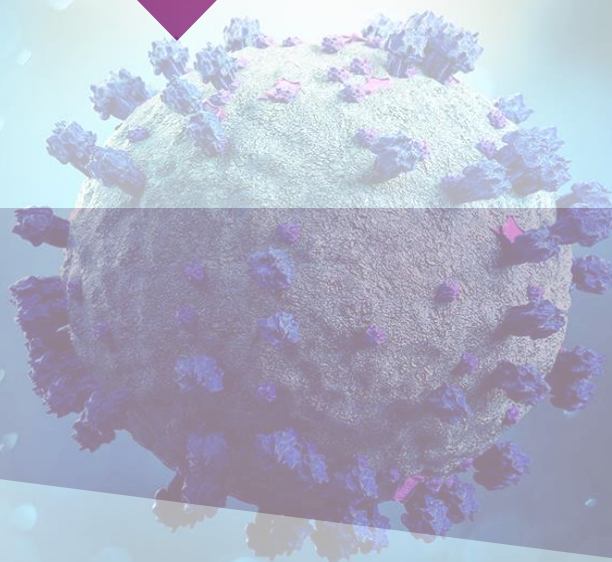


***ASSESSMENT OF THE SOCIO-ECONOMIC IMPACT OF
COVID-19 IN SIERRA LEONE***



JULY 2020

“No country has been spared the impact of COVID 19. But some – the world’s most “fragile states” – face a particularly difficult set of challenges.”

Ellen Johnson-Sirleaf, David Cameron, and Donald Kaberuke

16 June 2020

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ACRONYMS

COVID-19	Corona Virus
EVD	Ebola Viral Disease
FAO	Food and Agricultural Organization
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GVWC	Guma Valley Water Company
IGC	International Growth Center
IMF	International Monetary Fund
MICS	Multiple Indicator Cluster Survey
MoHS	Ministry of Health and Sanitation
MTNDP	Medium Term National Development Plan
NCRA	National Civil Registration Authority
NEC	National Electoral Commission
QAERP	Quick Action Economic Recovery Programme
SME	Small and Medium-Sized Enterprises
SSL	Statistics Sierra Leone
TRC	Truth and Reconciliation Commission
UN	United Nations
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
WHO	World Health Organization
WFP	World Food Programme

1 EXECUTIVE SUMMARY

In 2014 Sierra Leone was hit by the Ebola epidemic followed by a sharp fall in the prices of its major exports. Over 3500 people died in less than a year as a direct result of infection by the Ebola virus. GDP contracted (negative growth of minus 22% by 2016) – albeit from an abnormal high level mainly due to initial very large investments and exports of iron ore and subsequent fall in iron ore prices. Many small mining related businesses in the formal sector collapsed taking with them numerous informal service sector activities. The experience left some hard lessons for policy makers: the importance of careful messaging; the need to engage local communities in the containment and response at the earliest stages of the disease; the value of strategic planning, coordination and organisation; the importance of trust between the citizens and the Government authorities, the risks of politicization of containment measures, patronage and neglect of rules, necessity to enforce accountability, the usefulness of international collaboration etc. With the benefit of hindsight, it was also evident that containment measures themselves produced negative socio-economic effects¹; and the necessity to assess rigorously the degree and extent of direct and indirect effects that impact negatively on lives and livelihoods. The application of these lessons can now guide action to alleviate the negative impact of the current pandemic. Many of these lessons are already being applied to mitigate the negative consequences of COVID observed. An example is the inclusion of other political parties in the management of the crises.

One important lesson is the need to address the negative effects of the disease itself, as well as those of the measures to contain it in real time. To do so effectively requires adequate and timely information about the nature and degree of the effects i.e. Assessing how the socio economy is being affected. Hence this Assessment commissioned by the UNDP in collaboration with all member Agencies of the UN Country Team in Sierra Leone and the Government of Sierra Leone will contribute to the Response and Recovery programme of support to the Government.

This assessment shows that the Pandemic has hit the country at a time when the economy is growing slower than expected. In fact, according to the Governor of the Central Bank², the economy is going through a period of stagflation. The Government's supplementary budget of July 2020 now estimates growth may likely be negative by year end. At the household level, increasing income inequality and food insecurity are imposing greater burdens on women and women headed households. In addition, there are underlying and structural problems that constrain the country's development progress.³ These and other pre-existing conditions compound the effects of measures to control the spread of the disease.

The dire economic outlook begs the need for a careful review and understanding of the direct and indirect consequences of efforts to control the pandemic. In short, measures to contain the

¹ Glennester, Tavnick, 2015

² comments at the World Bank Webinar of 27 July 2020

³ See The underlying root causes of fragility and instability in Sierra Leone. (IGC 2017)

disease are based on an assessment of the potential nature, magnitude, location and effects on the lives and socio economy of people. However, insufficient knowledge of the epidemiology of the disease has rendered predictions largely speculative. Furthermore, aggregating results from reported effects on individual variables that were each an outcome of the interplay of complex factors, only one of which is COVID, is extremely difficult, particularly given the short period (four months) for monitoring and observation, poor knowledge of its epidemiology, the absence of time series data for the relevant variables, and no proxies from elsewhere to use⁴. In the circumstances the pragmatic approach adopted is to assess the effects on key indicators per Pillar, where some data exist, and estimate the impact observed where surveys allow reasonable conclusions to be drawn.⁵

The net impact of the disease during the period March to June 2020 were estimated using observed results from phone surveys and from forecasts conducted or projected by the Government and various development partners and institutions. For each Pillar, 3-5 indicators were selected for their importance and influence within the Pillar. Quantitative and/or qualitative assessment are then made under three sets of assumptions (scenarios).

More specifically as this assessment is to contribute to the formulation of an appropriate Response and Recovery strategy, it focused on observed and inferred changes to selected indicators that are attributable to COVID 19, and that can then be targeted in order to neutralize or eliminate the negative effects. In general, these were the alterations to livelihoods and the systems supporting economic and social activities grouped under the pillars of the UN socio-economic immediate recovery framework excluding the Health pillar that is treated in the Health Plan .

Below summarises the impact of the pandemic on the socio-economy in each of the selected four pillars. It should be stressed that each is not exclusive of the rest.



⁴ For a discussion on the conceptual and methodological challenges of assessing impact of an epidemic. see Mehmet Cangul and Chu Wang (IMF 2016)

⁵ See Annex 2 Methodology

1. Protecting People: Social Protection and Basic Services. Food insecurity has risen sharply from 53.4% in August 2019 to 63 % in June 2020, according to the emergency food security monitoring system published by WFP and FAO. The latest estimate puts the figure at 15% of the population. The worrisome trend observed pre-Covid is now being amplified. Travel and movement restrictions and related socio-economic activities have disrupted domestic supply chains, access to the market, and limited cash grants from within the community will likely impact agricultural production. The prices have also increased (price of rice increased by 8 percent and cassava by 17 percent during the first quarter of 2020).

Basic services including education, access to electricity and water supply have been impacted differently. Education has been the most affected with the closure of educational establishments generating short- and medium-term effects. Unequal access and in some cases, no access at all, to online courses and radio broadcasts are leaving children and students one semester short of services according to location and poverty levels. Whether this will be extended to a full year's loss depends on the spread of the virus. An important spinoff, as noted during the Ebola epidemic is that girls suffer in many ways, more than boys either through sexual violence or through teenage pregnancy.

The critical importance of access to water supply in the urban areas was spotlighted during the lockdown. Efforts were deployed to minimize the effects but extension of lockdowns beyond 3 to 4 days would likely have provoked other effects if the authorities were unable to make appropriate arrangements to cover particularly urban slums. Access to electricity did not suffer significantly except to the extent that poor households were not able to afford the usual amount for electricity due to lower incomes.

In Sierra Leone, social safety nets are primarily community based and rely on the tradition of the extended family that could extend to the rest of the village. This size is of course limited by the level of poverty prevalent in the community. National level safety nets are limited so far to the World Bank supported project that targets 35,000 households (the extreme poor). With new households falling below the threshold for extreme poverty due to COVID 19 effects, the programme should be augmented significantly.

2. Macroeconomic response and multilateral collaboration. For this Pillar, a reasonable amount of data exists, often collected annually by major institutions and partners. The key parameter, GDP growth rate, is decelerating compared to the modest increase of previous years (since 2016/2017) particularly since the 5.1% growth rate in 2018/2019 was projected to decline to 4.2% before the advent of COVID 19. However, four months in 2020, March to June period, is insufficient for conclusive projections given the levels of uncertainty over the interplay of negative COVID effects and the positive Government mitigating measures and interventions such as the one-time support for COVID from external sources. Nevertheless, the circumstances of other parameters such as debt levels, fiscal deficit, inflation, trade balance etc all suggest that a reversal from the projected contraction of the 2019 /2020 trend because of COVID is unlikely. Put differently, COVID 19 will exert negative pressures on macro-economic variables that will extend to 2021 and even beyond. Indeed, in the latest Government projection, GDP is expected to record a negative growth rate in 2020 (- 3.1%).

3. Economic Response and Recovery. Protecting jobs SME and Informal Sector Workers. In this area, the vital importance of the nexus of private and public sectors are revealed by COVID. While the public sector leads the direction of the economy, the private sector is the engine. Hence the assessment also covers the state institutions providing the framework for the operations of the private sector, and that together impact the lives of people. From the International Growth Center (IGC) survey results⁶ the assessment reveals shortcomings such as timeliness of inputs from MDAs, inadequate consultations about solutions to be offered, and above all the paucity of information on the informal sector where approximately 70% of economic activities occur. The Government's injection of Le 500 billion to the formal private sector for essential commodities, injects liquidity as well as forestalls any supply shortages that may arise from external actions as Trading partners shut off supplies. It is reported that approximately 40-50% of the resources have been accessed by mid-July and no shortages of essential supplies have been reported. However, there is no formal reporting done so far and it is still early to assess the full impact on the sector. The limited availability of data for the private sector, especially the informal, aggravates the difficulty of providing appropriate support at times like this.

4. Social Cohesion and Community Resilience. In fragile environments, the pillars supporting social cohesion are frequently under stress, and shocks of the COVID type expose fault-lines and eventually release the volcanic pressures of instability and conflict. The relatively high levels of social instability⁷ in the form of violent incidents (49 with 25 reported fatalities in the first half of the year compared to 46 with 8 reported fatalities in the entire 2019) especially between the youth and security institutions, have their roots in the frustrations derived from several factors including: manifestations of one of the highest income inequality in Africa; negative perceptions of state legitimacy; permanent criticism of the criminal justice system especially the Judiciary and the Police. It should be noted that the informal sector which would normally absorb some of these pressures is itself hit and weakened by the reduced performance due to the collapse of many small businesses in almost all fields.

In the four months of COVID, there have been initial announcements of new official aid by key multilateral institutions amounting to over US\$ 250 million (IMF - \$100m facility; World Bank -\$100 m budget support, and \$50m for; AfDB specifically for COVID 19 efforts). In addition, funds have been announced from bilateral (EU and Qatar). These are likely one-time allocations. It is therefore important to ensure prudent use to cover at least a 12 months period and addressing both pre-existing/underlying issues as well as COVID-related expenses, in the event the Pandemic endures.

In sum, the Assessment reveals that despite compensatory measures, there are still negative socioeconomic impacts of the disease, some of which may continue to spread throughout the economy well after full control of the disease. As a small open economy dependent on foreign trade, exogenous factors compound the domestically generated effects due to the containment measures adopted, most of which are unavoidable. A continuous programme of assessment covering key indicators, particularly of the informal sector and disaggregated for gender, is strongly advised in order to refine and enhance targeting and effectiveness of the measures.

⁶ (IGC 2020)

⁷ Refer to Sec. 6.4 below for more details

What happens next cannot be perfectly anticipated but using the experience of the four months so far three scenarios are suggested.

The first is where the current effects continue for another 12 months without significant change. Here, the key issue is to refine and hone the Response programme using emerging reports to make them evidenced-based. Failure could lead to massive misallocation of resources and even counterproductive results. The second scenario is a worsening of the situation either by failures in the health system, or by strong exogenous influences through trade and other policy issues. In this case, a major recalibration of the Response towards a new normal should be considered. This would call for revisiting both the Response and Recovery strategy and could include more aggressive sub-regional initiatives, more radical changes to the Response strategy, in terms of organisation and containment measures. The third scenario is where the health system collapses completely and or failure to implement the containment measures effectively, provoking other system failures including security, food supplies etc. Here, emergency measures will have to be taken, akin to a war situation; hopefully never to occur.

2 INTRODUCTION

BACKGROUND

The COVID pandemic was first announced by the World Health Organisations (WHO) as a public health crisis of global proportions on January 30, 2020. It quickly evolved into a complex humanitarian crisis with two distinct but interrelated components, health, and socio economic.

The health component encapsulates measures to address the direct consequences on people's exposure to the disease. In Sierra Leone, the Ministry of Health and Sanitation (MoHS) in collaboration with WHO and other partners, has formulated a strategic plan, the COVID Health Preparedness and Response Plan to address the health component of the COVID crises.

The socio-economic component consists of the direct and indirect effects of the humanitarian, social and economic measures taken to control the spread of the virus. The consequences have both primary and secondary effects on the population, especially the most vulnerable including women and children, as well as the economic and socio-political systems of society. Governments all over the world are therefore engaged in providing mitigating measures to attenuate the negative socio-economic impact and eventually prepare a Response and Recovery programme. The Sierra Leone Government has already prepared a Quick Action Economic Response Programme (QAERP). A careful assessment of the COVID 19 impact is a first step towards ensuring the effectiveness of such a Response and Recovery programme.

The primary impact of the disease is on people, and the assessment must focus on their lives and well-being, as well as how they cope with the shock of COVID 19 and the containment measures adopted. For Sierra Leone where social safety nets are limited in coverage or almost absent in deserving areas and at the national level, and where there is widespread poverty, the coping capacity at the community and household levels are low. Furthermore, from the perspective of the business environment, the disruptions in economic activities resulting from control measures adopted to contain the disease, turn out to become major stress factors for all private sector firms, more so for small and micro enterprises where women are more prevalent and are the hardest hit.

Sierra Leone, like many other sub-Saharan African countries is a male dominated society, although women constitute over 52 percent of the country's total and economically active population respectively. This socio-economic assessment of the impact of COVID in Sierra Leone is undertaken from the onset with a gender lens. For national shocks such as COVID 19, differential impact is observed between men and women largely because societal roles and responsibilities differ. Taking this into consideration an assessment of the differential impact is critical to ensure that the eventual Response and Recovery address the needs of all, especially women – among other vulnerable groups, such as youth and people with disabilities - who are often only marginally considered at best.

This assessment draws from recent surveys and existing data collected routinely on the socio-economic landscape of the country. Primary data were not collected directly, although the key studies relied upon all collected data during the COVID period. Key stakeholders were interviewed, and comparisons with similar conditions made. A description of the methodology for the Assessment is in Annex C.

For Sierra Leone, a low-income country with several symptoms of fragility, coping with the two components of the crises imposes a burden on state capacity that could push the country's development indicators back to pre-conflict days. Thus, the assessment will also examine how socio-economic conditions in Sierra Leone have evolved in the recent past and changes observed with the onset of COVID.

Tracking the key socioeconomic indicators for the period 2014 to 2020 reveals that the country has still not recovered fully from the twin shocks of the Ebola epidemic and the collapse of commodity prices for its main exports in 2014. A lot of gains had been made since then but COVID now threatens to erode all these gains made as indicative of the reversed projections for 2020 from 4.2 to -3.1 percent. The emerging growth evidenced by improvements in key indicators, show that the 2018/2019 movement seems to have lost steam by 2020 in tandem with the situation in most other African countries as many indicators registered lower performance than the previous year⁸. Not surprisingly social indicators have not advanced either. Against this background, the data from the last 5 years show that the Pandemic has hit the country at a bad time, potentially exacerbating pre-existing conditions over the medium term in all areas.

As mentioned above, Sierra Leone, like many other sub-Saharan African countries, remains a male dominated society despite significant efforts and investment from the government, development partners, and civil society organisations to minimize gender inequality and discrimination at all levels. The history of gender discrimination could be traced in the country's long-standing social and cultural norms and gender stereotyping that dictate relationships, roles, and responsibilities between men and women, as well as access to power, resources, and privileges⁹. While efforts have been made to address these issues (through enactment of a range of laws, policies, and strategies as well as a dedicated Ministry responsible for gender matters), yet a lot more needs to be done as women and girls continue to suffer the impact of socio-economic crisis, including by being affected by school drop-out, early marriage, teenage pregnancy and sexual and gender based violence.

The pandemic is therefore expected to disproportionately affect women and girls as compared to men and boys. People with disabilities will also be disproportionately affected, as mechanisms for their social integration are still very weak or absent.

⁸ Statistics SL Unpublished GDP Update June 2020, and Sierra Leone Economic Update (World Bank 2020 embargoed until mid-July)

⁹ Sierra Leone Medium Term National Development Plan, 2019 to 2023

The country's recent experience with the Ebola epidemic does provide some lessons that can be useful for the current crises. However, a key difference between the Ebola epidemic and the current COVID 19 Pandemic can be found in the nature and influence of external factors. While most of the negative effects of Ebola were internally derived, in the current case the restrictions to trade and travel at the global level are having direct and indirect local consequences for the economy and for livelihoods. Adequate preparation, monitoring and planning and coordination were crucial for controlling the Ebola crisis. Another lesson from the Ebola crisis was the need for a holistic and comprehensive response that must be evidence-based. Hence an Assessment at this point is timely for the current crises.

