 percent in 2016. The budget was under severe pressure, leading to expenditure overruns in goods and services, as well as domestic capital expenditures, late in the year. While government was able to raise some financing from the domestic market to finance the deficit, an estimated 460 billion leones in arrears were unfortunately accumulated to domestic contractors and suppliers. On the external front, renewed iron-ore exports contributed to a strengthening of the trade balance, but it was not enough to compensate for the decline in donor support as the fight against Ebola wound down. As a result, the current account deficit is estimated to have widened from 17.5 percent in 2015 to 19.9 percent in 2016.

6. The macroeconomic outlook is promising. Both total and non-iron ore real GDP growth are expected to gradually increase to above 7 percent by 2021. This growth will come from five sources. First, the efforts made by the main iron ore company to reduce costs are succeeding, and the company expects production to gradually return to pre-Ebola levels, while the second iron ore mine is expected to resume production soon, under new ownership. Second, investments in new mining production capacities and the concession of new licenses will increase production volumes in the non-iron ore mineral sectors (specifically rutile, bauxite and diamonds). Third, foreign investments in the agricultural and agribusiness sectors, especially in palm oil, will reach the production stage. Fourth, higher social and infrastructure spending will help restore demand and aid the ongoing Ebola recovery, as well as boost supply potential over the medium term. Fifth, structural reforms should contribute to an improved business environment and lower cost of doing business. Inflation is targeted to recede to 8 percent by the end of the program period, as the one-time impact of fuel price increases recedes, and the recent tightening of monetary policy continues as needed to meet this target. The overall fiscal deficit will decline steadily, and in the first two years, the deficit including grants will be 6.1 percent and 5.5 of GDP, respectively, as Fund and other external financing allow for a scaling up of critical expenditures. However, strengthened revenues should reduce the deficit to 4.9 percent of GDP by the final year of the program. Stronger foreign inflows, including Foreign Direct Investment (FDI), will finance a continued high current account deficit, but rising

international reserves over the program period will strengthen external stability and our resilience to shocks.

PROGRAM OBJECTIVES

7. Our main policy objectives are to strengthen macroeconomic stability, deepen structural reforms, and advance our economic diversification and poverty reduction agenda. Progress in these areas will help make our economy less vulnerable to shocks, build our fiscal and external buffers, and strengthen the business environment, encouraging investment, growth and expansion of economic and employment opportunities in Sierra Leone. Our ambitious reforms include the following key policy priorities:

- **Fiscal policy.** Enhance domestic revenue, rationalize and prioritize expenditures to create fiscal space for the implementation of an ambitious and well planned public investment program aimed at reducing social and infrastructure gaps, as well as a strengthened social safety net.
- **Debt Management.** Adhere to medium-term debt targets to ensure debt sustainability.
- **Public financial management.** Implement the recently passed PFM Law. Take decisive steps to (i) increase efficiency, effectiveness, transparency and accountability in the use of public resources, (ii) monitoring and containing fiscal risks.
- **Monetary and exchange rate policy.** Tighten monetary policy to bring inflation back to single digit. Increase reserve accumulation over the program period and allow a market-determined exchange rate by halting regular sales of foreign exchange.
- **Financial stability.** Enhance prudential oversight by strengthening the supervisory process; and conclusively resolve the problems of the state-owned banks.
- **Inclusive growth.** Foster diversified, inclusive growth and an expanded social safety net.
- **Business environment.** Create a more favorable business environment, including deepening structural and governance reforms with a view to easing the cost of doing business, and thus boosting private investments and employment creation.
- **Strengthening Statistics.** Improve data quality to support economic policy making.

PROGRAM POLICIES

Fiscal Policy

8. Main policy objectives. Fiscal policy will be anchored by our commitments to limit net domestic financing of the budget to no more than 2 percent of GDP, and to maintain a moderate

risk of external debt distress. These anchors have delivered generally sound macroeconomic outcomes and remain appropriate. However, while the anchors remain appropriate to our current circumstances, the limited domestic financing together with the external debt anchor are binding constraints on our objective of ramping up infrastructure spending and expanding the social safety net. Therefore, there is need for strong domestic revenue mobilization to create fiscal space for scaling up priority spending.

9. Consistent with this objective, our Medium-Term Fiscal Framework envisages a gradual fiscal adjustment. Gradual fiscal adjustment will be achieved through a combination of (i) slower growth of current spending; and (ii) a further mobilization of revenues, through both broadening the tax base and improving revenue administration. To strengthen our revenue mobilization efforts, the government will adopt a *Revenue Mobilization Strategy (RMS)* by the time of the first review of this program. Our efforts to develop this strategy will be informed by a background paper on revenue mobilization options, which will be prepared jointly by representatives of Ministry of Finance and Economic Development (MoFED), National Revenue Authority (NRA), Bank of Sierra Leone (BSL), the IMF's African (AFR) and Fiscal Affairs (FAD) departments, and AFRITAC West. To achieve better synergy in the budgetary preparation process, we will henceforth submit the Appropriation and Finance Bills to Parliament at the same time, and seek their simultaneous passage. This will reduce the risk of mismatch between planned expenditure and approved financing measures.

10. Fiscal stance. Our fiscal target under the program for 2017 is an overall deficit including grants of 6.1 percent of GDP. The revised budget keeps the growth of most recurrent spending categories in line with inflation, while allowing for increased capital expenditure. Consistent with our commitments, we intend to adopt additional revenue raising measures (outlined below) that would allow us to reduce gradually the overall fiscal deficit to 4.8 percent by 2020, while at the same time preserving adequate space for priority social and infrastructure spending.

