



NATIONAL AUTHORISING OFFICE

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The National Authorising Office announces EU's early disbursement of €10 million budget support to manage Covid-19 related shock to Sierra Leone's economy

The National Authorising Office (NAO) announced today 1st June 2020 that the Government of Sierra Leone has met European Union (EU) requirements for early disbursement of a €10 million fixed tranche of budget support for the 2020 financial year, under the Third State Building Contract for Sierra Leone. In the face of the unprecedented challenge posed by the Covid-19 Pandemic, this will provide much needed flexibility for Government initiatives to maintain macro-economic stability and support livelihoods, as well as help mitigate funding gaps created by the need to divert significant public development resources towards the Coronavirus response.

The Third State Building Contract is central to the EU's development partnership with Sierra Leone and has a total value of €80,000,000, with €25,000,000 yearly disbursements comprising fixed and variable tranches of €10,000,000 and €15,000,000 respectively. These tranches are released through direct financial transfers conditional on the Government meeting pre-agreed sustainable development reforms, and are intended to strengthen the institutional capacity of the government to implement its Medium-Term National Development Plan (MTNDP).

In its submission to the EU, the Government included:

- A summary of key activities implemented under the 2018 Supplementary Budget and MTNDP, with a particular focus on progress achieved in the key areas of agriculture, education and governance, and foreseeable challenges.
- A review of the macro-economic environment, which indicated that the cumulative effect of fiscal measures adopted in response to Covid-19 would negatively impact progress of the MTNDP and delivery of public services, and that early disbursement of the fixed tranche would help provide the fiscal space to contain the spread of the pandemic in Sierra Leone and mitigate the impact on its people.
- A review of progress made in public finance management, which included a review of the Government's progress in fighting corruption, as well as other improvements in Governance.
- A review of progress made towards increasing the public's understanding of and access to budgetary information.

The National Authorising Officer and Minister of Planning and Economic Development, Dr Francis Kai-Kai thanked the EU Ambassador, Tom Vens and said: "The Government of Sierra Leone's economic policy response to the Coronavirus pandemic, necessitates meeting growing health emergency needs, supporting economic activity and preparing the ground for a seamless transition from recovery to development. The EU's early disbursement of the €10 million fixed tranche of budget support for the 2020 financial year, under the Third State Building Contract for Sierra Leone will help the Government of Sierra Leone deliver on its commitments in these areas. This is a critical

period for Sierra Leone. We are thankful that the trust and spirit of cooperation that we have nurtured with our EU partners is reflected in their invaluable solidarity with us at this time and we look forward to beating this pandemic together.”

The National Authorising Office under the Ministry of Planning and Economic Development works with the EU Delegation to manage the implementation of EU funds, oversee EU-funded projects, and ensure their alignment with Sierra Leone’s national development priorities. The NAO currently monitors a range of projects which span infrastructure, governance, education and agriculture.

Further information can be found on the NAO’s website at www.naol.gov.sl

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