In the case of COVID 19, even before the first case was confirmed in the country, the Government had prepared an emergency response programme – the Quick Action Economic Response Programme (QAERP) in anticipation of the spread of the disease into the country. The programme outlines key stress areas which the Government and development partners should address. The UN System of Agencies constitute one such key partner, that normally supports the Government's programmes as contained in the Medium-Term National Development Plan (MTNDP 2019-2023), through the framework of a comprehensive and coherent UN programme, the United Nations Sustainable Development Cooperation Framework (UNSDCFUNSDCF 2020-2023). The Government's intention is to ensure that the response to the negative impact of COVID will fuse seamlessly into the Medium-Term National Development Plan (MTNDP). The UN System is similarly preparing a Recovery and Response Strategy to support the Government's efforts.

Following this introduction, the rest of the report is organised as follows: Section 2 is the brief summary of the state of the SL economy showing its evolution over the past 5 years with emphasis on the areas likely to be affected by the Pandemic, including the initial impact on the macroeconomy. Section 3 describes the channels through which the impact permeates the social and economic activities of the country. Section 4 presents the results of the quantitative and qualitative actual and potential assessments by UN Pillars together with the sources of the data and information. Section 5 presents the observations on the gaps and overlaps in data collection and makes recommendations for action. Section 6 concludes the report and points to areas that should receive greatest attention in formulating a Response and Recovery programme.

3 METHODOLOGY

OVERVIEW

The terms of reference for the assignment calls for preparation of a comprehensive socioeconomic impact assessment report by ensuring the quality, logical frame and flow, soundness of analysis, accuracy and appropriateness of accompanying gender disaggregated data, drawing from existing assessments recently undertaken by UN System and other development actors.

Furthermore, in the absence of primary data collected directly as a part of the Assessment, there was reliance on reports on COVID 19 effects produced by numerous third parties using phone surveys. However, these covered specific dimensions of the effects depending on individual interest and considering the limited time for the full manifestation of effects. Heavy reliance was therefore placed on the International Growth Centre's (IGC) survey¹⁰ that was relatively comprehensive, regular, and covered the entire period assessed for actual effects.¹¹

The approach to the exercise was influenced by the Draft UN Guidance Note for COVID19 Recovery Needs Assessment, guided by the exigencies of the local context. The initial literature search was followed by desk studies and compilation of summaries of the results of various COVID surveys – many of which are still ongoing. Lastly, key informant's interviews were undertaken as was a survey of media reports. An analysis of the recent evolution of the socio-economy was undertaken in order to obtain firm data on the trajectory of the economy and to obtain a baseline and some evidence of the counterfactual i.e. if COVID had not struck. This provided a more realistic assessment of the unique effect of COVID 19 over the first 4 months. Naturally, the extent of comprehensiveness was dependent on the availability of data.

Noting that the results of the Assessment are to form part of the basis for the Response and Recovery Plan that in turn will support the Government's Response and Recovery efforts, the key Ministries – Finance; and Planning and Economic Development - were involved in the exercise.

Throughout the exercise there were frequent consultations with the UN Country Team (UNCT), as well as the UNDP and UNEP Regional Offices. In addition, selected Government officials participated in the collection and compilation of information, and in providing strategic guidance. Meetings with the UNCT were also organized by the UNDP.

Using the data available, the assessment covered four of the five thematic lines of the UN Framework. The Health Pillar was left out as the National Health Preparedness and Recovery plan

¹⁰ tracking.corona.sl@gmail.com.

¹¹ Add Dashboard's URL ie proper footnote

had been already prepared by the Government, with the support of WHO and in collaboration with the UNCT and Development Partners. Key elements of the plan will be included in the UN Recovery Framework.

During the course of compiling available reports, it became apparent that data limitations would make it impossible to show results quantitatively except in a few areas. A pragmatic approach was adopted for the Assessment, and the results are presented in both quantitative and qualitative terms.

4 DATA ISSUES/LIMITATIONS

In compiling the reports of surveys and other studies it was apparent that in an attempt to assess rapidly the emerging effects of the pandemic, and in the absence of any coordinating platform many reports addressed similar areas of concern and in any event reflected the mandates and interests of the originators of the survey. As a result, some key information is unavailable while some are oversubscribed. Annex D lists data requirements and the available sources of information for indicators in each of the UN Pillars. From the reports we note the following:

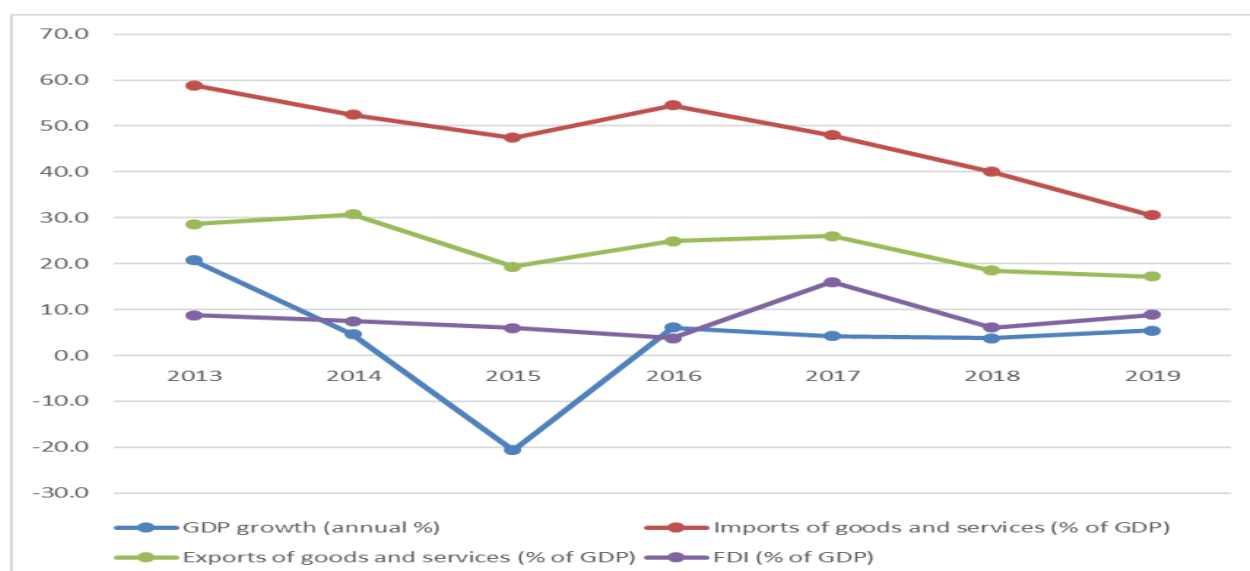
- There is no uniform standard adopted by all those who conduct surveys Yet all surveys publish reports destined to guide decision-making at the national level
- Large discrepancies in figures are sometimes explained by different definitions or different base years. The result is confusion. Sometimes, sector figures are not consistent with available evidence
- Not all areas or subjects of the development landscape required for policy reforms are covered.
- Two areas grossly unrepresented are the informal sector and gender issues.

5 RECENT DEVELOPMENTS IN THE SIERRA LEONE ECONOMY

The Sierra Leone economy is small, open, and largely undiversified. Since the end of the conflict in 2002, the country has recorded progress in several fronts. Income poverty has declined from 66 percent in 2003 to 56.8 percent in 2018 and primary school enrolment increased by 57.7 percent from 2013 to 2018¹².

From 2013 to 2019, the country's GDP growth rate has been fluctuating largely as a result of the twin shocks of the fall in commodity prices and the Ebola outbreak in 2014 and 2015. Immediately after the war, the agricultural sector was the main driver of GDP growth providing a period of stable growth. The start of iron ore exports led to a boom in 2012-14. The outbreak of Ebola in 2014 coincided with the slump in mineral prices including the drastic decline in prospecting for oil. By 2015, the economy virtually collapsed with a double-digit drop in GDP growth. Measurements of most metrics, except inflation, reflect this volatility and vulnerability.

Figure 1: Selected Macroeconomic Indicators



Source: Sierra Leone Economic Update, 2020, World Bank and World Development Indicators, 2020

However, though short-lived, a recovery occurred in 2016 with a positive growth of 6.1 percent, but slowed down to 4.2 percent in 2017, and to 3.4 percent in 2018¹³. As in previous years, GDP growth in 2018 was largely driven by the agricultural and services sectors. Increased production

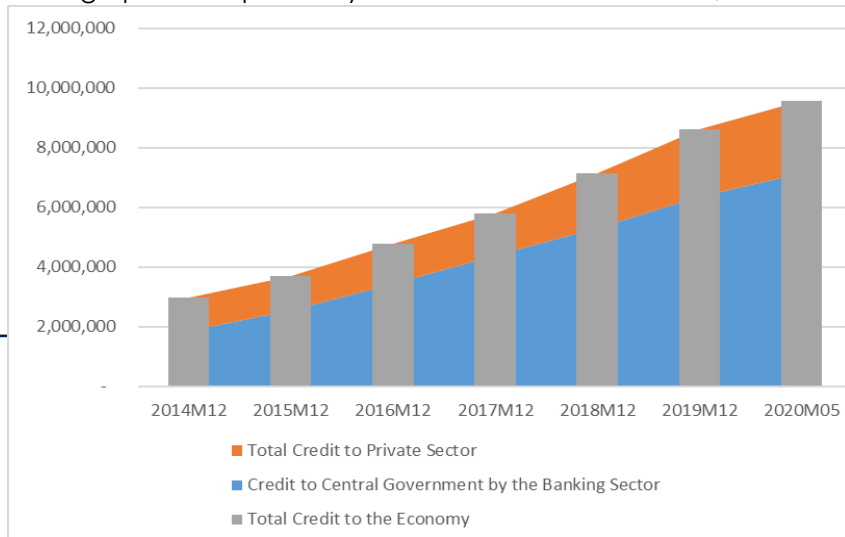
¹² SLIHS, October, 2019

¹³ It should be noted that 2017 and 2018 were respectively a pre-electoral and electoral years, with change of government and political strategy.

of key agricultural goods (rice, cassava, maize, and oil palm) contributed 2 percentage points to GDP growth¹⁴, followed by services with a contribution of 1.79 percentage points. In 2019, GDP growth was 5.1 percent – the highest since 2016. With the closure of the country's major iron ore companies, on the supply side, GDP growth was largely driven by the agriculture and services sectors each contributing 2.3 and 2.5 percentage points respectively. While on the demand side, growth was driven by private consumption and gross fixed capital formation¹⁵.

The deceleration in GDP growth rate observed in 2019 is likely to be exacerbated by the general effects of COVID. At the same time the negative trade balance has contributed partly to inflation, hovering around 14 percent in December, 2019, and the depreciation of the country's currency against the dollar and other major foreign currencies: from Le 4,327.01 to the US \$ in January 2013 to Le 9,725.78

in January 2020¹⁶ Some of the gains recorded such as the Dec 2019 inflation of 13.9, and the projections are now unlikely amidst COVID effects.



On the other hand, with a trade to GDP ratio of 56.7 percent, Sierra Leone's trade openness is among the lowest in the world. FDI flows to Sierra Leone from 2016 to 2019 increased from \$138 million to \$368 million. However, UNCTAD already reported that for the first quarter of 2020, greenfield projects in the extractives fell by 82% - the sector that traditionally attracts the most investments in Sierra Leone. Nevertheless, the external sector is a major driver of economic growth. The country is endowed with natural resources which are exported in raw form largely to Asia and Europe. China is Sierra Leone's main trading partner, and merchandise exports to China in 2018 amounted to US\$87 million. Thus, there is still hope that the mining sector will rebound.

Additionally, over the past 5 years, the banking sector's credit to the central government hovered around 70 percent of total credit and seems to be increasing though at a slow pace. Thus, domestic borrowing by the public sector and that is crowding out loans to the private sector seems to be reducing albeit slowly.

¹⁴ Macroeconomics, Trade and Investment Global Practice, Sierra Leone Economic Update, June 2019 e

¹⁵ Sierra Leone Economic Update, 2020 – The Power of Investing in Girls, World Bank, June, 2020.

¹⁶ <https://app.datawarehousepro.com/go/sierraleone>

Figure 2 confirms the dominance of Government borrowing in the domestic economy, This preponderance of public over private debt, although showing signs of improving is one of the pre-existing conditions that should be taken into account when COVID 19 mitigating programmes are offered to the private sector.¹⁷

Table I: Selected Economic and Financial Indicators

	2015	2016	2017	2018	2019E
REAL ECONOMY					
GDP CONSTANT PRICES (BILLIONS OF LEONES)	21,583	24,296	27,611	31,722	37,180
GDP AT CONSTANT PRICES	-20.50	6.4	3.8	3.5	5.1
GDP (EXCLUDING IRON ORE) AT CONSTANT PRICES	3.2	4.6	3.6	5.7	5.1
PER CAPITA GDP (IN US\$ ATLAS METHOD)	583	481	499	506	515
INFLATION					
CONSUMER PRICES (END-OF-PERIOD)	8.4	17.4	15.3	18.0	14.0
CONSUMER PRICES (AVERAGE)	6.5	12.9	18.2	16.6	16.0
SELECTED MONETARY ACCOUNTS					
BASE MONEY	8.3	23.9	9.0	2.9	25.1
M3	4.9	17.9	7.0	16.7	19.8
DOMESTIC CREDIT TO THE PRIVATE SECTOR	9.1	16.7	4.9	19.0	15.4
MONETARY POLICY RATE	9.5	11.0	14.5	17.0
GROSS INTERNATIONAL RESERVES (US\$ MILLIONS)	580.0	503.0	501.0	481.0
NET INTERNATIONAL RESERVES (US\$ MILLIONS)	372.0	193.0	131.0	107.0
EXTERNAL SECTOR					
TERMS OF TRADE (DETERIORATION -)	-22.4	9.0	13.6	-11.4
EXPORT OF GOODS	-55.4	15.3	-4.9	3.2	37.6
IMPORT OF GOODS	-18.1	28.9	23.6	8.6	5.7
GROSS INTERNATIONAL RESERVES, MONTHS OF IMPORTS	3.7	4.3	3.5	3.3
NATIONAL ACCOUNTS					
GROSS CAPITAL FORMATION	14.0	12.7	19.2	17.9	16.8
GOVERNMENT	7.6	8.7	8.5	7.1	6.1
PRIVATE	6.4	4.0	10.6	10.8	10.7
NATIONAL SAVINGS	-1.5	9.2	8.2	3.9	4.2
FISCAL ACCOUNTS					
REVENUE (EXCLUDING GRANTS)	10.8	12.1	12.2	13.8	14.5
GRANTS	5.4	3.1	2.5	3.1	2.3
EXPENDITURE	20.8	23.2	23.4	23.6	21.1
GENERAL GOVERNMENT BALANCE	-4.6	-8.0	-8.7	-6.8	-4.3
GENERAL GOVERNMENT BALANCE (EXCLUDING GRANTS)	-10.0	-11.0	-11.2	-9.9	-6.6
DOMESTIC PRIMARY BALANCE¹	-4.7	-5.8	-4.5	-2.4	-0.7
FINANCING AND DEBT					
	2015	2016	2017	2018	2019e
PUBLIC DEBT	42.1	51.5	61.5	68.3	72.6
DOMESTIC	12.6	14.6	16.5	25.3	27.6
EXTERNAL PUBLIC DEBT	29.4	36.8	45.0	43.0	45.0

¹⁷ To illustrate, paying off outstanding debt to private operators will generate less market distortions than providing loans to private sector operators.

EXTERNAL SECTOR					
BALANCE OF PAYMENTS	-4.3	-5.1	-0.2	-1.0	-0.4
CURRENT ACCOUNT BALANCE	-20.1	-3.5	-10.9	-14.0	-12.6
TRADE BALANCE	-18.0	-7.7	-14.7	-16.1	-11.5
CAPITAL AND FINANCIAL ACCOUNT	11.7	12.6	8.6	13.0	12.3
OTHER MEMORANDUM ITEMS:					
NATIONAL CURRENCY PER US DOLLAR (AVERAGE)	5,076	6,417	7,366	8,211
NATIONAL CURRENCY PER US DOLLAR (END-OF-PERIOD)	5,639. 0	7,195. 0	7,537. 0

Source: Ministry of Finance, Bank of Sierra Leone, Statistics Sierra Leone.

6 GENDER ISSUES

Sierra Leone, like many other sub-Saharan African countries is a male dominated society although women make up over 52 percent of the country's population. Noting that complex national crises entail shocks that affect different segments of the population differently, the effects of the COVID Pandemic impact women, children and vulnerable groups need to be carefully analysed and monitored in order to ensure appropriate response actions and recovery programmes.

The differential socio-economic impact observed between men and women occurs largely because of unequal roles and responsibilities. Any assessment of socioeconomic impact must from the outset take account of these differences, the context in which they exist, and the resulting consequences for the society.

It should be noted that initial results from surveys so far show that men have suffered the brunt of the direct health effect as they outnumber women among the infected, and men have a higher mortality rate from the pandemic¹⁸. Some possible explanations include men's attitude to seeking medical care early¹⁹. However, surveys are pointing to the indirect impact of the pandemic as being more onerous for women. As lockdown measures are introduced, and with children out of school, women's domestic responsibilities and unpaid care work have surged. There is also anecdotal evidence of an increase in violence against women - due to long hours spent at home with intimate partners etc. The results from recent surveys²⁰ confirm that women's economic hardships have worsened.