11. Revenue mobilization. We recognize that our rate of revenue mobilization is insufficient to finance effective service delivery, provide critical infrastructure and expand social protection, given the limited available domestic and external financing. In late 2016 and in the context of the 2017 budget, we took several steps to broaden the tax base and improve revenue administration, including a 60 percent increase in the pump price of retail petroleum products. At that time, our plan was to completely eliminate the remaining subsidy in the pump price of retail petroleum products no later than July 1, and allow the price to be market determined. However, it is becoming increasingly clear that we will not be able to meet this commitment because despite our best efforts, the reach of our social safety net programs remains limited. We are now committed to making faster progress on the safety net programs, especially public transportation. We are also renewing our commitment to implement the fuel subsidy reform, floating the retail fuel prices with a fixed excise collection, no later than by the completion of the second review.

12. The non-implementation of retail fuel price liberalization has cost us some potential revenue in 2017. Considering our continuous spending pressures, and to offset the

revenue loss, we have recently adopted the following policies and revenue enhancing measures, aimed at increasing domestic revenue in 2017 by approximately 0.5 percent of GDP (Prior Action (PA):

- i. Elimination of all duty and tax waivers, except those covered by the Vienna convention, international bilateral agreements, donor funded projects, and contracts or MOUs approved by parliament. Existing contracts and MOUs will not be renewed when they expire, and no new request for exemptions will be entertained.
- ii. Application of mineral royalty taxes to market prices rather than company prices implied by export receipts.
- iii. Introduction of excise duty of 20 percent on luxury vehicles, defined as vehicles with CIF values in excess of US\$25,000.

13. Furthermore, in addition to collecting a one-time dividend from profitable SOEs in 2017 of at least 0.1 percent of GDP, going forward, we will collect at least 10 percent of their gross profits as annual dividends to the budget.

14. Finally, we will pursue several policies to improve the efficiency of tax collection and reduce the scope for leakages. We have submitted to parliament the new Tax Administration Bill, and will seek swift parliamentary adoption. We are also working with FAD staff to identify measures to address problems flagged in our recent Tax Administration Diagnostic Assessment Tool (TADAT) exercise. In this regard, we will aim to implement the following measures:

- i. Improve the capacity of NRA to understand and address transfer pricing issues, especially in the extractive and telecommunications sectors.
- ii. Expand the taxpayer base through systematic use of third party information to detect unregistered taxpayers. A key aspect of this exercise is to implement the Block Management System (BMS) recommended by the recent FAD mission. A full report and planned follow-through actions will be prepared by end-December for sustainable compliance and measuring success.
- iii. Undertake a compliance project, using intelligence garnered through data-matching.
- iv. Undertake a compliance/audit project of employers' classification of employees, which has become prone to wide-spread abuse through the misclassification of employees as contractors, thereby shifting the burden of the final tax. This exercise will be completed by end-September.
- v. Pass the Extractive Industry Revenues Bill (EIRB), to consolidate all mining tax and non-tax obligations under common terms. This Bill will be submitted to Parliament by end-September 2017 (Structural Benchmark (SB)).

15. Expenditure Management. Our goal is to contain recurrent expenditures, while reorienting spending towards infrastructure and social protection. In the current year, we will rationalize expenditure in key areas, while increasing expenditure on social safety net programs. In the medium term, we will contain the wage bill and moderate the growth of expenditures on goods and services. To this end, we plan to:

- i. Reduce expenditure on civic registration in the 2017 budget by Le 125 billion due to donor support covering specific areas, and reduce subsidies and transfers by Le 38 billion.
- ii. Increase expenditures on our social safety net program. In particular, the World Bank is currently aiding us in implementing a cash transfer scheme. The current program allocates \$5 million per year to the most vulnerable in society mostly in the rural areas. We are committed to adding to this program an additional \$5 million per year from the budget, starting this year, to expand the social safety net program in the rural areas as well as provide additional public transportation in the urban areas, especially in Freetown.
- iii. Produce a comprehensive *Wage Reform Strategy* that will be approved by Cabinet by end-2017 (SB).
- iv. Institutionalize the Expenditure and Contracts Management Committee (ECMC) with a broader membership including the Law Officer's Department and the NPPA, and ensure checklist of conditions to be fulfilled is developed and enforced before the approval is granted for award of contract. The committee will be operational by end-June.
- v. Ensure that the Integrated Financial Management Information System (IFMIS) is fully rolled out and utilized by all MDAs, and that all modules of the IFMIS are fully functional, allowing for the most up to date information for cash and public finance management. We will continue to rely on World Bank support for technology procurement to realize this.
- vi. Adopt a Public Investment Plan by the time of the first review of this program. The plan will identify the key projects we hope to implement during the course of the program, consistent with maintaining a moderate risk of debt distress.

16. Public finance management and structural policies. Following the completion of regulations for the new PFM Act, we have commenced implementation of various provisions to strengthen the budgetary process, including expenditure control and reporting; automating the budget execution process, as well as cash, assets and liabilities management. Our most important priority in this regard is to commence the implementation of the Treasury Single Account (TSA) system. To guide the implementation of the TSA, we will prepare by end-June, a concept note that documents the program to establish a core Treasury Single Account Structure (SB). We will subsequently begin the implementation and full roll out of TSA. We will link all Ministries and Departments sub-accounts to the TSA by end-December (SB).