It is not uncommon for husbands to start a different family in the location where they find a job and then find it harder to provide for two families - with the consequence that they end up

¹⁸ See (<https://globalhealth5050.org/covid19/men-sex-gender-and-COVID/>)

¹⁹ See (<https://globalhealth5050.org/covid19/men-sex-gender-and-COVID/>) "In nearly every country we are tracking, including in those countries where there are a higher number of confirmed cases in women, the majority of deaths are in men.

²⁰ IGC Dashboard, IPA, UNICEF

providing primarily, if not exclusively, for the family in their proximity. The female headed household finds itself with a single breadwinner, and reduced income due to COVID effects will have a greater impact than with male headed households where both parents bring incomes home.

This illustrates how female headed households are systematically different from male headed households and with both types affected differently by COVID.

The ongoing IGC study compared male to female-headed households in terms of how they experience economic shocks and food insecurity. The study shows that these effects appear most concentrated in the poorest 25-50% of the population. Despite this, female-headed households are 2.5 percentage point (13%) less likely to report receiving government support.

7 CHANNELS CONVEYING NEGATIVE IMPACT OF COVID

Identifying and understanding the channels through which the disease affects livelihoods, the economy and social relations is essential for assessing the effects and the longer-term impact. The results would form the basis for remedial action that is better targeted, more effective and with minimum inadvertent consequences.

The **primary channel** is the health system in place. The spread of the infection directly affects the health status of the population through the debilitating symptoms of some of those infected. Such symptoms range from mild to severe conditions and even death. It is also known that the majority of those infected are asymptomatic but can nevertheless infect others²¹. To make matters worse there is insufficient knowledge so far of the behavioural patterns of the virus causing the disease, rendering planning to contain the pandemic difficult. Diagnosis and treatment usually constitute the first step at the onset of a disease. Given the speed of infection, providing for the sick is an onerous burden for even the best health system in the world.

For Sierra Leone's health system that is characterised by very low health care offerings, through an already frail public service, if the epidemiology observed in other countries with high death tolls were to replicate in Sierra Leone the results would be disastrous. Uncontrolled spread of the disease would provoke a demand for clinical treatment that will overwhelm current capacity and crowd out resources for response to normal health needs including services for chronic diseases such as malaria, tuberculosis, and water-borne diseases. The resulting budgetary pressures would lead to budget reallocations at the national and household levels that in turn will have repercussions for the rest of the economy and hurt the poorer household severely, as well as reduce the amount allocated for other diseases.

²¹ See COVID 19 Health Preparedness plan

At the national level, budget reallocations to the sector are necessary to meet the additional and unforeseen COVID 19 requirements. Hence there are two types of socio-economic effects derived from the health component of the crises: direct on the household that has to cater for the sick and infected at home. When the sick is the breadwinner, the entire household will lose the means to meet daily life expenses. The indirect effects take place at the national level through reallocations and pressures on the budget to address the health system requirements of the disease²².

The **second channel** consists of the measures adopted to prevent the spread of the disease. In particular, quarantines, social distancing, lockdowns, curfews, and restrictions on inter-district travels, all disrupt economic activities and result in negative socio-economic consequences. In Sierra Leone, two thirds of the economy are in the informal²³ sector, and account for over 40% of GDP²⁴. Income from such activities are earned daily. Hence any interruption affects livelihoods and ability to meet bread and butter needs. With almost 60% of the population categorised as poor, there is little buffer or cash savings to meet income shocks. The solution as evidenced by phone surveys has been to borrow or go without essential services/needs.²⁵ Hence the effects and longer-term impact on the poor and extremely poor are severe, and manifested in increased food insecurity, greater indebtedness both of which plunge households deeper into poverty.

Disruptions of economic activities directly affect the formal sector in several ways that are easier to track and estimate. However, extrapolations into the future are faced with issues of non-linearity and calculating the mitigating influence of accompanying compensatory measures, not only for the variable under consideration but also the entire universe of activities within which it operates.

A **third channel** for transmitting the impact is through external forces that influence and even determine activities in the domestic economy. These are similarly derived from containment measures by other countries that restrict global trade and limit human travel in addition to downturns in the global economy that reduces demand for commodities and tourism services. The entire ecosystem built around international flights to and from Lungi and extending to the boating companies and support services collapsed overnight upon closure of the airport in March.

Another external influence is in the form of remittances that are now important for both household consumption and informal sector investment. Reduction of flows is likely, due to reduced incomes resulting from the slow-down in the economies of host countries plus the loss of lives by Diasporas who tend to work in front-line occupations. As the bulk of such flows go towards local consumption, household level consumption is likely to fall. Available data on remittances either in

²² Additional work will be required to determine the full cost implications.

²³ Statistics SL 2017 – chap 4)

²⁴ SLIHS 2018

²⁵ IGC Dashboard - Tracking the economic consequences and response to COVID

the form of volume or direction are scanty, although the BSL's coverage seems to be improving with the crackdown on informal FX transfers leading to better coverage from formal businesses²⁶.

8 ASSESSMENTS OF EFFECTS ON THE SOCIO-ECONOMY

This section presents quantitative and qualitative assessments of the socio-economic effects of the disease as observed so far, grouped in the four following categories, based on the global UN socio-economic immediate recovery framework. The health component, which is already at plan stage, will be included in the UN Framework for the Response and Recovery programme.

MACROECONOMIC RESPONSE AND MULTILATERAL COLLABORATION

In general, the COVID 19 pandemic has affected the economy largely through the disruptions in domestic economic activities and COVID induced changes in global trade, tourism, and aid flows. Based on initial assessments done by government, UN Agencies, Think Tanks and development partners, some actual and potential effects on macroeconomic indicators are as follows:

GDP Growth: Before the onset of COVID, the economy was projected to grow at 4.2% for 2020 from 5.1% in 2019²⁷ and to average 4.5% over the medium term (2021 -2023). However, with only four months in the pandemic, real GDP growth for 2020 is now projected to drop to -3.1% due to the pandemic. The initial projected drop suggests that the economy was losing the momentum of 2018/2019 and even though growth was expected to be positive, economic activities were not expanding, and 2020 was going to be a difficult year. The revised projection (-2.2%) of a COVID 19 affected 2020 has now been downgraded further to – 3.1%²⁸ confirming challenging times ahead.

Domestic Revenue: The pandemic is expected to affect domestic revenues negatively largely due to reduction in economic activities as a result of measures adopted to contain and control the spread of the disease as well as some tax deferrals. Estimates from the Supplementary Budget, 2020, indicate that domestic revenue collected for the first half of 2020 (January and June) amounted to Le2.65 trillion, about 13% less than the original target of Le3.04 trillion. The shortfall was largely recorded in the second quarter coinciding with the period of increasing

²⁶ For example, internal records within the Bank shows that inflows more than doubled in April and May, but this was because two key FX agents now submit reports.

²⁷ Sierra Leone Economic Update, 2020, World Bank

²⁸ Government Supplementary Budget - July 2020

infection rates, and the government's launch of drastic containment measures. The revised estimate from the Supplementary Budget indicates that domestic revenue is projected to decline by Le1.10 trillion (17%) from the Le6.47 trillion (14.8% of GDP) projected prior to CoVID19, to Le5.40 trillion (13% of GDP). Consequently, a significant proportion of government expenditure will be financed by either grants, loans or debts (external and domestic). The ratio of domestic revenue to total revenue and grants is also expected to fall.

Government Expenditure: At the end of 2019, total government expenditure was projected to increase from 20.5% of GDP in 2019 to 21.5% of GDP in 2020. However, due to the pandemic, government total expenditure net lending is now projected to further increase from Le9.35 trillion to Le10.5 trillion (25.4% of GDP)²⁹ to meet the increased costs associated with both response and recovery effort.

Table 3: Estimates of Macroeconomic Effects

INDICATOR	2019 (Actual)	2020 (Proj prior to COVID)	BASELINE	Net COVID Effect
			2020 (Proj with COVID)	
DOMESTIC REVENUE	5,662,859	Le6.47 trillion (14.8 percent of GDP)	Le 5.40 trillion (13.0 percent of GDP) 5,505,357	Strong
GOVERNMENT TOTAL EXPENDITURE (%GDP)	20.8	20.5	23.1	
FISCAL DEFICIT (%GDP)	-2.6	-1.9	-8.9	Major
INFLATION (%)	14	Single digit	15.6	Mild
EMPLOYMENT (ILO DEFINITION) 2018 FIGURES (%)	3			Major
EMPLOYMENT (RELAX DEFINITION) 2018 FIGURES (%)	12			Major
FOREIGN DIRECT INVESTMENT (US\$ MILLION)		235.3	117.65	Major
IMPORT(US\$'000)	214,157.10			Mild
EXPORTS (US\$'000)	37,633.22			Moderate
CURRENT ACCOUNT BALANCE	-1,611,662.31			Major
DOMESTIC CREDIT TO PRIVATE SECTOR				Major

²⁹ Supplementary Government Budget, Ministry of Finance, July 2020

REMITTANCES (US\$)				Major
PUBLIC EXTERNAL DEBT (US\$ MILLION)	1,605.51	1,623.33	1,641.15	Major
PUBLIC DOMESTIC DEBT				Unknown
EXCHANGE RATE (MID RATE - LE/US\$)	9,711.32			Mild
TOTAL REVENUE AND GRANTS (LE MILLION)	6,726,688.00	8,050,277.00	9,373,866.00	
DOMESTIC REVENUE/TOTAL REVENUE AND GRANTS	0.84	0.85	0.86 ³⁰	

Source: Ministry of Finance, Bank of Sierra Leone, World Bank

Fiscal Deficit: With the expected decrease in domestic revenue and increase in government expenditure largely due to extra budgetary expenditures the fiscal deficit is expected to worsen. The deficit which was estimated to increase from -2.8% in 2019 to -3.3% in 2020 is now revised to -6% because of the pandemic.

Inflation: the shocks resulting from the pandemic will disrupt the supply of basic commodities and consequently result in higher inflationary pressures³¹ which could affect short and medium-term inflation targets as well as global benchmarking criteria. Supply-side disruptions (especially due to restricted movement) and disruptions in the shipping sector could lead to a domestic shortage of goods and essential commodities imported from the affected countries. So far, both the Governor of the Central Bank and the Ministers of Trade have confirmed in public statements that Government containment measures have been effective, and no shortages are envisaged.

On the other hand, demand-side pressures could also exacerbate these supply-side inefficiencies. The closure of borders, community markets, quarantine of affected areas, and restricted domestic movement or 'lockdown', have so far not reduced the availability of locally produced goods including food items. Minor price hikes due to panic buying especially during days closer to the lockdowns combined with the depreciation of the Leone might drive prices significantly upwards. Accordingly, inflation which was about 13.9% by December 2019 and was projected to be in single digit in 2020 (prior to the pandemic) is now projected to be 15.6% in 2020.

Foreign Direct Investment (FDI): FDI inflows to Sierra Leone recovered in 2018 after a significant decrease post Ebola. With combined investment worth billions of USD, in almost all the key sectors (Mining, agriculture, fishery, information technology, infrastructure, electricity health, etc) China has increasingly become one of the country's main sources of FDI. However, UNCTAD predicts³² a 40% global decline in FDI in 2020 due to the COVID 19 effects. The pandemic is likely to disrupt these investments, as China may well prioritize domestic economic stimulus to resuscitate growth

³⁰ Increase probably due to improved collection at the ports plus currency depreciation

³¹ IMF projects inflation to reach 17.5% by year end.

³² UNCTAD World Investment Report 2020. https://unctad.org/en/PublicationsLibrary/wir2020_en.pdf

that has been eroded by COVID 19 disruptions. Also, with the debilitating effect of the pandemic on the other trading partners (Europe, UK, US, etc), FDI flows into the country can be expected to decrease. Accordingly, FDI which was projected to increase to US\$235.3million in 2020, is estimated to fall to US\$117.15 million in 2020. This could offer the opportunity for structural transformation by targeting regional investments in regional value chains, domestic expansion of services to neighbouring countries in the technology space etc³³.

Exports and Imports: the external sector is one of the main drivers of growth in Sierra Leone. The country is rich in natural resources, which are exported in raw forms with little or no value added. The disruption of economic activities in the country's major trading partners will likely result in lower demand for commodities triggering further fall in commodity prices, which have not fully recovered from the 2014 slump. Exports are now projected to decline by 53.8% compared to the initial projected growth rate of 28.1%, while imports are projected to drop by 8.3% compared to 4% initially projected largely due to the fall in international oil prices³⁴ and the reduction in domestic economic activities. As a result, the trade deficit will deteriorate to US\$ 788 million from US\$ 406 million projected – almost double. A fall in commodity prices will result in lower export earnings, and by extension lower GDP growth. By disrupting the supply chain, the pandemic will also hamper import trade raising the possibility of price increases in imported goods, affecting both consumer prices and intermediate goods that are inputs for other sectors.

Remittances: Remittances (transferred formally and informally) are expected to fall due to weak global economic growth as a result of the negative impact of the pandemic. However, the available data is a compilation of formal transfers through Exchange bureau and financial institutions such as Western Union. No data exists on the non-formal transfers through relatives, travellers, private arrangements to pay abroad and be credited with Leones. Current Bank of Sierra Leone's figure³⁵ showing the almost doubling of the figures for May and June is explained largely by the inclusion of key conduits in the reporting system, and also the restrictions on travel that may have forced more remittances to be transferred through formal mechanisms. There has been a trend of an increasing level of transfers over the last ten years explained in part by greater investments in real estate and or to compensate for increasing poverty levels. A thought not to be dismissed is that Diasporas are becoming more affluent as they settle down to their new surroundings and can get more income rewarding jobs.

Exchange rate: in the absence of balance of payment support, budget support and debt relief, negative effect of the pandemic on the hospitality sector, the exchange rate is expected to continue to depreciate. Estimates from the 2020 Supplementary Budget, suggest that the

³³ Over 5 decades of courting FDIs has yielded remarkably inconsistent success - even with the country's abundant natural resources. COVID 19 may just be the evil that would force a diametric change in investment policy for more sustainable results. In particular to encourage local and regional investments including from the Diaspora.

³⁴ Quick Action Economic Recovery Programme

³⁵ From BSL reports

exchange is forecasted to depreciate to Le10,717 to a dollar by December 2020 compared to an initial estimate of Le10,510 prior to COVID.

External Debt: With the expected fall in domestic revenue and increase in government expenditure which will further deteriorate the fiscal deficit, it is expected that the government will resort to external borrowing to finance the deficit, and to refinancing for expanding the fiscal space. Accordingly, external debt is now projected to increase from 66% to 77% of GDP as a result of the pandemic.

Multilateral Collaboration: In the four months of COVID, there have been initial announcements of new official Aid by key multilateral institutions amounting to over US\$250 million (IMF -\$100M facility; World Bank - \$100million budget support and \$50 for COVID efforts. In addition, funds have been announced from bilateral partners (EU and Qatar). These are likely one-time allocations to support response to the pandemic. It is therefore important to ensure prudent use to cover at least 12 months period and addressing pre-existing/underlying issues as well as COVID-related

expenses, in the event the pandemic endures. No doubt, the goodwill by the current administration will result in more financial support from key partners as the pandemic endures.

In addition to financial support, multilateral collaboration will be needed to contend with some of the distortions to international trade and investments that are evolving. New arrangements may be timely for new partners in the Middle and Far East. More importantly, there is an opening for intensifying collaboration within the sub region specifically the MRU, and the wider African region with the onset of the African Free Trade Area.

PROTECTING PEOPLE: SOCIAL PROTECTION AND BASIC SERVICES

8.1.1 HOUSEHOLD EXPENDITURE

According to the IGC survey³⁶, the number of households able to consume all meals in a week dropped by 20% from April to the first week of July.

The number of households reporting reduced daily meals amounted to 30%. Thus, the evidence suggest that households are cutting back food consumption because of the pandemic.

There are differences in reductions in food consumption between rural and urban areas. For example, for Freetown, 20% of residents are unlikely to reduce their food consumption to zero in a typical day because of higher income levels compared to rural residents.

8.1.2 POVERTY

³⁶ IGC ibid

The 2018 SLHIS reports the poverty rate in Sierra Leone at 56.8%, with rural areas being as high as 73.9. Food poverty line per adult is Le2,125,000 annually. This is the amount needed to buy enough food following the local diet. Food and non-food poverty line per adult is Le 3,921,000. Extreme poverty rate was calculated to be at 12.9%.

Surveys and the latest Monitoring report show an increase of 20% more people being food insecure. It can therefore be deduced that poverty rates are rising in both rural and urban areas. Studies underway by SSL, UNICEF, World Bank and others will yield more precise estimates in the coming weeks.

Female headed households have a higher level of multidimensional poverty index compared to their male counterparts. The poverty index for female headed households is 66% compared to 64% for male headed households

Poverty is higher in female headed households in the Northern Region and Western Area compared to the Eastern and Southern Regions. Cultural beliefs and support systems play a role in this regional difference.

8.1.3 FOOD SECURITY

As at June 2020, the emergency food security monitoring system (E-FSMS) results show that the food insecure population in the country had reached 63% from 53.3% in August 2019. 10% of the population are now reported to be severely food insecure.³⁷As at July 2020, approximately 5.1 million people (63%) in Sierra Leone are food insecure. This proportion of people is 15% more compare to approximately 3.9 million food insecure people (48%) reported in January 2020.

Households in the following district have the highest prevalence of food insecurity: Port Loko (89%). Followed by Falaba with 79%, Bombali with 77%, Kenema with 70%, Koinadugu with 69%, Tonkolili with 67%, Moyamba with 66% and Kono with 60%. The COVID pandemic lockdown restrictions point to be the main difficulties faced by households in recent months, followed by price fluctuation in addition to constraints accessing agricultural inputs. Also, the lockdown restrictions may have exacerbated hunger and undernutrition in certain vulnerable groups such as women and children who are usually most affected in emergencies. To assist small-scale farmers in mitigating these difficulties, targeted cash transfer for inputs along with training in climate adaptation, pest control and post-harvest technologies are recommended. The Western Area experienced a very sharp increase in food insecurity from 31% in January 2020 to 50% in June 2020.

Within districts the highest proportions of households living in severe food insecurity were in Port Loko with 33%; followed by Western Urban with 22%; Tonkolili with 18% and Kenema with 17%. The COVID pandemic lockdown restrictions were the main difficulties faced by households in the past 30 days followed by price fluctuation in addition to constraints accessing agricultural inputs. These restrictions may have exacerbated hunger and undernutrition in certain vulnerable groups such

³⁷ FAO, E-FSMS and WFP report and SSL (2020)

as women and children who are usually most affected in emergencies. However, the QAERP's mitigation actions were not specifically targeted by the early surveys thus making it difficult to report on the degree of penetration and overall effects on the poor. What is evident so far is that deterioration in food security levels reflects increasing vulnerability of poor households.

The evidence from the E-FSMS and price monitoring data shows that COVID 19, not only increases short-term hunger, but also compromises the resilience of poor households.

A. Food Prices³⁸

The price of local rice has increased by 12% from Q1 (Jan-Mar 2020) to Q2 (Apr-Jun 2020) and is 56.7% higher than the same month last year (Jun 2019); imported rice increased by 7% between Q1 and Q2 of 2020, with a 47.5% year-on-year increase by June.

Cassava, as a close substitute for rice, usually tracks price increases seen for rice. Compared to June '19, the price of cassava is up 21%. However, the price fell by 2% between Q1 & Q2 (2020), due mostly to drop in demand following border closure with Guinea & Liberia.

Households are resorting to more extreme livelihood coping strategies to survive, with the proportion of households adopting "emergency" measures increasing from 14% in January 2020 to 20 %in June 2020³⁹.

The proportion of households spending over 65% of their household expenditure on food increased from 58.5% in January 2020 to 60% in June 2020. By June 2020, the price of cassava has remained relatively stable due to fall in demand of cassava related products foofoo and garie as a result of border closure in Guinea and Liberia.

On the other hand, the prices of rice and palm oil have remained fairly stable so far suggesting that the decision not to close markets completely except during the two Lockdowns of only three days each, forestalled significant price changes as was the case during Ebola.

The E-FSMS results also show that household food consumption has decreased markedly compared to periods before the pandemic⁴⁰. Furthermore, households are progressively increasing the number of days in the week that they have fewer meals in recent months.

³⁸ This section relies heavily on WFP EFSMS report (July 2020, and the ongoing IGC surveys mentioned earlier

³⁹ IGC 2020 - Tracking the Economic Consequences and Response to COVID

⁴⁰ The IGC survey explains *differences in food consumption of individuals who"... were interviewed in May 2020, and June 2019. We choose this" time of" sample because it is roughly the same period last year. We see that compared to roughly this time last year, the percent of people going no days with less meals reduces by 20 percentage points, and we see a proportionate increase in people saying that they went seven days with less meals. This strongly*

From the above, COVID 19 is having a significant impact on food security. Also evident is that women headed households bear a greater burden than male headed households.

ECONOMIC RESPONSE AND RECOVERY: PROTECTING JOBS, SMALL AND MEDIUM-SIZED ENTERPRISES AND INFORMAL SECTOR WORKERS

This Pillar covers the interface between the public and private sectors to provide jobs and improve the functioning of the economy. With over 70% economic activities in the informal sector, ensuring an effective economic response requires sufficient attention to its dynamics. Unfortunately, there is little structured information, or regular reports on informal private sector operators, or how they interact with the formal sector. Yet there are many businesses with turnovers greater than some of those that are formally registered.

The assessment should equally cover the public sector's capacity to create the conditions for the expansion of economic activities through which the living standards and welfare of citizens are enhanced. It is within this Pillar that any shock to the economic and social systems pervades the rest of the economy. The key growth sectors are therefore reviewed and assessed for actual and potential impact.

8.1.4 AGRICULTURE

Agriculture including fisheries is the mainstay of the economy, contributing up to 60% to national output and a key driver of economic growth.

Agricultural activities and productivity had slumped as a result of the Ebola outbreak but recent government support to farmers with the provision of timely supply of implements has resulted in increases in growth. Agricultural value added increased from 3.9% in 2018 to 5.6% in 2019. There has been a steady rate of growth in agricultural contribution to national output since 2016 as shown in the figure below.

Figure 5: Percentage contribution of Agriculture to GDP

suggests that households are cutting back food consumption as a result of the COVID crisis.

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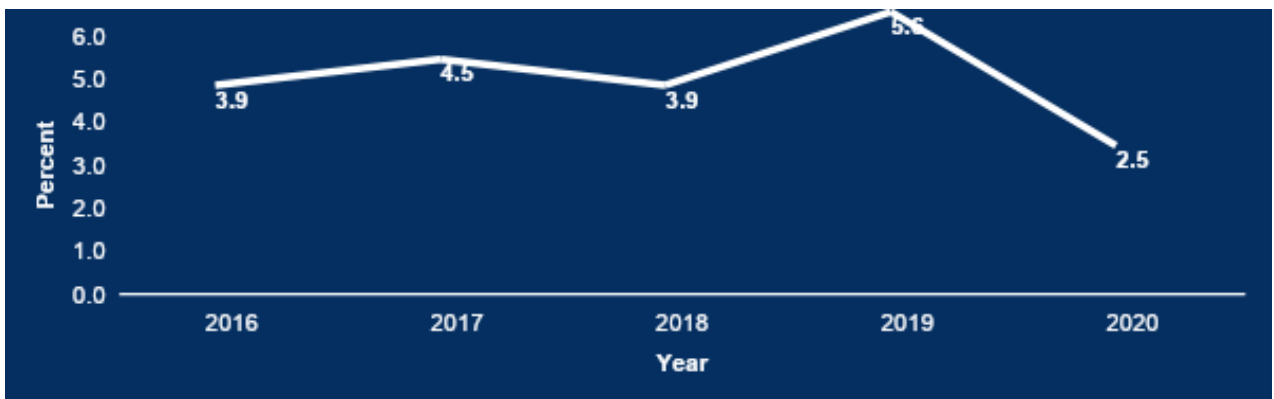


Source: Statistics Sierra Leone

The contribution of agriculture to GDP has increased from around 50% in 2016 to 56.6% in 2020 as projected. However, control measures such as lockdown and inter-district travel restrictions appear to be impacting negatively on agricultural activities. Restrictions that coincided with the peak of the planting season had limited the movement of farm labour between districts as well as curtailed the supply of inputs.

According to Statistics Sierra Leone, growth in agricultural output is projected to fall from 5.6% in 2019 to 2.5% in 2020, as shown in the figure below.

Figure 6: Agricultural Growth Rates



Source: Statistics Sierra Leone

8.1.5 INDUSTRY

Value added activities in the industrial sector are largely driven by the mining of iron ore, rutile, bauxite and some diamonds.

Growth in the mining sector had also slumped as a result of the Ebola but was showing signs of a recovery with the resumption of mining activities in 2019. It had moved from -2.5% in 2018 to almost 11% in 2019. Share of industrial activities to GDP increased from 9% in 2018 to 10% in 2019 when mining of iron ore and diamonds resumed as shown below.

Figure 7: Contribution of Industry to GDP



Source: Statistics Sierra Leone

According to the Supplementary budget of 24 July, the COVID pandemic caused the closure of most of the mining companies and also stalled other large-scale mining operations that were set to commence in the first half of 2020. With the pandemic it is expected that the share of industry in GDP would now decline to 7.8% in 2020, the lowest share in the past five years. Also, another immediate impact is that the growth rate in the industrial sector would fall to -22.6% in 2020 as shown in the figure below. The implications for loss of revenue, jobs and knock-on effects will all contribute to a general economic slowdown if not addressed.

The sector's contraction will have ripple effects in the local economy of mining regions and in particular, Tonkolili and Port Loko. Both districts becoming depressed zones with high levels of joblessness and erosion of community level resilience. Noting that Tonkolili is already one of the poorest districts according to the 2018 SLIHS.

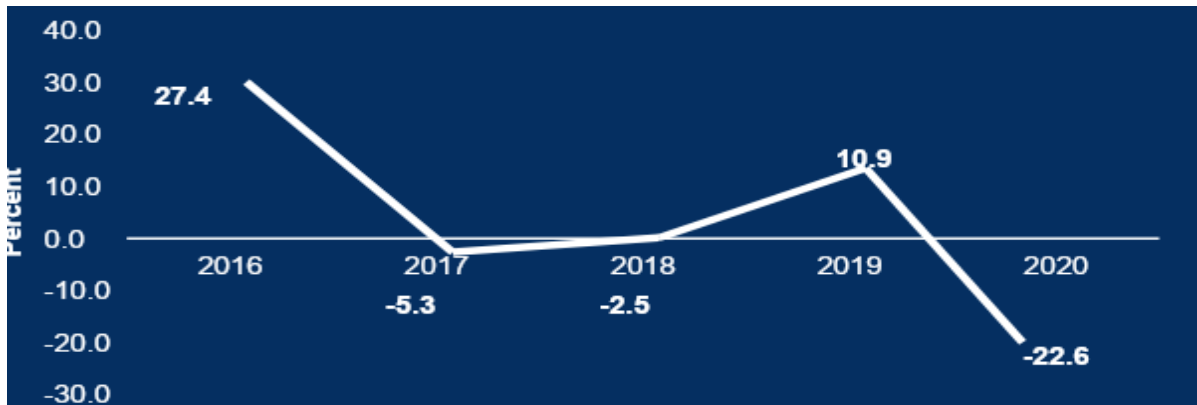
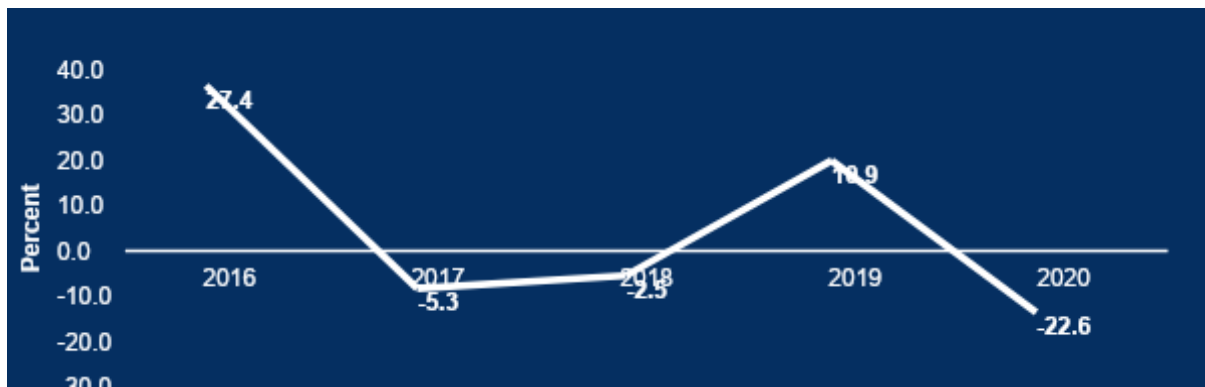


Figure 8: Industrial sector growth rate.



Source: Statistics Sierra Leone

8.1.6 SERVICES SECTOR

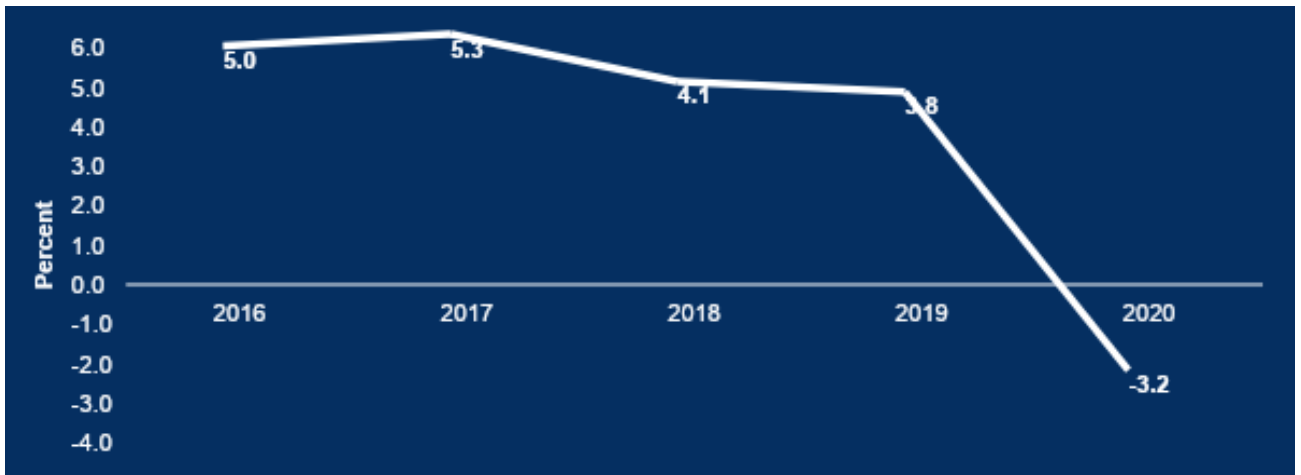
The contribution of the services sector to GDP has been gradually increasing in the past years from 36% in 2016 to 39.8% in 2019⁴¹.

The main sub-sectors include trade, transport, tourism, hotel and restaurants.

With COVID, the share of services in GDP is expected to decline to 38.5% mainly because of restricted travels in and out of the country and low tourism activity. Further movement restrictions would lead to further slump in the services contribution. The growth rate is also expected to fall to -3.1% in 2020 from 3.8% in 2019 as shown below.

Figure 9: Growth rates of Services

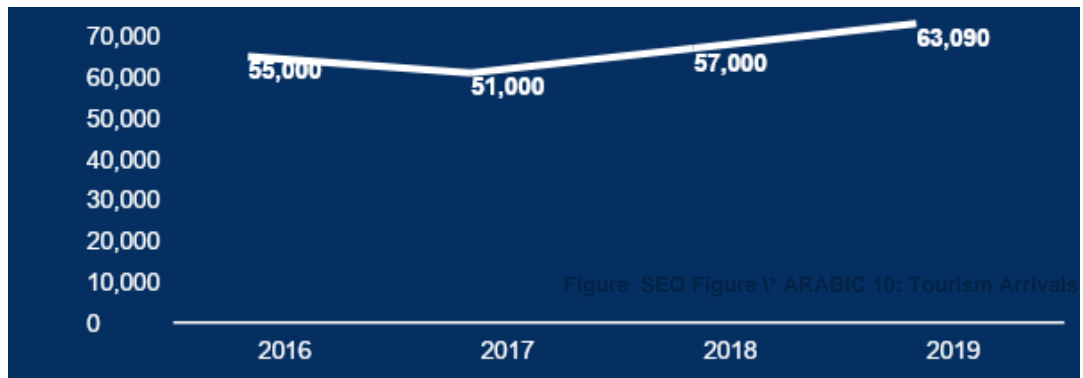
⁴¹ SSL National Accounts Units - Report on the 2019 and 2020 real GDP at 2006 Prices



8.1.7 TOURISM AND HOSPITALITY

This sector is the hardest hit so far. Figure 8 shows the gradual increase in international arrivals up to the end of 2019. However preliminary figures for 2020 so far is that in the best - case scenario, the figure will not exceed 10,000 given the closure of the borders for the last four months and the restrictions to movement that would remain in force for at least a few more months.