17. Implementation of the TSA will allow us to aggregate all receipts—revenue; payments received by ministries, departments, and agencies; the Accountant General’s activities; BSL advances; and proceeds from borrowing activities—to compute the overall cash/overdraft position of the government each day. The TSA will give us better oversight of public finances, improve cash management and reduce reliance on bank financing to meet short term expenditure pressures, while fostering transparency and accountability. The Financial Management and Control Bill, which will mandate all MDAs currently allowed to retain revenues to place their revenue in the TSA is now before Parliament, and will facilitate a smooth operationalization of the TSA. In addition, we will ensure that all recommendations of the Auditor General, including audit queries, are addressed by MDAs in a timely manner. In particular, we will require all MDAs flagged in the annual Auditor General’s report to submit within three months of the report’s issuance, both to MoFED and to Parliament, a timetable for addressing the Auditor General’s recommendations. Within 9 months, each such MDA will be required to submit a report showing how those recommendations have been addressed (or why they believe the recommendations are inappropriate), (continuous SB).

18. We will avoid building up new arrears in the form of unpaid checks. We recognize that this type of forced financing hurts the economy by reducing the private sector’s confidence in the government, tying up liquidity, and increasing our capital project premiums considerably. Consistent with the macroeconomic framework agreed under the proposed program, we will thus refrain from accumulating new unpaid checks and domestic arrears. Furthermore, the budget will prioritize the clearance of the existing stock of unpaid checks with incoming resources, consistent with the clearance schedule in the quarterly fiscal framework agreed under the proposed program. We will thus clear all outstanding unpaid checks by the end of 2017, and not accumulate new ones.

Monetary and Exchange Rate Policies

19. Policy objectives: Monetary and exchange rate policy will focus on price stability. BSL will implement monetary policy with the goal of achieving single digit inflation by end-2018, and gradually reducing inflation through the rest of the program. We are committed to maintaining a flexible exchange rate to ensure orderly conditions in the foreign exchange market and to facilitate the buildup of reserves over the medium-term.

20. A major focus during the program years will be to enhance the effectiveness of monetary policy operations, as well as liquidity management. Despite excess liquidity, which is unevenly distributed among banks, the interbank money market remains less active than the secondary market for treasury bills. The monetary policy rate is yet to provide a clear signal to the financial market. The effectiveness of the newly established interest rate corridor is being reviewed. Meanwhile, the BSL will continue to strengthen its capacity to understand the transmission mechanism of monetary policy, and to forecast liquidity. BSL will explore the causes of the weak monetary policy transmission and seek ways to improve the monetary policy framework by introducing and publishing leading economic indicators to better inform monetary

policy decisions (SB). The BSL will seek technical assistance to review and validate the methodology for computing the Composite Index of Economic Activity before publishing.

21. More proactive monetary operations and deployment of instruments will allow BSL better control over liquidity conditions, while allowing banks to better manage their liquidity.

In this regard, BSL and the Treasury will ensure that BSL's overdraft facility will cover only temporary liquidity shortfalls, in line with PFM Act provisions. To foster both monetary and fiscal discipline, BSL will stop granting bridging loans to the Treasury. In addition, BSL will implement all outstanding recommendations of the MCM technical assistance missions on monetary policy framework and operations, and will extend the averaging period of required reserves from one to two weeks

22. BSL has halted weekly sales of foreign exchange. In 2016, and early 2017, out of concern about potential depreciation, BSL had conducted routine sales of foreign exchange in weekly auctions. We now realize that these actions are not sustainable in successfully fighting market pressures over the medium term. Therefore, going forward, BSL will limit its interventions in the foreign exchange market to efforts aimed at offsetting short run volatility in the exchange rate, while improving our external reserve buffers.

Financial Sector Policies

23. Policy objectives. Our objective is to safeguard financial stability by further strengthening the supervisory framework, and managing risks within the banking system. We are committed to strengthening the financial soundness of banks, while exerting stronger oversight over their cross-border relationships. During this program, we will resolve conclusively the problems of the two state owned banks. In addition, we will focus on improving financial intermediation and fostering financial inclusion.

24. The two state-owned banks, as well as several other banks suffer from poor asset quality, among other problems. The banking system has been resilient to past shocks, but some underlying vulnerabilities could become magnified in a weak supervisory environment. Our financial supervision, therefore, needs to become more proactive. Working closely with the new Bank Supervision Resident Advisor, more resources will be allocated to financial supervision. Our aim is to strengthen bank supervision by increasing the number of staff, improving the quality of on-site inspections, introducing risk-based supervision, and increasing the co-operation with supervisors in other countries.

25. Access to financial services expanded considerably over the past ten years. However, the financial system remains shallow, with limited access to financial services, especially outside Freetown. In the past two years, we have ramped up efforts to increase access to financial services and deepen the financial markets. These include reforms of the payment system, introduction of payment switching technology to increase interbank operations, introduction of a collateral registry, strengthening of the credit reference bureau, and the promotion of mobile money services. Going forward, we will undertake specific actions as follows:

- i. Restructure the state-owned public banks by implementing a restructuring plan, to be adopted by end-August 2017, which is based on the recommendations of the recently completed independent diagnostic studies, and address high NPLs in other banks;
- ii. Scrutinize the financial soundness indicators of all banks on a continuous basis, and enforce necessary corrective steps. As several banks have persistently breached prudential indicators (e.g., NPL ratio), the BSL will develop plans to bring these banks back into compliance;
- iii. Enhance banking supervision capacity by migrating to risk-based supervision and building up top-down stress testing capacity, building on technical assistance provided by MCM and AFRITAC West2; and
- iv. Enhance access to finance by improving the enabling environment, e.g., introducing a national ID system, and enhancing microfinance, especially for agriculture.