Source: -World Bank Development database (2016-2018), Annual Progress report NMTDP (2019)



With the closure of borders a significant reduction in tourist numbers and even a complete halt is expected. This will negatively affect occupancy rates, turnover and income of hotels, restaurants, tour operators, small businesses and other sectors that are linked to the hospitality sector. It will also reduce the volume of foreign exchange earned in the sector. Although not significant in the first place but will nevertheless be a loss in foreign exchange earnings that otherwise would help to cushion the pressures on the exchange rate as well as be a loss in tax revenue from the sector. As

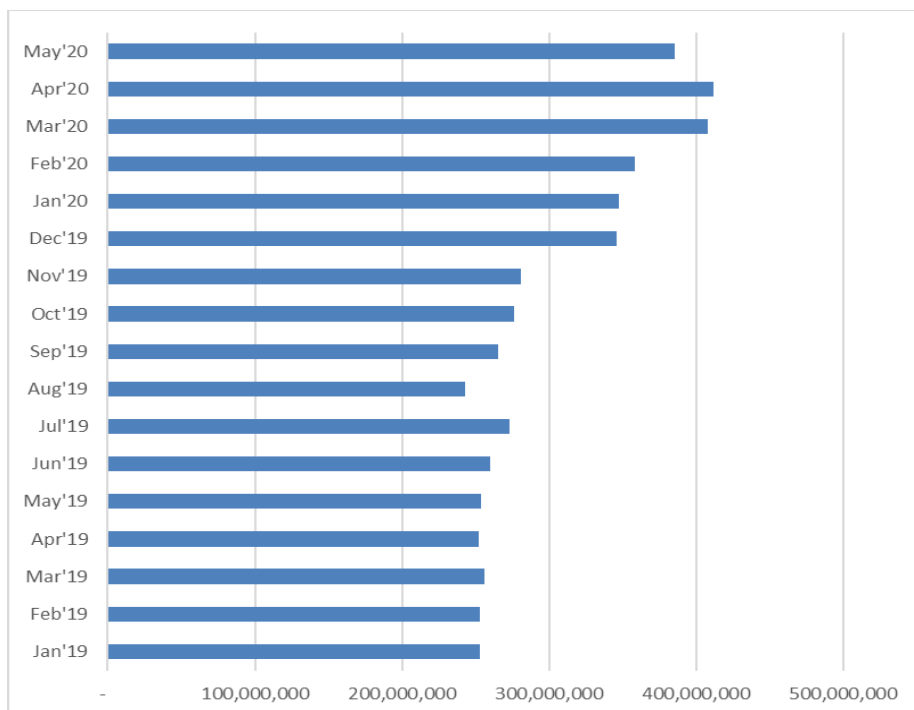
a result, the initial projection of 5% growth in 2020 is now revised downwards to 2.5% and 2% over the medium-term⁴².

8.1.8 PRIVATE BUSINESSES

COVID survey results⁴³ indicate that 68% of business owners have reported a fifty percent drop in weekly income since March 2020.

From Fig 9 below, there is an increasing trend of non-performing loans over the entire 2019 and during COVID period the trend has continued. So far the higher increase seen from December 2019 seems to have peaked in April this year – a sign that the formal sector is coming under increased stress during the COVID period.

Figure 11: Non-Performing Loans (in Le'000) from January 2019 To May 2020



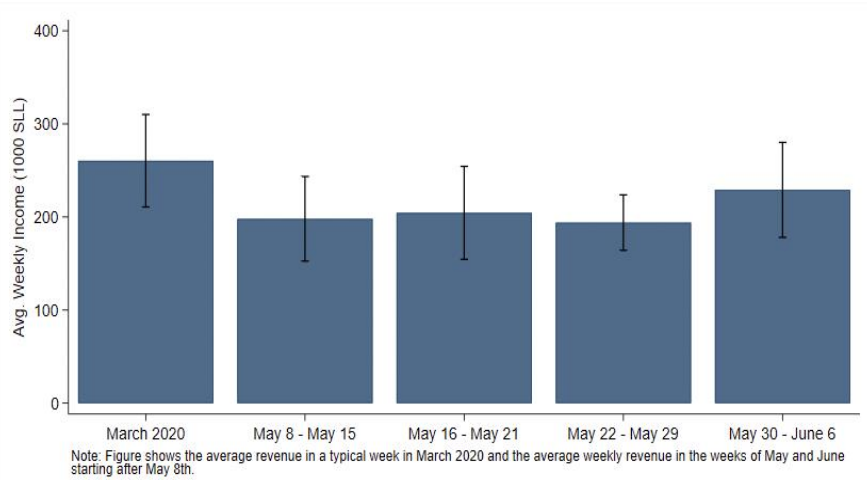
Source: Bank of Sierra Leone

⁴² QAERP, March 2020

⁴³ IGC (2020) ISL (2020)

The IGC Survey results show that 71% of business owners report difficulties accessing customers due to government restrictions. 57% Businesses report a drop in the demand for their goods, and 51% report difficulties accessing suppliers.

From several recent surveys, businesses report that COVID containment measures make it more difficult to sell goods to customers, making it necessary for businesses to cut back on employment and working hours. So far, 57% of businesses have had to temporarily lay-off workers, and 37% reduced the number of working hours.



To corroborate the above, 57% of workers report that their employers had to temporarily layoff people because of the government restrictions, and 37% found it difficult to maintain the same number of working hours and were made to reduce their hours.

Employers have had to delay wage payments, possibly because revenue generated to cover wage expenses was slower to collect.

Indebtedness. Results from surveys show that about 41% of business owners or wage/salary employees had pre-existing debt before schools closed in March and only about half can repay now. Around 20% of business owners or wage/salary employees took out loans after schools closed in March, and of those individuals, only 35% are now able to pay back the new debt. Presumably revenue earning possibilities change according to whether or not schools are in session.

From the above, the impact of COVID 19 on businesses and their owners has been significant. The quantification of losses in terms of revenues and profits is not attempted given the nature of the data available. What is observed is a 50% reduction of their activities and similar level of layoffs or job losses. The observation of increasing indebtedness and inability to repay loans at the household level further confirm the severity of the impact on the private sector.

Employment Figure 5 shows the weekly income of wage-employed workers over the duration of the phone surveys, as well as the weekly income in a typical week in March 2020, before the lockdown. The trend is similar as the trend for business owners: weekly income dropped

considerably since March 2020, and despite a small positive trend through the month of May, it still has not recovered." ⁴⁴

8.1.9 EDUCATION

The first case of COVID on March 31, 2020 coincided with the end of second term in schools. To mitigate the spread schools, Universities, and other institutions of learning were all closed until early July when they were opened for pupils taking public exams. Schools, Universities and other learning institutions have remained closed. Thus, an estimated 2.6 million children from pre-primary to senior secondary are currently out of school.

The Ministry of Education has put in place measures geared towards continuous learning when schools are closed. TV and radio learning were launched for third term schooling but face challenges especially for pupils in remote rural areas where media coverage is either inaccessible or poor and poverty is high. The result is unequal access to these services.

According to the Multiple Indicator Cluster Survey (MICS – 2017), only 54.7% of households have a radio. 44% of rural households have a radio compared to 67% for urban. The Percentage of all households that have a television is just 18%. 38.7% urban compared to 1.5% rural. Thus, the alternative radio and TV learning system offered, perpetuates inequalities in access between urban and rural school pupils and between poor and rich.

Several other factors are impeding the effectiveness of radio and TV learning for school pupils during this pandemic. These include lack of electricity in homes, household economic deprivations and poor supportive learning environments. Additionally, the delivery of learning through the alternative methods of radio and TV raises issues of quality education. There are no assessment tools available as well as ways to evaluate the extent of pupils learning.

Universities have also explored using e-learning platforms to deliver teachings but is unlikely to have a positive impact for reasons similar to those for radio teaching. According to MICS, the percentage of households that have a computer is 5.7%. Thus e-learning for university students is effectively largely inaccessible. The percentage of households that have access to the internet by any device is also low at 13.8%. In the circumstances, the closure of schools poses additional risks to vulnerable groups including young girls who are then forced to conglomerate unsupervised in order to access lessons.

It should be noted that young girls staying at home are vulnerable to several vices including sexual violence and rape, and teenage pregnancy. During the Ebola outbreak more than 14,000 young girls became pregnant, including 11,000 who were in school before the outbreak. More generally, the continuous closure of schools imposes several risks on children and make them susceptible to physical and emotional abuse.

⁴⁴ Culled from IGC (2020)

8.1.10 WATER AND SANITATION

Prior to COVID, water supply in Sierra Leone was limited and access to safe drinking water low. Children have had to spend long hours and time to fetch water, often putting young girls at risk of sexual violence. According to the MICS, the percentage of household members using improved sources of drinking water is 59%. This increases the number of people facing water supply vulnerabilities, especially as large segment of the population lives in informal settlements or outside the coverage of the public water utilities - GVWC and SALWACO. The aging infrastructure that supports the availability and reliability of water supply are poor and inadequate. Besides that, access to safe drinking water is skewed in favour of urban areas compared to rural areas.

Access to improved sanitation facilities is also low and estimated to be 11% of the population. Only 6% of people living in rural areas have access to improved sanitation compared to 23% in urban areas. Inadequate sanitation facilities have contributed to high maternal and child mortality rates.

The combined challenges of low access to safe drinking water and inadequate sanitation facilities increase disease burden and reduce household income, especially among the most vulnerable.

The advent of the pandemic could potentially create additional and overwhelming burden on households with no access to water and sanitation facilities. Even more concerning is that cramped living conditions coupled with inadequate public services, especially inadequate waste management and sanitation, are potent drivers for the spread of the pandemic.

The Pandemic is also having direct effects on the Finances of the water utility companies as they have had to supply water freely to the most vulnerable during lockdowns to curtail the spread of the disease⁴⁵. The impact could be significant considering that these companies are struggling financially and lack the resources to make investments in the water system to increase access to the population.

⁴⁵ Government is already providing bailouts to many state enterprises - the principles and criteria may have to be openly announced.

SOCIAL COHESION AND COMMUNITY RESILIENCE

Sierra Leone scored 1.82 in the Global Peace Index Report 2020, ranking 74 in world and 46 in the Sub-Saharan Africa region. Although in 2019 the country decreased 18 places in the global peace index, it remains among the most peaceful countries in the world and the sixth most peaceful country in the Sub-Saharan region.

The same report highlights that the Sub-Saharan African region has suffered a general deterioration in peacefulness, revealing a global environment where conflicts and crises that were latent in the previous years have started to emerge. It is expected that the COVID pandemic will further increase the level of inequality and uncertainty, which, consequently, will lead to increased tension over access to resources and political participation.

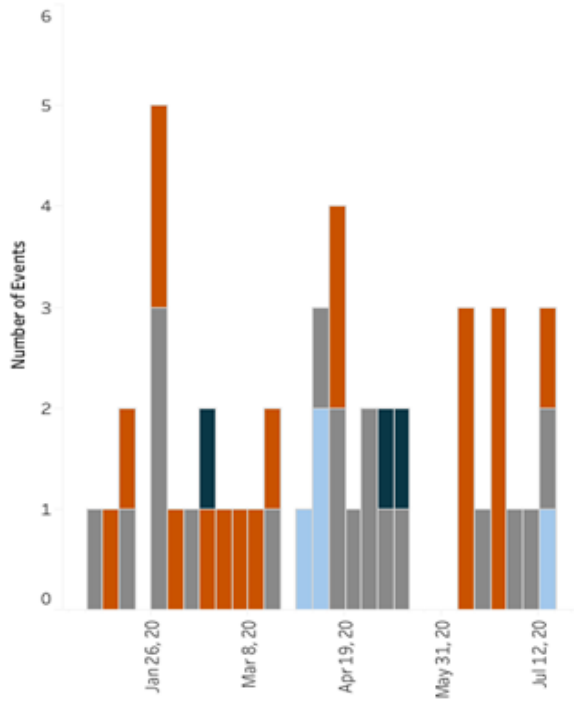
This trend is also expected to affect Sierra Leone, as it has been observed in recent months, where minor incidents have easily turned violent, as a result of increased stress on the financial situation of people, among other causes. Based on the Armed Conflict Location and Event Data Project's (ACLED), since the beginning of the year, Sierra Leone has recorded 49 violent incidents with 25 fatalities, while in the entire 2019 it recorded 46 incidents with 8 fatalities [1] (see graph below).

Sierra Leone is also ranked 106 in food insecurity in the world, scoring 39 out of 100 [2], placing the country amongst the most food insecure countries in the world. The increased food insecurity stress is also confirmed in the 2020 Food Security Monitoring Survey (FSMS) conducted by WFP, FAO and the Ministry of Agriculture, which indicates that the number of food insecure people has increased from 48% to 63% in the first 6 months of the pandemic.

As the impact of COVID in Sierra Leone - in particular its economic consequences - will become more evident, the country's ability to maintain peace will continue to be challenged with increased outbreaks of violence and conflicts. It should be, however, noted that Sierra Leone demonstrated a high level of resilience during the Ebola Virus Disease (EVD) outbreak as well as a strong capacity to adapt and recover from the shock that affected the country in that period.

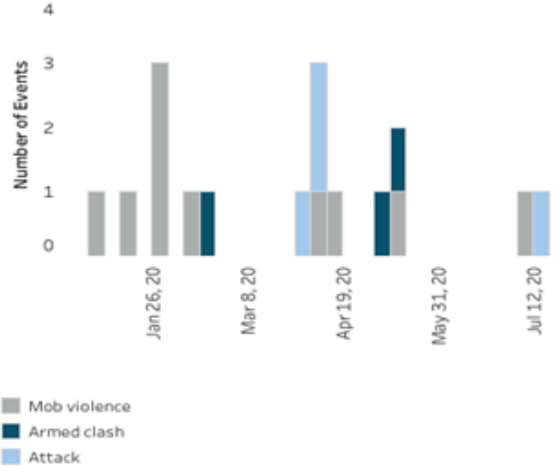
Key Figures

Number of Events	Reported Fatalities
49	25



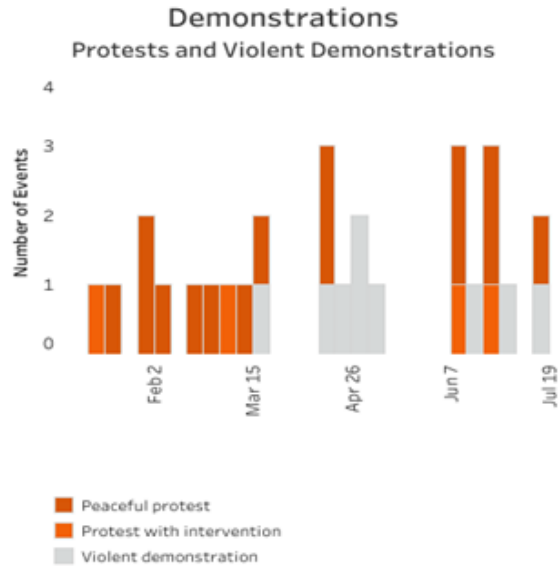
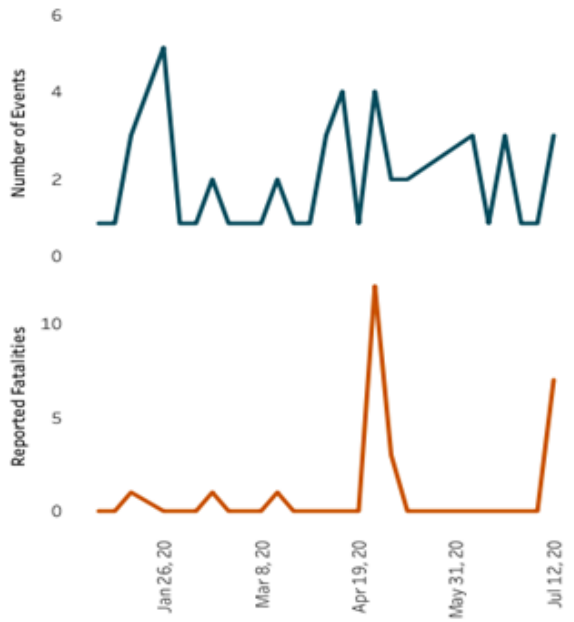
Political Violence

Battles, Explosions/Remote Violence, Violence Against Civilians, and Mob Violence



Demonstrations

Protests and Violent Demonstrations



8.1.11 INSTABILITY: INTER-ETHNIC AND INTER-PARTY CLASHES

Sierra Leone has made significant and sustained progress in consolidating peace since the end of the conflict in 2002. It has restored and consolidated state authority, implemented national recovery programmes, extended public services, and undertaken significant reforms in the governance and security sectors. Since the end of the civil war, the country held four democratic elections and managed peaceful transfer of power in 2002, 2007, and 2018 elections (in 2012 there was no change of power).

However, growing political tension and inter-party clashes have been observed after 2018 elections, which have continued during 2019 and 2020.

As part of the COVID containment measures, the Government requested the National Electoral Commission (NEC) to suspend all pending electoral events. This included bye-elections in Constituencies 110 in the Western Rural and 078 in Bo District – which remained without representation in Parliament - 2 Ward elections (Ward 348 in Moyamba District and Ward 287 in Bo District) and 55 Paramount Chieftaincy elections. As socio-economic activities slowly restart, including entertainment industry and religious functions, the Government will have to find a balance between upholding citizens' democratic rights and protecting their rights to health.

Likewise, the National Civil Registration Authority (NCRA) was requested to suspend the planned massive verification of citizens' registration, as part of the COVID containment measures. This has led to delays in the verification of the civil register, which prompted the National Election Watch (NEW), on 29 July 2020, to state that the “progress made in the civil registration, which would be the basis for NEC voter register, is not adequate and timely”.

In the same statement, NEW stressed that preparation for the 2022 Local Council elections already behind schedule, although they consider that this is also due to lack of funding to NEC, among other related challenges.

8.1.12 COLLABORATION TO ADDRESS COVID ISSUES

One of the lessons learnt from the EBOLA epidemic is that a non-political party approach is more effective to communicate messages and improve targeting. Hence, at the national and strategic level the political opposition has been invited to join the effort.

Income inequality and the status of vulnerable people

In the years following the civil war, there have been major efforts to introduce structures and programmes that serve the needs of young people, including the establishment of a Ministry of Youth and a National Youth Commission focused on the promotion of youth issues.

However, Sierra Leone's large youth cohort - about one third of the population - continues to struggle with high levels of unemployment (70 % unemployed) - an historic grievance and conflict driver – and relies heavily on subsistence livelihoods that fail to respond effectively to an ever-

increasing population growth rate [1]. Youth unemployment and marginalization are indicated in the Truth and Reconciliation Commission (TRC) report [2] among the root causes of the conflict.

The COVID containment measure, particularly the inter-district lockdown, which entered into force from April 2020 until June 2020, has had a net negative impact in the transport sector, particularly taxi, ke-ke and motorbikes, that employ the large majority of youth engaged in the informal sector. It is estimated that about 500,000 youth are employed as motorbike riders and many others as ke-ke and taxi drivers. This is an extremely volatile population, but with a consolidated sense of belonging to their category as well as of self-protection, which lead them to frequently engage in fighting with the Police.

On the other hand, during the Ebola outbreak, motorbike riders provided essential services including transporting much needed goods to the farthest areas of the country. While there is no estimate of the financial loss suffered by the sector as a result of COVID containment measures, it is advisable to conduct a specific survey of the sector to understand the financial loss and resilience capacity of the sector, considering the consistent number of direct and indirect employment generated and the risk that reduced level of gains and/or loss of employment could present for their households and country as a whole.

While the youth represent a significant productive force for the country, limited access to technical education and/or vocational training continues to prevent them from acquiring marketable skills. The increased presence of idle and disgruntled youth in Freetown and other urban centers, organized in so-called 'cliques and gangs', has become a source of insecurity for communities. The involvement of gangs (frequently under the influence of drugs) in violent crimes, using bladed and other offensive weapons, has become an increased reason for concern that has prompted the Office of National Security (ONS) to consider cliques and gangs as a national security threat. Reportedly, the level of crime has increased as due to the curfew community cannot engage in community policing during night hours.

Disgruntled youth are frequently manipulated by unscrupulous politicians and elite members to engage into political or other type of violence. Youth have been the main actors in the violent incidents occurring in the past months in the fishermen community of Lunsar, mining community of Tombo, and opposition stronghold township of Makeni, as a result of COVID measures promoted by the local or central government. A further deterioration of youths and households' livelihoods due to the impact of COVID, will have disastrous consequences on the already volatile situation of youths, employed mainly in the informal sector. Based on a Afrobarometer survey 2020 the approval rating of government performance is extremely low on addressing the need of youth (20%), managing the economy and improving living standards for the poor (19-18%), narrowing the income gap and creating jobs (7%).

8.1.13 JUSTICE AND HUMAN SECURITY

The overall score of Sierra Leone reported in the World Justice Project (WJP) Rule of Law Index 2020[1] is 100 out of 128 countries. While there is little or no variation with the previous year on all the 8 areas represented in the Index, it is expected a deterioration of access to justice due to the suspension of Courts during the month of April 2020 due to the COVID containment measures. As Courts have now resumed, there is a backlog of cases that could not be addressed timely, with an increased number of people in remand.

This situation posed further stress on correctional facilities and on 29 April 2020 a riot broke out among prisoners in the main Correctional Center in Freetown, which led to the killing of 31 prisoners⁴⁶ and 1 correctional officer and destruction of properties. The riot was triggered by a positive case among prisoners on remand and motivated by the COVID containment measures, including suspension of Courts and family visits, among others. Since then COVID cases have increased in correctional facilities, while conditions of prisons remain inadequate to adopt the COVID containment protocol, such as social distance. Social tension in prisons remains high and has not been lessened by the release of about 100 prisoners as a result of presidential pardon.

⁴⁶ Press Statement delivered by the Director General of the Sierra Leone Correctional Services

9 SUMMARY OF TAKE-AWAYS

The assessment reveals a dire picture of the primary and secondary COVID effects, made worse by the pre-existing conditions characterised by sluggish emergence from the twin shocks of 2014/2015 as well as the underlying fragility issues. The apparent high rate of growth in 2019 was higher than that of 2018 but accompanied by lower performance in all sectors except agriculture.⁴⁷ This apparent recession is confirmed at the household level by data on food insecurity which had worsened year on year by January 2020. In short, the majority of the people, being poor, were already experiencing increasing hardship before COVID. Another key conclusion is the importance of preventing the slide to Scenario C by being guided by regular and more comprehensive Assessments and target response.

Impact on Women. The assessment confirms that women suffer more than men in almost all respects at the household levels, ranging from food insecurity to receipt of cash grants, from job losses, to revenues earned, and dips into savings where these exist. Notwithstanding the limited data on Sexual Violence, reports from other countries in Africa as well as local anecdotal reports, suggest that there has been an increase in sexual violence including rape at the household level particularly during lockdowns.

The situation of children and their education in a COVID environment are equally worrisome. Data show children eating less, and the proportion following distance education relative to normal classes low. Remedial solutions will be hard to find for the extreme poor who do not have regular access to radio broadcasts.

Private sector. The story of the private sector is more nuanced in view of the marked differences in effects by category of businesses; ranging from foreign businesses to local, from formal MSMEs to significant informal MSMEs, from import and trading houses to exporters. The differential COVID effects need to be tracked at the micro level of categories of the private sector in forthcoming surveys.

Exogenous factors. Apart from the tourism sector, exogenous factors have more preponderant impact in the medium term than immediately. Global supply chain disruptions take time to play out while stocks run out and long-term supply contracts for exports expire or are triggered by force majeure clauses.

FDI flows, considered a critical ingredient for the resumption of rapid growth, were already sluggish in 2019 and unlikely to pick up in 2020. The reactions in the capital markets have been unpredictable so far and therefore projections for the next 12 months are very unreliable.

⁴⁷ SSL data (unpublished)

Nevertheless, the consensus is that FDIs will fall dramatically even more than the observed decline in the last three years.

Remittances. Projections of effects on remittances for other developing countries all anticipate a decline in flows, as earnings of migrant workers disappear through job losses, deportation or as COVID casualties. Sierra Leone is no different. Be that as it may, remittances are a good source of private investment, all of which will not have to be repaid in foreign currency. A word of caution concerning the official records of remittances in Sierra Leone. These are getting better, and in the last two months alone monthly figures doubled – a sign of better reporting. Projecting from the data in the last few months the total inflows could reach US\$ 100 m by the end of 2020 disguising thus any decline in flows due to COVID.

SECONDARY EFFECTS

Food Security. As shown above the containment measures have resulted in increased food insecurity through the reduction and losses of incomes. If this persists, it could generate secondary effects in the form of local skirmishes and burglaries over food. Insufficient food leads to low levels of nutritional intakes that in turn weakens the health of the individual and vulnerability to common diseases. All of which will further stress the health systems.

Job losses. Job losses have been observed in almost all sectors except for health providers. The resulting increase in the newly unemployed, especially among the youth, is a dangerous addition to the triggers of instability. Clashes that appear unrelated to COVID tend to increase as already observed here.

Multidimensional poverty. The cumulative effect of income reductions – including internal transfers within families and lower remittances, job losses, closed businesses and food insecurity will all contribute towards an increase in income poverty as those just above the poverty line fall under, and as the relatively better off are forced to help out and go into debt thus increasing their vulnerability in other dimensions of poverty. Trade and Tourism effects. Businesses dependent on global trade and tourism are hit directly by these international measures as shown earlier. However, there is also the possibility of opportunities opening for new enterprises, or expansion of old ones, to substitute for unavailable imports. Key among such enterprises are technology-oriented enterprises. Also, there may be possibilities of openings in the subregion to substitute for markets that were closed due to COVID –

10 SIERRA LEONE UNDER COVID: THE NEXT 12 MONTHS AND BEYOND

It is now over six months since the announcement of the COVID pandemic. The evidence from other countries that were hit before Sierra Leone is not unequivocal that “normalcy” as known would return within the next six months. Furthermore, some countries seem to be getting a “second wave”, attributed to rapid reopening of their economies, and insufficient precautions against the spread of the disease. Nevertheless, there is much more known about its epidemiology than before, to help blunt the health effects. In turn the control measures that were the chief channels for socio economic impact, should be attenuated.

Additionally, the mitigation actions taken so far have reduced the severity of the impact, even in the absence of hard counterfactual data, and thus contribute to strengthening the country's resilience. To illustrate, the dynamics of income changes will take time to play out and may become fully apparent only in 6-9 months, depending on the severity of the pandemic in the country. Similarly, the impact from external forces is still early to assess, and aggregate estimates of aid, trade and investment flows at the global level are difficult to break down and determine values for a small and low-income country like Sierra Leone. All of the above suggest that the next 12 months could present different socio-economic conditions depending on the actual behaviour of several variables. Accordingly, three scenarios are presented: A) the current conditions continue for the next 12 months; B) it worsens but remains under control; and C) the health system collapses as well as containment measures fail to materialize or are badly implemented all resulting in widespread instability.

In A⁴⁸, the levels of changes in indicators reported in the current assessment of the last four months are maintained for the next 12 months. i.e. a simple extrapolation of what has been observed as effects so far. The compensatory measures are more effective and neutralize the negative effects observed so far.

In B⁴⁹, the impact worsens from what is currently observed, but without completely overwhelming the health system. It may turn out that the country may in fact be only at the very early stage of the disease, but the apparently mild effects⁵⁰ continue and only the magnitude/coverage becomes greater. Furthermore, the removal of some restrictions such as church worship, if not strictly monitored, could lead to a second “wave” as appears to be the case in countries that were earlier hit (as in the northern hemisphere or in Latin America). In short, the relatively mild

⁴⁸ It is assumed that the inflow of funds will not dramatically improve indicators as currently measured, but rather help to ensure full coverage of the different effects.

⁴⁹ The A scenario gets worse because of the size of coverage ie the infection spreads throughout the country requiring far greater mitigation measures and compensatory actions. The situation is precarious but largely under control.

⁵⁰ Some observers worry about the ratio of reported deaths to reported positive cases as being higher than the average for West Africa, but others argue that lower than average testing is still

effects continue but cover the entire country (community transmission). As a result, the health system becomes over stretched, and also gives rise to greater demands for compensatory actions.

In C, the health system collapses, because the increased testing identifies a significantly larger number of cases as the disease spreads to rural areas and slums where health services are poor, resulting in much higher mortality rate due directly and indirectly to COVID. Also the duration may prove unmanageable in terms of resources required to support the current level. The difference between B and C is explained largely by the effectiveness of the health system.

It should be stressed that as already observed in Scenario A, the trigger of instability is already activated and would envelope the country upon the graduation from B to C.

The Table below is a summary description of the estimated impact for each scenario by indicator . These summary descriptions are either qualitative and or quantitative depending on available data and will be enriched through consultations with stakeholders.

Table 5: Scenarios

PILLAR	SELECTED INDICATOR	SCENARIO A ⁵¹ (CURRENT SITUATION/PROJECTION)	SCENARIO B	SCENARIO C
1. PROTECTING PEOPLE. SOCIAL PROTECTION AND BASIC SERVICES	Food insecurity	Current worrying levels observed over the 4 months period do not get worse but better. Recom: <ol style="list-style-type: none"> 1. Ramp up (>2X) SSN measures esp food distribution⁵² 2. Better targeting of extreme poor 3. vast improvement of food coverage and distribution 	Food insecurity worsens combined with price increases and job losses especially in the informal sector .Recom: <ol style="list-style-type: none"> 1. Arrange emergency food distrib to include price controls and rationing 2. 	FI exceeds minimum consumption required to avoid famine at household level. Recom: <ol style="list-style-type: none"> 1. Declare complex emergency. undertake massive food distrib and set up national stocks 2.

⁵¹ Category A = Mild or minimal impact; suggesting that additional support to coping mechanism beyond what is now contemplated without creating a major crisis in budget reallocations.

Category B = major support to coping mechanism will be required and a special effort needed to avoid reversal to instability and conflict

Category C = Severe impact; suggesting a very high likelihood of collapse in major systems such as law and order, food distribution, inability to pay salaries, widespread unemployment even in the informal sector.

⁵² current estimates put SSN coverage at less than 50%

	Poverty	<p>Marginal increases in new poor especially for women and female-headed households continue but mitigated by public social safety net measures. Recom.</p> <ol style="list-style-type: none"> 1. Expand criteria for beneficiaries to capture new poor 2. Target Pub Works prog to depressed areas 	<p>More than 10% fall below the poverty line as a result of COVID and inability to target the bottom 10% Recom: Apply A 2. Scale up progs with accent on most vulnerable groups. 3 Address malnutrition directly</p>	<p>More than 15% fall below the poverty line combined with a major increase in extreme poor, Recom: public works should target hardest hit areas. 2. Prepare for delivery of basic services package to slum areas.</p>
	Access to basic service	<p>Reduced access to water supply in urban areas. Recom: begin search for emergency storage before end of rainy season and prepare organised supply to begin by Nov.</p> <p>2. Urgently revisit alternative learning methods. Consider massive reduction in internet services or provisions of free public wifi during office and normal school hours.</p>	<p>Widespread shortages of water supply approximately by December. Recom:</p> <ol style="list-style-type: none"> 1 Strict water mgmt to be in force by November 2 Enlist community and parent supt for alternative learning methods 3 specific prog to address child related COVID issues including teenage girls 	<p>Skirmishes over water supply: Recom</p> <ol style="list-style-type: none"> 1 Focus on water supply to low income areas by January. Use Community support rather than police. 2 Consider suspending exams but continue with alt learning 3 Special measures to protect children and vulnerable groups

PILLAR	SELECTED INDICATOR	SCENARIO A ⁵³	SCENARIO B	SCENARIO C
		(CURRENT SITUATION/PROJECTION)		
2. MACRO ECONOMIC RESPONSE AND MULTILATERAL	GDP growth	-3.1% This is a composite indicator hence its manipulation requires a breakdown into its components as	-10% Current estimate of decline turns out to be overly optimistic as economic activities	-15%. Expected resumption of mining does not happen, crops failure or natural climate

⁵³ Category A = Mild or minimal impact; suggesting that additional support to coping mechanism beyond what can be arranged without creating a major crises in budget allocations

Category B = major support to coping mechanism will be required and a special call needed to avoid reversal to instability and conflict

Category C = Severe impact; suggesting a very high likelihood of collapse in major systems such as law and order, food distribution, inability to pay salaries, widespread unemployment even in the informal sector.ial

COLLABORATION		well as monitoring of growth sectors - agric, Tourism Fisheries ec.	fail to rebound due to global depression and inability to control public expenditure	disaster. Recom: these relate to macro level action but are derived from micro activities.
	Fiscal deficit (% of GDP)	8.9%. Recom. Institute cash mgt system	13% (50% decrease) return to 2018 fiscal measures	Severe. Apply as in B and add greater transparency
	FDI (\$m)	117.65 Recom: begin strategy to attract regional business	58.825 (50% decrease) Work with ECOWAS/MRU for subregional investments but non-classic options	Severe: opportunity to adopt radical measures in order to get FDI from subregion.
	Inflation	15.6%. Minimise govt borrowing	23.4% (50% decrease). Recom: Halt Govt borrowing, stimulate production of substitute goods	Severe. Halt Govt borrowing for 6 months. Use FX reserves innovatively
	Foreign Aid	Final fig for 2020 unknown but level likely to drop after 12 months. Rec. Use opportunity to build reserves and liquidate domestic debt	Call for special appeal for cash plus facilities and people	Launch special appeal and obtain UN support/Security Council
3. ECONOMIC RESPONSE (JOBS, FIRMS, INSTITUTIONS)	key sectors' performance indicators introduce strategic performance management	Agric - current projections hold. Services: exogenous influence remains industry: slight pick-up in manufacturing but not in mining. Recom: learn lessons in detail for immediate application in prep for next season 2 Aggressive enforcement of accountability in MDAs 3 Provide surge capacity in growth sector MDAs.	Major. Current projections turn out to be overly optimistic.Recom: 1 Target specific firms in the services sector to help redesign business models. 2 Revisit cancelled contracts in mining 3 Allow rapid capacity improvements in MDAs 4.	Major.Rebound of sectors fail to materialise. Recom: Apply B and trigger war-time discipline. 2. introduce external support for key sectors in trouble
	Private sector status.	Major concerns about firm and business failure. Rec: 1. make a distinction between measures for formal and informal, large and small, rural and urban etc. 2. tax breaks rather than deferrals	Major. Repurpose stimulus package to target medium size firms. 2. launch a special programme for the informal sector disaggregated by type and not only micro credit	Severe. Apply B and add PS promotion measures (not cash) 2 Target small business but accompany with demand stimuli

4 SOCIAL COHESION AND COMMUNITY RESILIENCE	Skirmishes and protests	Mild: the same level continues with the credible threat of expansion to many areas. Recom: 1 use CSOs to launch major community initiatives to handle tensions and preempt skirmishes 3. Re launch national peace process	Major. Skirmishes expand throughout the country. Police continue to use strong tactics. Recom: 1 Apply A but add crash training for police	Severe:.Multiple contestations and general breakdown of social cohesion at national level. Recom: 1 Apply B and request external help for police force 2 launch public works targeting youth in hotspots
	Smooth preparations for elections	Mild. Inter-party contests remain manageable. Recom:1 Close monitoring of developments	Inter-party conflicts worsen with several major confrontations. Recom. Seek external mediation to bolster local effort.	Nationwide protests over elections related issues. Apply B
	Perceptions of access to Justice and other underlying conditions	Mild. No change either direction. Recom: Now is the time to launch a special prog for promoting Rule of Law	Severe: major outcry over politicised cases. Recom: Engage AG, Bar Ass and Judiciary to change image. 2 Get external help	Blatant cases of political interference lead to riots. Recom; Get police to change tactics now.2 Get Judiciary to speed up outstanding cases now
	Income inequality and other pre-existing conditions	Mild. Current situation worsens amid scandals over COVID funds. Rec.1. Launch pro-poor progs as part of COVID response. 2 innovative solutions for job creation in informal sector 3 Revisit decentralization policy and processes that have not yielded expected results so far. 4 Use targeted policy and programmes for vulnerable groups to enhance resilience at community level	Severe. State legitimacy issues expand particularly stimulated by police methods. Recom: 1. Ramp up community level education on civics,	Breakdown in law and order. Recom: Invite sub regional mediation

10. RECOMMENDATIONS

In addition to the recommendations in the text, two sets of recommendations merit highlighting:

Issues relating to Mitigation or Compensatory measures, and pre-existing conditions or underlying fault lines that exacerbate impact of shocks.