SUPPORTING INCLUSIVE GROWTH AND SOCIAL PROTECTION

26. Background. Since the end of the civil war, we have made progress toward peace, sustainable development, and inclusive growth. The implementation of sound macroeconomic policies, with the support of development partners including the IMF, has delivered significant real growth, which contributed to a decrease in the poverty rate. However, poverty, inequality and vulnerability remain widespread and multidimensional. The Ebola Virus Disease (EVD) epidemic of 2014-2015 exposed the challenges in the socio-economic life of the poor and vulnerable, especially on access to health services and availability of basic income generating activities. In addition, the country faces long-term challenges associated with damage caused by flooding and other effects of climate change, which continue to worsen the livelihood of the poor and vulnerable. Thus, government made a conscious decision to revamp its social protection agenda in the Post-Ebola Recovery Strategy.

27. In the context of this ECF, we plan to reform existing social safety net programs, while strengthening public investment plans. To achieve wider social protection, we will increase fiscal resources available to social safety nets, while improving the governance and public finance management framework of the implementing MDAs. We will seek to gradually supplement the unconditional cash transfer scheme with social programs aimed at increasing the productive capacity of the poor and vulnerable. In addition, to foster more inclusive growth, we will accelerate investment in growth generating projects, invest in infrastructure that is complimentary to growth, promote investment in higher value added activities, and identify various options for financing large infrastructural projects that our resources may not be able to finance. Some of the major policies to drive our inclusive growth strategy include:

- i. Double the number of beneficiaries of our unconditional cash transfer scheme;
- ii. Expand school feeding program and provide additional buses for public transportation

- iii. Accelerate capital expenditures to address macro-critical infrastructure bottlenecks;
- iv. Further expand social safety net programs and improve targeting, with the help of the World Bank, AfDB, and UN agencies;
- v. Identify priority social safety net spending items and establish quarterly floors for this spending;
- vi. Identify weaknesses in the existing capacity to select, implement and maintain public investment projects, and seek technical assistance to address these weaknesses;
- vii. Review, and revise as necessary, legislation regulating PPPs, and seek technical assistance to draft relevant PPPs regulations.

BUSINESS ENVIRONMENT AND ECONOMIC DIVERSIFICATION

28. Policy objectives. We will take steps to further improve the business environment, including by deepening structural and governance reforms, with a view to reducing the cost of doing business and thus boosting investments and employment creation.

29. Though economic diversification and improving the business environment have been goals of this government, limited progress has been made. According to the 2017 Ease of Doing Business report, our country ranked 148 out of 190 countries, slightly worse than in 2015. The country's most recent CPIA rating on transparency, accountability, and corruption in the public sector has been unchanged since 2008 at 3.0, while World Bank governance indicators show declines in control of corruption and regulatory quality since 2015.

30. We will seek to improve the business environment and diversify the economy by implementing the following policies:

- i. Finalize the single clearance window reform for imports by the end of the ECF program;
- ii. Increase investment in high-value-added energy, fishery and agricultural projects;
- iii. Simplify processes related to business registration and licensing and construction permits, and strengthen the commercial courts;
- iv. Strengthen existing centers for mid-level manpower training and skills development, including technical skills;
- v. Request a World Bank growth diagnostic study, to identify potential sources of growth.

PRIOR ACTIONS AND STRUCTURAL PROGRAM FOR 2017

31. The macroeconomic policies supported by the ECF will be complemented by a strong structural program, which will make the transmission of economic policy more efficient. The Prior Actions signal our commitment to a strong reform agenda, while the Structural Benchmarks FOR 2017 seek to reform key sectors of the economy.

Prior Actions

To be completed before program request goes to IMF Executive Board

- i. Adopt measures as specified in paragraph 12 to generate at least 0.5 percent of GDP in additional revenue in 2017, to close the estimated financing gap in the 2017 fiscal operations by (i) eliminating all import duty and tax exemptions except those governed by conventions, international and bilateral agreements ratified by Parliament; (ii) commence the application of royalty rate on mineral exports using only best-available international market price in accordance with the Mines and Minerals Act, 2009; (iii) impose a luxury goods tax of 20 percent on automobiles with CIF value in excess of US\$25,000.00.
- ii. Submit the Tax Administration Bill to Parliament.
- iii. Halt routine foreign exchange auctions.
- iv. Submit to Parliament the Financial Management and Control Bill, which mandates MDAs to domicile all their funds in the Consolidated Revenue Fund.

Structural Benchmarks and Program for 2017

Fiscal sector

- Prepare a concept note to establish a core Treasury Single Account Structure. The note should include plans on linking the existing bank accounts and consolidating the cash resources in the separate bank accounts into the main TSA account overnight. (End-June)
- Link the existing bank accounts of Ministers and Departments (MDs) and consolidate the cash resources of MDs in the separate bank account into the main TSA account. (End-December)
- Enact the PFM Regulations made under the PFM Act. (End-December)
- Finalization and adoption by Cabinet of the Revised Wage Reform Strategy Paper. (End-December)

- Submit to Parliament the revised Extractive Industries Revenue Bill (EIRB) (End-September)

Monetary, exchange rate, and financial sectors

- Improve BSL's liquidity management by extending the reserve maintenance period from one to two weeks. (End-December)
- Introduce and publish leading macro-economic indicators (e.g., inflation expectations and composite index of economic activity). (End-December)
- Adopt an action plan to address problems of the two state owned banks, based on the diagnostic study results, by end-August 2017.
- Stop the practice of BSL bridge financing. (Continuous)

Other areas

- Require MoFED to review of fiscal implications of all large-scale projects including in energy, construction, extractive, manufacturing and agriculture sector contracts/agreements prior to their signing. The assessment should include the direct and contingent liabilities of the projects. (Continuous)
- Require that all recommendations of the Auditor General, including audit queries, are addressed by MDAs in a timely manner. In particular, require all MDAs flagged in the annual Auditor General's report to submit within three months of the report's presentation in parliament, both to MoFED and to Parliament, a timetable for addressing the Auditor General's recommendations. Within 9 months, each such MDA will be required to submit a report showing how those recommendations have been addressed (or why they believe the recommendations are inappropriate). (Continuous)

PROGRAM MONITORING

32. The program will be monitored on a semi-annual basis, through quantitative targets (Table 1) and structural benchmarks (Table 2). Quantitative targets for end-June and end-December 2017, and end-June and end-December 2018 are performance criteria, while those for end-September 2017, end-March and end-September 2018 are indicative targets. The first review under the program will be completed any time after September 1, 2017; the second and third reviews will be completed on or after May 1, 2018 and November 1, 2018, respectively.