10.1.1 MITIGATION MEASURES

The assessment of the limited experience of COVID so far points to a severe impact if there is a longer duration pandemic. Hence the Assessment should be constantly updated – biannually, to allow for modifications to the Response and Recovery programme that takes account of changes that would emerge in the next 12 months.

The Assessment points to a potentially alarming situation that should be brought to the attention of the High-level Committee responsible for overall direction of the COVID. This Committee should be kept informed of the secondary effects that can activate conflict triggers. Identifying them for what they are rather than diagnosing them either in terms of politics or indiscipline could lead to inappropriate solutions. This is extremely important in the light of the country's known fragility fault lines.

There is a need to enhance access to nutritious diet and preferred staples and purchasing power, and at the same time reactivate and improve the local economies at community levels. Targeted safety net assistance to poor and severe food-insecure households including vulnerable individuals and social groups are recommended either in cash or in in-kind food rations depending on the market situation. School feeding programmes if scaled up can also provide an effective safety net among school children nation-wide.

Smallholder farmers are among the most affected population. The agricultural production through provision of inputs and tools, productive infrastructures as well as post-harvest operations should be supported as crucial part of the recovery from COVID19's socio economic impacts.

10.1.2 UNDERLYING ISSUES

This assessment starkly reveals some of the pertinent pre-existing conditions such as the decline in economic growth in 2019 and continuing into 2020; the underlying fragility root causes such as weaknesses in the rule of law, state legitimacy, the opportunities for intervention in the Informal sector, and the advisability of dealing with the alarming growth in income inequality. This crisis offers an opportunity to take bold steps exploiting opportunities now possible through the use of modern technology. Unattended, these can render compensatory actions and mitigation measures ineffective and may even activate conflict triggers. Response and recovery plans must at the least, be informed by continuous relevant and accurate data. This will give advance information relating to the evolution of these conditions and how they interact in order to design or redesign programmes that incorporate these into policies and programmes. Only this would enable the country to “build back better”, rather than resume the old development trajectory.

To close, this Assessment confirms the importance of using hard evidence to refine policy actions aimed at mitigating the effects of the Pandemic. The differential impact on population groups and on different categories of businesses and even institutions, is a major risk that compensatory action may not get to the most vulnerable even if those who benefit are also in need. A continuous process of monitoring and adjustment is essential in a resource constrained environment.

ANNEX A: TERMS OF REFERENCE

Scope of Work:

The senior consultant will be responsible for a successful preparation of a comprehensive socioeconomic impact assessment report by ensuring the quality, logical frame and flow, soundness of analysis, accuracy, and appropriateness of accompanying gender disaggregated data. The consultant will oversee and guide the structure of the report, desk review data collection, analysis and preparation of outline and content of the report. He/she will ensure that the preparation of the report is conducted in an inclusive participatory manner, involving UNDP and other stakeholders, especially vulnerable women, and men's groups.

Expected Outputs and Deliverables:

The following are the functions and expected results of the senior consultant:

Coordination role:

Coordinate the report production ensuring;

- Participation in all strategic planning and review meetings;
- An efficient and effective division of labour allowing all team members/stakeholders to focus on their discipline, and the specific approach required by the various sectors, taking note of gender interests; while facilitating cross fertilisation through brainstorming, joint reviews and collaboration;
- A smooth communication among all team members or stakeholders takes place in all phases of the process through facilitation of brainstorming and other collaborative efforts;
- Ensure the participation of gender interest groups to understand the effect of COVID-19 on the position and condition of men and women in the country

Preparation of the report:

- Provide guidance and substantive comments on the determination of the structure of the entire report;
- Ensuring quality work and product including logical flow of the report, analysis and use of gender aware quantitative and qualitative information, appropriate review of the work by members of the team, consultations with institutional representatives and other experts,
- To provide well-documented recommendations based on analysis relevant to the subject matter. The recommendations will be directed to the national stakeholders and international partners and based on the response of the stakeholders, analysis and findings, identify the general conclusions and recommendations for the report;
- Supply a complete list of data sources and bibliographic references

Participatory approach in development of the report:

- Desk review involving cross sectional analysis of existing assessments/studies on impact of COVID-19 at micro & macro levels;
- Brief key stakeholders and counterparts on process and findings as they emerge during the whole process;
- Use consultations and other participatory approaches to involve relevant stakeholders, in collection of recent data and qualitative information, validation of collected data/information to narrow data variation and knowledge gaps; and
- Use gender participatory tools in analysing data and in presenting the impact of covid-19 on household economies, businesses in the country
- Lead brainstorming sessions and other efforts to establish appropriate gender sensitive methodological approach in the preparation of the report and define the final structure of the report.

ANNEX B

GOVT RESPONSE; COVID 19 HEALTH PREPAREDNESS AND RESPONSE PLAN AND THE QEARP.

The Government of Sierra Leone has established a Health response programme and a Quick Action Economic Response Program (QAERP) to face the Covid-19 challenge.

The Health Response Programme has two strategic priorities, namely:

- a) Address the primary level threats and risks; and thereby increase capabilities to quickly detect and intercept the spread of the virus
- b) Enhance the posture and capabilities to deal with secondary level risks; and thereby prevent transmission beyond the initial cases detected

The QAERP, which is aimed to maintain macro-economic and financial stability and mitigate the impact of the COVID-19 shock on businesses and households, will among others:

- Build and maintain an adequate stock level of essential commodities at stable prices.
- Provide support to hardest-hit businesses to enable them to continue operations, avert lay-offs of employees and reduce non-performing loans.
- Provide safety nets to vulnerable groups.
- Support labour-based public works.
- Provide assistance for the local production and processing of staple food items.

The QAERP is led by a High-Level Coordinating Group, chaired by the Minister of Finance and co-chaired by the Head of DfID, which reports to the Presidential Task Force on COVID-19. In turn, five technical working groups, corresponding to the five pillars of the QAERP (see Annex 1), together with a macro-fiscal working group and a private sector platform, work under the overall guidance of the High-Level Coordinating Group and report to the latter. These working groups are each chaired by a government entity and co-chaired by a bilateral development partner or a multilateral partner, including from the UN system.

ANNEX C: METHODOLOGY FOR, AND APPROACH TO THE ASSIGNMENT

1.1 General Comments and Observations

The TOR for the assignment calls for preparation of a comprehensive socioeconomic impact assessment report by ensuring the quality, logical frame and flow, soundness of analysis, accuracy and appropriateness of accompanying gender disaggregated data, drawing from existing assessments recently undertaken by UN System and other development actors. The time allotted is 21 days.

From the above, a number of factors need to be taken into account in determining the methodology and work plan for the assignment.

- 1) First, the analysis arising out of the assessment must feed into the advancement of the National Plan.
- 2) Second, there will not be time to initiate primary data collection and so the assignment will depend heavily on existing and ongoing data collection exercises.
- 3) Third, notwithstanding the above, there may be opportunities to introduce a few questions to ongoing exercises in order to tease out information on areas not covered but essential to an analysis of the socio-economic impact. A modest cost element (not more than \$2000) to cover this will therefore have to be taken into account.
- 4) Fourth, a cursory glance of the assessments done so far, reveals that far little attention is given to Underlying conditions and how the COVID 19 and its containment measures could provoke secondary effects with even greater significance to the economy and to the health of the population. This will have to be taken into account when analyzing the assessments.
- 5) Fifth, very little firm data is available on the exogenous factors that will influence the impact on the economy.
- 6) Finally, in the light of the above, and in the absence of any survey for a conflict sensitivity analyses it is strongly recommended that additional support be provided for a rapid conflict sensitivity analyses to be undertaken. This could take the form of 3 full days staff time or a subcontract for 3 days – both under the direction and supervision of the Consultant.

The primary purpose for the Assessment is to provide empirical evidence and realistic projections to support the Government's response to both the ongoing crises and the post-crisis recovery. To this end, the Draft Guidance Note for COVID19 Recovery Needs Assessment produced by the UNDP is appropriate to form the basis of the approach to the assignment; extracting what is applicable and relevant to the situation in Sierra Leone. More specifically an attempt will be made to provide a baseline on which changes in impact will be measured, drawing on local and external expertise and studies from other institutions. To this end frequent consultations with UN System staff involved in Assessment exercises will be critical for success. The assignment will conduct desk studies of various reports, blog notes, and articles on COVID 19 responses.

Given the time constraints and the social distancing in effect, it is important that focal points from UN System agencies be designated to facilitate informal consultations. These will constitute the Stakeholder group and will operate virtually. A Core Technical Team (CTT) consisting of Government counterparts in the Finance, Planning and Health Ministries will provide regular guidance and technical inputs to the exercise. This CTT should be constituted immediately. A meeting of Stakeholders should be convened by the UNDP early in the second week for a general briefing on the exercise. Furthermore, and without awaiting the first meeting, initial interviews and briefing between Consultancy and the focal points should be facilitated by UNDP.

Using the data available, the assessment will be clustered along the five thematic lines of the UN Framework plus a theme to cover cross-cutting issues including fragility and conflict sensitivity analysis. These are

- Health (Already covered in the Government's COVID 19 Health Preparedness and Response plan)
- Protecting People: Social Protection and Basic Services.
- Economy: Private sector - protecting Jobs, Small and Medium-Sized Enterprises, Investment flows and Informal Sector Workers
- Economy: Public sector - Macroeconomy, Multilateral Collaboration.
- Social Cohesion, and Community Resilience. This will cover Fragility and Conflict sensitivity issues

In addition, there are also be cross-cutting issues, and to the extent possible, assessment of the underlying conditions related to stability and fragility. Once the mapping of the data has been done and the information analysed, the gaps will become evident and proxy measures will be used while recommendations will be made for further work. A narrative on the comprehensive impact of the COVID pandemic, backed by data will then be drafted. At this point a wider meeting could be convened with all interested stakeholders to bring all the components together for validation and for recommendations.

ANNEX D: INDICATORS AND DATA SOURCES

Macroeconomic Impact

Indicator	Source
Domestic Revenue – GST, Import Tax, Corporate Tax	MoF - Monthly/Quarterly Economic Bulletin
GDP growth, global and per sector	MoF - Monthly/Quarterly Economic Bulletin
Government Expenditure: original vs revised	MoF - Monthly/Quarterly Economic Bulletin
Inflation rate	SSL - Monthly/Quarterly Economic Bulletin
Employment rate (global and per sector)	SSL - Monthly/Quarterly Economic Bulletin
Household & Government consumption rate	SSL - Monthly/Quarterly Economic Bulletin
Gross Capital Formation – Government and Private	BSL - Monthly/Quarterly Economic Bulletin
Import and export of goods and services	BSL - Monthly/Quarterly Economic Bulletin
Current Account Balance	BSL - Monthly/Quarterly Economic Bulletin
Terms of Trade	BSL - Monthly/Quarterly Economic Bulletin
Domestic Credit to the Private Sector	BSL - Monthly/Quarterly Economic Bulletin
Fiscal Deficit	MoF - Monthly/Quarterly Economic Bulletin
Remittances	BSL - Monthly/Quarterly Economic Bulletin
Debt Burden – domestic and external	MoF - Monthly/Quarterly Economic Bulletin
Exchange Rate	MoF - Monthly/Quarterly Economic Bulletin
Tax/revenue fee losses national and local	MoF - Monthly/Quarterly Economic Bulletin
COVID 19 rapid response expenditure measures	MoF - Monthly/Quarterly Economic Bulletin

Impact on Lives

Indicator	Source
Income Poverty	
Household Expenditure	SSL - Integrated Household Survey Data
No. of people falling under the poverty line	SSL - Integrated Household Survey Data, other Surveys and Reports
No. of people falling into extreme poverty	SSL - Integrated Household Survey Data, other Surveys and Reports
Vulnerable geographic areas, population groups	SSL - Integrated Household Survey Data; Poverty Assessment Reports
Living Conditions & Multidimensional Poverty	
Impact on living conditions, health, wash and education	SSL - Integrated Household Survey Data; Poverty Assessment Reports
Increases in deprivations	SSL - Integrated Household Survey Data; Poverty Assessment Reports
No of people falling into multidimensional poverty	SSL - Integrated Household Survey Data; Poverty Assessment Reports
Vulnerable geographic areas, population groups	SSL - Integrated Household Survey Data; Poverty Assessment Reports
Food Security	
No of people who are food insecure	WFP – Food Security Monitoring Reports; USAID Food and Agriculture report
No of people at risk of food insecurity	WFP – Food Security Monitoring Reports; USAID Food and Agriculture report
Geographic areas and pop groups vulnerable to food insecurity	WFP – Food Security Monitoring Reports; USAID Food and Agriculture report
Social inclusion & Gender Equality	
National social protection schemes in response to COVID19	NaCSA Social Protection Reports
Vulnerable groups (ethnic / religious minorities, poor, unemployed, informal sector workers, FHH, elderly, children, people with disabilities, etc.)	NaCSA Social Protection Reports
Spatial inequalities	SSL - Integrated Household Survey Data; Poverty Assessment Reports
Impact on women / men / girls / boys	SSL - Integrated Household Survey Data; Poverty Assessment Reports

Health-Finance Impact

Indicator	Source
Direct Financial Costs	
Cost for purchasing Equipment, medical supplies and medicines,	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
Costs for maintaining and reorganizing essential health services, coordination	MoF/MoH(IHPAU) and UN Agencies – COVID Budget

Reduced revenue due to suspending user fees and reduced utilization points of entry, etc)	MoF – Economic Bulletin and other Fiscal Papers
Other expenditure; IPC, lab/testing, points of entry, etc	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost of Health emergency coordination at national and sub-national levels	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
Surveillance and information systems costs	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
Cost of additional human resources	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
Cost from increased administrative functionality of governmental institutions at national and sub-national levels	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
RISK REDUCTION/RESILIENCE	
Preventive campaigns cost	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
Risk communication	MoF/MoH(IHPAU) and UN Agencies – COVID Budget
Investments to address priority gaps in IHR core capacities	MoF/MoH(IHPAU) and UN Agencies – COVID Budget

Education

Indicator	Source
PRODUCTION OF GOODS AND SERVICES	
Costs for implementing alternative learning modalities and alternatives to School feeding	MoE/MoF COVID-19 Budget
Costs for safe school operations (cleaning/disinfecting schools)	MoE/MoF COVID-19 Budget
Wage losses	COVID-19 Rapid Assessment Reports
RESTORATION OF GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost due to increased administrative functionality of governmental institutions at central, regional and local levels	MoE/MoF COVID-19 Budget
Cost of additional human resources with technical skills	MoE/MoF COVID-19 Budget
RISK REDUCTION	
Cost of awareness campaigns in schools	MoE/MoF COVID-19 Budget
Cost of provision of safety measures	MoE/MoF COVID-19 Budget

Water

Indicator	Source
PRODUCTION OF GOODS AND SERVICES	
Cost of provision of temporary water, sanitation for additional demands due to COVID 19	GVWC and SALWACO COVID-19 Water Service Financial Reports
Cost of water quality testing and provision of water treatment chemicals and reagents	GVWC and SALWACO COVID-19 Water Service Financial Reports
GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost from increased administrative functionality of governmental institutions at central, regional and local levels	MOWR/MoF COVID-19 Budget
RISK REDUCTION	
Increased awareness campaigns on sanitation practices and hygiene	MOWR/MoF COVID-19 Budget
Cost of provision of safety measures	MOWR/MoF COVID-19 Budget

Transportation

Indicator	Source
PRODUCTION OF GOODS AND SERVICES	
Loss of revenue	COVID-19 Rapid Assessment Reports
Wage losses	COVID-19 Rapid Assessment Reports
Other losses (e.g. increased in cost for safety measures)	COVID-19 Rapid Assessment Reports
GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost from changes in structure of service provision	MoT/MoF COVID-19 Budget
Cost of additional skilled labor	MoT/MoF COVID-19 Budget
RISK REDUCTION	
Cost of awareness campaigns	MoT/MoF COVID-19 Budget
Cost of provision of safety measures	MoT/MoF COVID-19 Budget