Table 1. Sierra Leone: Quantitative Performance Criteria and Indicative Targets for 2016–18^{1/}
(Cumulative change from beginning of calendar year to end of month indicated; Le billions, unless otherwise indicated)

	2016		2017				2018			
	Dec. 3/	Jun. 3/	Sept. 3/		Dec. 3/		Mar. 3/	Jun. 3/		
	Actual	Prog.	Actual	Status	Prog.	Actual	Status	Prog.	Prog.	
Performance criteria										
Net domestic bank credit to the central government (ceiling) 1/ Unadjusted target (ceiling)	...	721			1067			1174		
Adjustment for the shortfall (excess) in external budget support										
Adjustment for the shortfall (excess) in non-bank credit to the government 2/										
Net domestic assets of the central bank (ceiling) Unadjusted target (ceiling)	730	459			635			658	179	42
Adjustment for the shortfall (excess) in external budget support										
Adjustment for exchange rate depreciation (appreciation)										
Gross foreign exchange reserves of the central bank, US\$ millions (floor) Unadjusted target (floor)	500	-30			-27			3	-14	30
Adjustment for the shortfall (excess) in external budget support										
Adjustment for the shortfall (excess) in the US\$ value of IMF disbursement										
Adjustment for the increase (decrease) in BSL short-term foreign currency liabilities										
Present Value of New External Debt, US \$ millions (ceiling) 4/	...	140			140			140		
Outstanding stock of external debt owed or guaranteed by the public sector with maturities of less than one year (ceiling) 4/	...	0			0			0		
External payment arrears of the public sector (ceiling) 4/	...	0			0			0		
Indicative target										
Total domestic government revenue (floor)	...	1666			2579			3754		
Poverty related spending (floor) 5/	...	213			363			518		
Domestic primary balance (floor)	...	-898			-1027			-1149		
Memorandum items:										
External budgetary assistance (in \$ million)	36	15			5			42		
Program exchange rate (Leones/US\$)	5,639	7195			7195			7195	7195	7195

1/Includes IMF budget support related SDR on-lending from the Central Bank to the Government.

2/Government securities issued to the non-bank sector and the cumulative net flow of arrears accumulation, (negative if cleared).

3/ The performance criteria and indicative targets are defined in the Technical Memorandum of Understanding (TMU); June 30, 2017 and December 31, 2017 targets are performance criteria. September 30, 2017, March 31, 2018, and June 30, 2018 targets are indicative ones. December 31, 2016 indicates stock value, whereas all other end-month values indicate flow.

4/ These apply on a continuous basis.

5/ The mission has agreed with the authorities (in consultation with the WB) which spending items constitute priority spending during the mission, listed in the TMU.

Table 2. Sierra Leone: Prior Actions and Structural Benchmarks Under the ECF Arrangement, 2017

Measures	Timing	Status
Prior Actions		
Adopt measures projected to generate at least 0.5 percent of GDP in additional revenue in 2017. Measures include but are not limited to: i) Elimination of all duty and tax exemptions except those governed by conventions, international and bilateral agreements ratified by Parliament; (ii) commence the application of royalty rate on mineral exports using only best-available international market price in accordance with the Mines and Minerals Act, 2009; (iii) application of luxury goods tax on imported cars with values in excess of US\$25,000.		Met
Submit to Parliament, the Tax Administration Bill		Met
Submit to Parliament, the Financial Management and Control Bill that would mandate MDAs to put all their funds in the Consolidated Revenue Fund		Met
Halt routine foreign exchange auctions by May 10, 2017		Met
Structural Benchmarks		
Fiscal sector		
Submit to Parliament of the revised Extractive Industries Revenue Bill (EIRB)	End-September 2017	
Prepare a concept note to establish a core Treasury Single Account Structure. The note should include plans on linking the existing bank accounts and consolidating the cash resources in the separate bank accounts into the main TSA account overnight.	End-June 2017	
Link the existing bank accounts of Ministries and Departments (MDs) and consolidate the cash resources in the separate bank accounts of MDs into the TSA account.	End-December 2017	
Enact the PFM Regulations made under the PFM Act.	End-December 2017	
Finalization and adoption by Cabinet of the Revised Wage Reform Strategy Policy	End-December 2017	
Review of fiscal implications of all large-scale projects prior to signing of the contract by MoFED	Continuous	

Table 2. Sierra Leone: Prior Actions and Structural Benchmarks Under the ECF Arrangement, 2017 (Concluded)

Measures	Timing	Status
Stop the practice of bridge financing from BSL.	Continuous	
Require that all recommendations of the Auditor General, including audit queries, are addressed by MDAs in a timely manner. In particular, require all MDAs flagged in the annual Auditor General's report to submit within three months of the report's issuance, both to MoFED and to Parliament, a timetable for addressing the Auditor General's recommendations. Within 9 months, each such MDA will be required to submit a report showing how those recommendations have been addressed (or why they believe the recommendations are inappropriate).	Continuous	
Monetary, exchange rate, and financial sectors		
Improve BSL's liquidity management by extending banks' required reserve maintenance period from one to two weeks.	End-December 2017	
Introduce and publish leading macro-economic indicators (e.g., inflation expectation and business confidence indicator).	End-December 2017	
Adopt an action plan to address problems at the two state owned banks, based on the diagnostic study results.	End-August 2017	

Attachment II. Technical Memorandum of Understanding

Freetown, March 28, 2017

INTRODUCTION

- This memorandum sets out the understandings between the Sierra Leonean authorities and the International Monetary Fund (IMF)** regarding the definitions of the quantitative performance criteria (PCs) and structural benchmarks (SBs) for the program supported by the Extended Credit Facility (ECF) arrangement, as well as the related reporting requirements. Unless otherwise specified, all quantitative PCs and indicative targets (ITs) will be evaluated in terms of cumulative flows from the beginning of the period.
- Program exchange rates.**¹ For the purpose of the program, foreign currency denominated values for 2017 will be converted into Sierra Leonean currency (leone) using a program exchange rate of Le7,195.00/US\$ and cross rates as of end December 2016.²

Sierra Leone Program Exchange Rate for ECF Arrangement		
Cross Rates as of end-December 2016		
Currency	Leones per currency unit	US dollars per currency unit
US dollar	7195.000	1.0000
British Pound Sterling	8851.290	1.2302
Japanese Yen	61.600	0.0086
Euro	7584.250	1.0541
SDR	9672.450	1.3443

QUANTITATIVE PERFORMANCE CRITERIA

A. Gross Foreign Exchange Reserves of the Bank of Sierra Leone

- Definition.** Unless otherwise noted, gross foreign exchange reserves of the Bank of Sierra Leone (BSL) are defined as reserve assets of the BSL. Reserve assets are defined in the IMF's *Balance of Payments Manual* (5th ed.) and elaborated in the reserve template of the Fund's

¹ The source of the cross exchange rates is International Financial Statistics.

² For calculating program targets for 2017, all end 2016 stock variables will be based on program exchange rate of Le 7,195/US\$.

International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template. They exclude foreign assets not readily available to, or controlled by, the monetary authorities.

4. Adjustment clauses. The floor on the change in gross foreign exchange reserves will be adjusted (a) downward (upward) by U.S. dollars equivalent cumulative shortfall (excess) in programmed external budgetary assistance;³ (b) downward (upward) for any cumulative shortfall (excess) in the U.S. dollar value of disbursements from the IMF under the ECF arrangement; and (c) upward (downward) for any increase (decrease) in BSL short-term (one year or less in original maturity) foreign currency-denominated liabilities (to residents and nonresidents).

B. Net Domestic Assets of the BSL

5. Definition. Net domestic assets (NDA) of the BSL are defined as the end-period stock of the reserve money less the end-period stock of net foreign assets calculated at the program exchange rates. Reserve money includes currency issued (equal to currency outside banks plus cash in vaults), deposits of commercial banks with the BSL and the BSL liabilities to other private sector. Net foreign assets of the BSL are defined as gross foreign exchange reserves (defined above) minus foreign liabilities. Foreign liabilities are defined as foreign currency-denominated liabilities of the BSL to nonresidents (excluding a foreign liability to China of Le 35 billion relating to a legacy clearing account for a previous Bilateral Trade Agreement⁴) and the outstanding use of Fund credit. For program purposes, foreign liabilities exclude SDR allocation, and debt relief from the Catastrophe Containment and Relief (CCR) Trust granted in 2015.

6. Adjustment clauses. The ceiling on changes in NDA of the BSL will be adjusted upward (downward) by the leone value of the shortfall (excess) in the external budgetary assistance—the upward adjustment will be capped at the equivalent of US\$20 million.

C. Net Domestic Bank Credit to the Central Government (NCG)

7. Definition. NCG refers to the net banking system's claims on the central government as calculated by the BSL. It is defined as follows:

³ External budgetary assistance is defined as budget grants and loans, excluding HIPC assistance.

⁴ The authorities have confirmed that this BTA is no longer operational. The staff will follow up on this in the coming staff visit (June 2017).

- a. the net position of the government with commercial banks, including: (a) treasury bills; (b) treasury bearer bonds; and (c) loan and advances of commercial banks to the government; less government deposits in commercial banks;
- b. the net position of the government with the BSL, including: (a) treasury bills and bonds, excluding holdings of special bonds provided by government to cover BSL losses (Le 357.5 billion) and to increase its capital (Le 75 billion); (b) ways and means, including any outstanding balance that may be converted into a bond; and (c) any other type of direct credit from the BSL to the government, including the special on-lending arrangements relating to budget support as approved under the 2017–2020 ECF arrangement; less (a) central government deposits; and (b) any debt relief received, notably HIPC, MDRI and relief deposits as well as debt relief under the CCR Trust.
- c. **Adjustment clauses.** The ceiling on changes in NCG will be adjusted (a) upward by the leone value of the shortfall in external budgetary assistance—the upward adjustment will be capped at the equivalent of US\$20 million; (b) downward (upward) by the excess (shortfall) in the leone value of net issues of government securities to the nonbank private sector vis-à-vis the program assumption (as specified in the memorandum items in Table 1 of the LOI), including a downward (upward) adjustment by the excess (shortfall) in the value of the cumulative net flow of unpaid checks and other outstanding payments in the current fiscal year, up to the relevant quarter.
- d. **Data source.** The data source for the above will be the series “Claims on Government (net)”, submitted to the IMF staff and reconciled with the monthly monetary survey prepared by the BSL.
- e. **Definition of Central Government.** Central government is defined for the purposes of this memorandum to comprise the central government and those special accounts that are classified as central government in the BSL statement of accounts. The National Social Security and Insurance Trust and public enterprises are excluded from this definition of central government.

D. External Payment Arrears of the Public Sector

8. Definition. External payment arrears of the public sector are defined to include all debt-service obligations (interest and principal) arising from loans contracted or guaranteed by the public sector. For the purposes of this PC, the public sector comprises the central government, regional government, all public enterprises and the BSL. The non-accumulation of

external arrears is a continuous performance criterion during the program period. For the purposes of this performance criterion, external arrears are obligations that have not been paid on due dates (taking into account the contractual grace periods, if any). Excluded from this PC are those debts subject to rescheduling or restructuring, or are under litigation. This PC will apply on a continuous basis.

E. Present Value of New External Debt Contracted or Guaranteed by the Public Sector with an Original Maturity of One Year or More

9. Definition. The present value (PV) of public external debt is equal to the sum of all future debt service payments (principal and interest), discounted to the present using a discount rate of 5 percent. The PV is calculated using the IMF concessionality calculator and will be based on the loan amount contracted in a given year. Specifically, it will be assumed that all new loans contracted are fully disbursed at the time when they are contracted. For loans with a grant element of zero or below zero, the PV will be set equal to the nominal value of the loan. The ceiling on the PV of new external debt will be applied on a continuous basis from July 1, 2015.

10. New external debt is defined as all forms of new debt with original maturity of one year or more contracted or guaranteed by the public sector (see paragraph 11 for definition of public sector) based on the residency of the creditor. The external debt definition applies not only to debt as defined in the Guidelines on Performance Criteria with Respect to Foreign Debt (Decision No. 12274 (00/85), August 24, 2000, Point 8, as revised on August 31, 2009, (Decision No. 14416-(09/91)) but also to commitments contracted or guaranteed for which value has not been received. For the purposes of this PC, the “public sector” is defined as in paragraph 11 above.

11. For program purposes, the debt is deemed to have been contracted when it is signed by the government of Sierra Leone. Excluded from this PC are disbursements from the IMF and those debts subject to rescheduling. The government will report any planned external borrowing and its terms to Fund staff before external debt is contracted or guaranteed by the government. The government’s current borrowing plan is attached in Table 1.

**Table 1. Summary Table of Projected External Borrowing Program
January 1, 2017 to December 31, 2017**

PPG external debt	Volume of new debt, US million 1/		Present value of new debt, US million 1/	
	USD million	Percent	USD million	Percent
By sources of debt financing	206.9	100	135.0	100
Concessional debt, of which 2/	112.2	54	64.0	47
Multilateral debt	100.2	48	56.5	42
Bilateral debt	12.0	6	7.6	6
Other	0.0	0	0.0	0
Non-concessional debt, of which 2/	94.7	46	71.0	53
Semi-concessional debt	94.7	46	71.0	53
Commercial terms	0.0	0	0.0	0
By creditor type	206.9	100	135.0	100
Multilateral	120.2	58	70.8	52
Bilateral - Paris Club	0.0	0	0.0	0
Bilateral - Non-Paris Club	86.7	42	64.2	48
Other	0.0	0	0.0	0
Uses of debt financing	206.9	100	135.0	100
Infrastructure	144.9	70	104.3	77
Social Spending	12.0	6	7.6	6
Budget financing	50.0	24	23.1	17
Other	0.0	0	0.0	0

1/ Contracting and guaranteeing of new debt. The present value of debt is calculated using the terms of individual loans and applying the 5 percent program discount rate.

2/ Concessional debt is defined as debt with a grant element that exceeds the minimum threshold of 35 percent. The term "semi-concessional" refers to loans assessed to have a positive grant element.

F. External Short-Term Debt Contracted or Guaranteed by the Public Sector

12. Definition. External short-term debt is defined as external debt stock with a maturity of less than one year contracted or guaranteed by the public sector (see paragraph 11 for definition of public sector). Debt is defined in Annex I of this TMU. For this purpose, short-term debt will

exclude normal trade credit for imports. For the purposes of this PC, the public sector is as defined in paragraph 11 above. This PC will apply on a continuous basis.

QUANTITATIVE INDICATIVE TARGET

A. Domestic Primary Balance

13. Definition. Central Government Revenue less expenditures and net lending adjusted for interest payments and foreign financed capital spending.

B. Domestic Revenue of Central Government

14. Definition. The floor on total domestic central government revenue is defined as total central government revenue, as presented in the central government financial operations table, excluding external grants.

C. Poverty-Related Expenditures

15. Definition. For program monitoring purposes, poverty-related expenditures are limited to the following list agreed with the government. The poverty spending target will be 80 percent of the total amount of expenditures planned in this list for 2017, increasing to 90 percent and 100 percent progressively for the amounts planned in 2018 and 2019, respectively. The authorities have the leeway to re-allocate the amounts corresponding to various items except for the cash transfer program, which should either remain at the level it is programmed to be financed in 2017 at Le 77.66 billion (including the US\$ 5 million from the IMF budget support) or above.

Poverty-Related Spending List

Increase the Production of Staple Crops for Food Security
 Promote and increase value adding activities for agricultural goods
 Increase the production and export of cash crops
 Improve access to finance for farmers
 Support to Sierra Leone Agricultural Research Institute (SLARI)
 Making education more equitable and accessible
 Tertiary education and tec/voc education and training
 Reducing high infant, under-five and maternal mortality
 Preventing and controlling communicable and non-communicable diseases
 Strengthening infrastructure development for service delivery
 National HIV/AIDS Secretariat (NAS)
 Rehabilitation of remand homes and approved schools
 Social action support project
 Sierra Leone Community Driven Development Project
 Relief and resettlement
 National social safety nets program
 National youth development, empowerment and entrepreneurship project
 National youth service program
 Support to National Youth Village Project
 Youth Farm Project
 Youth in Fisheries Project
 Strengthening of Export Performance of Small and Medium Enterprises Project
 Provision of Clean Accessible and Affordable Water
 Rehabilitation of Streets and Roads in Western Area
 Rehabilitation of Streets in Districts Headquarter towns and Selected Towns
 Promoting the production of local building materials and youth economic emp
 Local Government Development Grant Transfers
 Diet for prison inmates and correctional service officers
 Grants in-aid to students
 Grants to handicap schools
 National school feeding program
 Grants to government boarding schools
 Examination fees
 Girl child program
 Tuition fees subsidies to universities
 Malaria prevention and control
 Free healthcare program
 Cost recovery drugs and other medical supplies
 Immunization program
 Diet for approved schools and remand homes
 Grants to welfare institutions
 Program for disabled person
 Child orphans
 Procurement of fertilizers
 Procurement of seedlings
 Procurement of agricultural tools and equipments
 Procurement and distribution of agricultural processing equipments
 Post-Ebola Recovery Priority Program on agriculture
 Establishment of district livestock clinics
 Training of community animal health workers
 Procurement of animal vaccines
 Procurement and distribution of appropriate fishing gears
 Training on appropriate and sustainable fishing practices
 Cash transfers to the aged and vulnerable persons
 Support to SLIPEA
 Post-Ebola Recovery Priority Program on water
 Support to SLARI
 Primary school fees subsidy
 Procurement of textbooks
 Teaching and learning materials
 Local healthcare services
 Support to government libraries
 Local agricultural services
 Rural water services

D. Program Monitoring

16. The Sierra Leonean authorities shall maintain a program-monitoring committee composed of senior officials from the MoFED, the BSL, and other relevant agencies. The committee shall be responsible for monitoring performance under the program, recommending policy responses, informing the IMF regularly about the progress of the program, and transmitting the supporting materials necessary for the evaluation of PCs and benchmarks. The committee will provide monthly reports to the IMF on progress in implementing the program's quantitative targets and structural benchmarks.

Annex. Implementation of the Revised Guidelines on Performance Criteria with Respect to Foreign Debt

The term “debt” has the meaning set forth in point No. 8 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted on August 24, 2000, which reads as follows: “(a) For the purpose of this guideline, the term “debt” will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being as follows: (i) loans, i.e., advances of money to obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans, and buyers’ credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements); (ii) suppliers’ credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and (iii) leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property. (b) Under the definition of debt set out above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt”. (c) Excluded from this performance criterion are normal import-related credits, disbursements from the IMF, and those debts subject to rescheduling arrangements.”

Sierra Leone: Summary of Data Reporting to IMF Staff			
Type of Data	Tables	Frequency	Reporting Deadline
Real sector	National accounts	Annual	End of year + 9 months
	Revisions of national accounts	Variable	End of revision + 2 months
	Disaggregated consumer price index	Monthly	End of month + 2 weeks
Public finance	Net government position and details of nonbank financing, including the stock of the float, treasury bills, and bonds, as well as privatization receipts	Monthly	End of month + 6 weeks
	Government flow-of-funds table (Government Financial Operations Table) with supporting documentation (final) and presented on commitment and cash bases	Monthly	End of month + 6 weeks
	Petroleum product prices and tax receipts by categories of petroleum products	Monthly	End of month + 6 weeks
	Stock of outstanding payment commitments with a breakdown between current and capital expenditures	Monthly	End of month + 6 weeks
	Import duty exemptions by end-users and tariff regimes and estimates of corresponding revenue losses	Quarterly	End of quarter + 6 weeks
	Monetary and financial data	Monetary survey	Monthly
Monetary and financial data	Balance sheet of the BSL	Monthly	End of month + 6 weeks
	Consolidated balance sheets of commercial banks	Monthly	End of month + 6 weeks
	BSL monitoring sheet of net financing of the financial sector to the government	Monthly	End of month + 6 weeks
	BSL monitoring sheet of treasury bills and bonds holdings	Monthly	End of month + 6 weeks
	Borrowing and lending interest rates	Monthly	End of month + 6 weeks
	Results of foreign exchange and Treasury Bills auctions	Weekly	End of week + 3 days
	Stocks of government securities	Monthly	End of month + 6 weeks
	Banking supervision ratios	Quarterly	End of quarter + 8 weeks

Sierra Leone: Summary of Data Reporting to IMF Staff (concluded)			
Type of Data	Tables	Frequency	Reporting Deadline
Monetary and financial data	Gross official foreign reserves	Weekly	End of week + 1 week
	Foreign exchange cash flow table	Monthly	End of month + 3 weeks
	Revised balance of payments data	Monthly	When revisions occur
	Exports and imports of goods (including the volume of key minerals and fuels)	Monthly	End of month + 3 months
External debt	Outstanding external arrears and repayments (if applicable)	Monthly	End of month + 4 weeks
	Details of all new external borrowing and guarantees provided by government on new borrowing, including the associated concessionality calculation (percentage) for each new loan.	Monthly	End of month + 4 weeks
	External debt service payments (separately on principal and interest payment) to each creditor, including and excluding new disbursements in the debt recording system. Also, including and excluding HIPC relief.	Monthly	End of month + 4 weeks
	Report on the stock of debt outstanding, and loan agreements under discussion	Quarterly	End of month + 3 months
HIPC initiative and MDRI monitoring	Statement of special account at the BSL, that receives resources generated by the HIPC Initiative and tracks their use	Monthly	End of month + 4 weeks
	Statement of special MDRI account at the BSL and the corresponding poverty-reducing spending financed	Monthly	End of month + 4 weeks
	Minutes of the meeting of the Monetary Policy Committee	Monthly	Date of meeting + 2 weeks