Tourism

Indicator	Source
PRODUCTION OF GOODS AND SERVICES	
Loss of revenue of Hotels	COVID-19 Rapid Assessment Reports; Tourism Bulletins
Fall in Visitor Numbers	SSL – Tourism Statistics Bulletin
Wage losses	COVID-19 Rapid Assessment Reports
Other losses (e.g. increased in cost for safety measures, nonperformance of pre-disaster credit loans from operators)	COVID-19 Rapid Assessment Reports

GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost from changes in structure of tourism service provision	MoTCA/MoF COVID-19 Budget
Cost of additional skilled labor	MoTCA/MoF COVID-19 Budget
Nonperformance of pre-disaster credit loans from operators	BSL – Financial Stability Report; Non-Performing loans report
RISK REDUCTION	
Cost of awareness campaigns	MoTCA/MoF COVID-19 Budget
Cost of provision of safety measures	MoTCA/MoF COVID-19 Budget

Manufacturing

Indicator	Source
PRODUCTION OF GOODS AND SERVICES	
Loss of revenue and bankruptcies	BSL – Economic Bulletins
Wage losses	COVID-19 Rapid Assessment Reports
Other losses (e.g. increased in cost for safety measures, nonperformance of pre-disaster credit loans from operators)	COVID-19 Rapid Assessment Reports
GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost from changes in structure of manufacturing service provision	MTI/MoF COVID-19 Budget
Cost of additional skilled labor	COVID-19 Rapid Assessment Reports
Nonperformance of pre-disaster credit loans	COVID-19 Rapid Assessment Reports
RISK REDUCTION	
Cost of awareness campaigns	MTI/MoF COVID-19 Budget
Cost of provision of safety measures	MTI/MoF COVID-19 Budget

Commerce

Indicator	Source
PRODUCTION OF GOODS AND SERVICES	
Loss of revenue and bankruptcies	BSL – Economic Bulletins
Wage losses	BSL – Economic Bulletins
Other losses (e.g. increased in cost for safety measures, nonperformance of pre-disaster credit loans from operators)	BSL – Economic Bulletins
GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost from changes in structure of commerce service provision	BSL – Economic Bulletins
Cost of additional skilled labor	MTI/MoF COVID-19 Budget
Nonperformance of pre-disaster credit loans	BSL – Financial Stability Report; Non-Performing loans report

RISK REDUCTION	
Cost of awareness campaigns	MTI/MoF COVID-19 Budget
Cost of provision of safety measures	MTI/MoF COVID-19 Budget

Agriculture

Indicator	Source
PRODUCTION OF GOODS AND SERVICES	
Losses from decreased food production and sales	WFP, FAO and USAID – Food Production Monitoring Reports; USAID Food and Agriculture report
Revenue and wage losses	MAFF Reports
Increased food production and supply costs	WFP, FAO and USAID – Food Production Monitoring Reports; USAID Food and Agriculture report
Cost of depleted or wasted food stocks (damage)	WFP, FAO and USAID – Food Production Monitoring Reports; USAID Food and Agriculture report
GOVERNANCE AND DECISION-MAKING PROCESSES	
Cost from changes in structure of service provision	MAFF/MoF COVID-19 Budget
Additional cost of provision of agricultural support services in safe conditions	MAFF/MoF COVID-19 Budget
Increased import costs	MAFF/MoF COVID-19 Budget
RISK REDUCTION	
Cost of awareness campaigns	MAFF/MoF COVID-19 Budget
Cost of supportive policies (e.g. social protection, safety nets, school feeding alternatives)	MAFF/MoF COVID-19 Budget

ANNEX E: SUMMARY OF COMPLETED AND ON-GOING STUDIES BY VARIOUS ENTITIES ON THE IMPACT OF COVID 19 ON THE SIERRA LEONE ECONOMY

No	Project Title	Implementing Institution	Summary Description and Findings
Completed Studies			
1.	Potential Impact of the Coronavirus on Sierra Leonean Economy (March, 2020)	African Development Bank (ADB)	<p>This study analysed the potential impact of the pandemic of the Sierra Leone economy. It analysed the linkages between the Sierra Leone economy and that of China (the country where the outbreak started) in terms of trade and investment. Below are the key findings:</p> <ol style="list-style-type: none"> 1. Commodity Price and Trade: the external sector is one of the main drivers of growth in Sierra Leone. The country is rich in natural resources, which are exported in raw forms with little or no value added. The disruption of economic activities in the country's major trading partners will likely result in lower commodity demand triggering further fall in commodity prices which have not fully recovered from the 2014 slump. The government projects that export will decline by 53.8% in 2020 compared to the projected growth of 28.1% while iron ore export will be nil as opposed to the planned export of USD70 million. The fall in commodity prices will result in lower export earnings, lower aggregate demand and GDP growth. By disrupting the supply chain, the COVID 19 pandemic will also hamper import trade resulting in lower import demand from Sierra Leone. Workplace closures disrupt supply chains and lower productivity. These domestic disruptions spill over to trading partners through trade and global value chain linkages, adding to the overall macroeconomic effects. 2. Foreign Direct Investment: FDI inflows to Sierra Leone recovered in 2018 after a significant decrease post Ebola. With combine investment worth billions of USD, in

			<p>almost all the key sectors (Mining, agriculture, fishery, information technology, infrastructure, electricity health, etc) China has increasingly become one of the key partners in Sierra Leone. The COVID-19 epidemic is likely to disrupt these investments as China will prioritize domestic economic stimulus to resuscitate growth that has been eroded by massive disruptions in productive activities during the January and February 2020 shutdowns.</p> <p>3. Travels and Tourism: with the closure of the borders and suspension of all flights into the country, this negatively affected turnover and income of hotels, restaurants, tour operators, small businesses and other sectors that are linked to the hospitality sector. The consequence includes among others redundancies of staff and reduced demand in other sectors. It also reduces the volume of foreign exchange earned in the sector, and that could have a negative effect on currency and tax revenue from the sector.</p> <p>4. Financial Market: Sierra Leone's financial market is rudimentary with an underdeveloped capital market. The country has 14 commercial banks (11 of which are foreign owned). The commercial banking sector accounts for 99% of all financial sector assets while 11 foreign banks account for 60% of the total assets in the industry. Given that the foreign banks are largely integrated with the global financial system, any risk to the global financial markets due to the economic impact of the coronavirus may result in credit squeeze, even bank closures or capital flight.</p> <p>5. Macroeconomic Impact: Prior to the pandemic, GDP growth was projected at 4.2% for 2020. However, with the outbreak real GDP growth is now projected to drop from 4.2% to 1.7% and under worse case scenario could even drop to -2.6% in 2020 before increasing by 2% in 2021. The slowdown will largely be due to decline in commodity prices and depressed overall trade, decline in FDI inflows, decline in tourism revenue due to the fall in international tourist arrivals following international travel restrictions. Other macroeconomic impacts include:</p> <ol style="list-style-type: none"> a. Disruptions in global supply chain which will not only undermine the export demand but also the performance in key sectors of the domestic economy
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			<p>including services, agriculture, mining, manufacturing, construction through lower investments and input supplies.</p> <p>b. Lower remittances due to weak global economic growth.</p> <p>c. Inflation is projected to accelerate to 17% in 2020 slightly improving to 16.2% in 2021. The shock will disrupt the supply of basic commodities and consequently result in higher inflationary pressures.</p> <p>d. Lower tax revenue coupled with increased extra budgetary expenditures to contain the impact of the COVID 19 outbreak will exacerbate the budget deficit</p> <p>e. The budget balance which was projected at -3.2% of GDP in 2020 is now projected to deteriorate to -5% of GDP and under a worst case scenario it could even drop to -6.7% of GDP in 2020. This will further limit the government's fiscal space and undermine debt sustainability.</p> <p>f. The current account balance which was projected to improve to -10.2% of GDP in 2020 is now projected to deteriorate to -15.5% of GDP and under a worst case scenario could even increase to -16.1% of GDP in 2020.</p>
2.	COVID-19: Quick Action Economic Response Programme (QAERP)	Government of Sierra Leone	<p>This is the government response and potential recovery programme. It presents the potential impact of the pandemic on the economy and designed a programme of intervention to contain the virus as well as prepare a foundation for recovery. Below are the key potential impact identified:</p> <ol style="list-style-type: none"> Economic Activity: Growth was projected at 4.2% for 2020 and to average 4.5% over the medium term (2021 -2023). However, with the pandemic, real GDP growth for 2020 is now projected to drop to 3.8 % in the best-case scenario and 2.2% in the worst-case scenario. In the very worst-case scenario, a negative growth rate is anticipated. Services Sector: The services sector (<i>Trade and Tourism; Transport, Storage and Communications; and Finance, Insurance and Real Estate Growth</i>) grew by 4.8% in 2019 and was projected to grow by 5.1% in both 2020 and the medium term. Given the containment measures, it is expected that the services sector will be most affected.

			<p>Therefore, a direct negative impact on the services sector, mainly tourism, air and sea transport, and the local manufacturing industry is anticipated. Accordingly, the growth rate is now revised to 2%, owing to the following factors:</p> <ol style="list-style-type: none"> a. Trade and Tourism: with the closure of borders a significant reduction in tourist numbers and even a complete halt is expected. This will negatively affect occupancy rates, turnover and income of hotels, restaurants, tour operators, small businesses and other sectors that are linked to the hospitality sector. It will also reduce the volume of foreign exchange earned in the sector, and that could have a negative effect on the exchange rate and tax revenue from the sector. Therefore, the initial projection of 5% growth in 2020 is now revised downwards to 2.5% and 2% over the medium-term b. Transportation storage and communications: With the suspension of flights, the aviation sub-sector has been badly hit. Additionally, maritime transport may also be affected if there are major delays and disruptions at ports of origins. In view of this, the earlier projection of 5.0% for 2020 and the medium term is now revised to 2.5%. c. Finance, Insurance and Real Estate: This sub-sector was earlier projected to grow by 4.2% in 2020 and the medium term. Given that the financial sector is interrelated to all other sectors, this sector could also be hard-hit by the pandemic. Loss of income by businesses will make it difficult for businesses to service their loans and overdraft facilities, leading to high levels of non-performing loans which subsequently reduces the profitability of banks. Therefore, the 4.2% initially projected before the outbreak is revised to 2.5% in 2020 and 2% in the medium term <p>3. Industry:</p>
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			<p>a. Manufacturing: While this sector has substantial forward and backward linkages with the rest of the economy, but it is very small and accounts for 2% of the country's GDP. However, most of the domestic firms rely on both domestic and international supply chains for production inputs. These firms may be unable to get the inputs they need due to cessation of export activities in affected countries and disruptions in air and sea transport. These disruptions would result in a rise in business costs and constitute a negative productivity shock. Therefore, growth of the sector which was projected at 4.2% in 2020 and 4.1% over the medium term, is now revised to 3% in 2020 and 2.2% over the medium term</p> <p>b. Mining: Initial projections suggested that the mining sector would continue to expand over the medium term largely reflecting new investments in the sector as well increased investment in existing companies. Therefore, the mining sector was projected to grow by 7.4% during 2020 and to average 6.7% over the medium term. The sector will be affected if there are cessations of mining activities due to low or no global demand for minerals and the consequent plummeting of prices. Therefore, growth in the sector is revised downwards from 7.4% to 1.4% in 2020 and from 3.3% to 0.5% over the medium term.</p> <p>c. Construction: This sub-sector is generally labour-intensive and utilises a high amount of unskilled labour. As a result of the pandemic, the global supply and demand for dry bulk shipping stocks such as building materials have dropped reflecting reduced economic activities. Accordingly, the earlier projected growth of 5.5% for 2020 and 5.6% for 2021-2023 will likely fall to 3% and 2% respectively</p> <p>4. Agriculture: with an average contribution of about 50% to GDP, the agriculture sector (agriculture and fisheries) is the largest sector of the economy and is critical to the Government's economic diversification strategy. It was projected to grow by 4.3% in 2020 and average 4.4% over the medium term. However, the pandemic could result in a reduction or even cessation of private sector investment into the sector. The</p>
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			<p>impact could be severe the longer it takes to contain the disease. Restrictions on movement would shorten the amount of time farmers have to prepare the land for cultivation. In line with projections of a decline in global productivity, it is expected that the sector's contribution to GDP will decrease. Therefore, the sector's growth is revised to 3.8% for 2020 and 2.5% over the medium term.</p> <p>5. Inflation: the shocks resulting from the pandemic will disrupt the supply of basic commodities and consequently result in higher inflationary pressures which could affect short and medium inflation target as well global benchmarking criteria. Supply-side disruptions (especially due to restricted movement) and disruptions in the shipping sector could lead to a domestic shortage of goods and essential commodities imported from the affected countries. On the other hand, demand-side pressures could also exacerbate these supply-side inefficiencies. Additionally, the closure of borders, community markets, quarantine of affected areas, and restricted domestic movement or 'lockdown', will reduce the availability of locally produced vegetables, fruits, pulses, 'plasas', palm oil and other food items. This will be exacerbated by panic buying and the depreciation of the Leone which might drive prices significantly upwards.</p> <p>6. Public Finances</p> <p>a. Revenue: Revenue is expected to be seriously affected. Scenario 1 projections by the NRA, given Quarter 1 revenue performance, suggests a total revenue loss of 9% and 15% in scenario 2 for 2020. This is largely due to reduced economic activities as a result of internal and external containment measures</p> <p>b. Expenditure: Generally, it is expected that the pandemic will lead to increase public expenditure.</p> <p>c. Budget Deficit, Borrowing and Debt: increased extra-budgetary expenditure to contain the pandemic, compounded by revenue losses, will widen the budget deficit and the Government would need to borrow. If productive activities remain subdued for extended periods, this could lead to unsustainable debt</p>
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			<p>7. External Sector</p> <p>a. Balance of Payment: Exports are now projected to decline by 53.8% compared to the initial projected growth rate of 28.1% while imports are projected to drop by 8.3% compared to 4% initially projected largely due to the fall in international oil prices and the reduction in domestic economic activities. As a result, the trade deficit will deteriorate to US\$ 788 million from US\$ 406 million projected. Additionally, value of transfers will also drop by 12.3% due to the expected decline in private transfers as well as private remittances from abroad as households all over the world are engaged in 'self-preservation' activities such as bulk buying and hoarding.</p> <p>b. Foreign Reserve: gross international reserves increased to US\$ 507 million (about 3.6 months of imports) as at end-December 2019. The country's current reserves would potentially be needed to cover the loss in export earnings, supplement the private sector's resources for imports and extra-budgetary expenditure to key sectors such as health, education and social protection. With slowing down in economic activities, and the projected worsening in the balance of payments position, maintaining reserves, at least three months of import cover will be challenging without external resource</p> <p>c. Exchange rate: in the absence of balance of payment support, budget support and debt relief, the exchange rate is expected to continue to depreciate.</p> <p>8. Financial Sector: Slowing economic activity as a result of the measures taken to contain the pandemic, will increase the uncertainty and ability of consumers and firms to service their loans/other credit products contracted with the commercial banks. This development would impact the level of non-performing loans (NPLs) in the banking system, which would be written off against their capital, thereby eroding the banks' ability to finance the economy. Thus, banks will increase borrowing costs, and financial conditions would be tightened. Also, the higher risk premium would encourage banks to move assets into safe-haven investments (eg government securities), which will</p>
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			<p>crowd out private investment. All this combine will amplify the downturn arising from the supply and demand shocks</p> <p>9. Microeconomic Impact: Containment measures (lockdowns, restrict movement across the country, etc) may disrupt commerce and have adverse effects on Micro, Small, and Medium Enterprises (MSMEs) who rely heavily on daily turnover to provide food and necessities for their families. Also, turnover, revenue and income for small scale importers who need to travel to China or countries in Europe to buy goods, will also be curtailed. Furthermore, businesses that are highly exposed to the tourism ecosystem will suffer from the expected sharp decline in the number of tourists visiting the country.</p>
3.	Tracking the economic consequences and responses to COVID 19 in SL	IGC	<p>On-going – first brief produced and shared. Results from Second Brief</p> <p>Economic indicators</p> <ul style="list-style-type: none"> • Businesses opened back up by the end of May, but the number of hours per day that business owners and wage employees worked remained lower than pre-lockdown levels. • Despite more open businesses, 80% of those surveyed in the first week of June still experienced difficulties with low customer demand—roughly double from the first week of May. • Businesses in Freetown reported much less difficulty accessing customers and suppliers compared to businesses in rural areas. • Weekly profits of self-employed businesses owners remained around 50% lower than they were before the nation-wide lockdown in March 2020 and did not increase much over time. <p>Food security</p> <ul style="list-style-type: none"> • Local markets opened back up and essential staples were more available in the first week of June than they were in the first week of May.

			<ul style="list-style-type: none"> • The price of cassava bundles almost doubled in the first week of June compared to the first week of May. Prices of staples such as rice and palm oil also showed a positive trend during that time, but the rate of increase flattened by the start of June. • Households consumption decreased significantly compared to baseline levels around June of 2019. The number of days that households went with a reduced number of meals in a day increased in the first week of June compared to the first week in May. <p>COVID-19 Knowledge, Social Distancing and Preventative Measures</p> <ul style="list-style-type: none"> • In the first week of March, 75% of respondents knew that fever was a symptom of COVID-19, 70% knew that dry cough is a symptom, and only 42% knew that difficulty breathing is a symptom of COVID-19. However, knowledge increased over time-- 87% knew that fever is a symptom by the first week of June, and 77% knew that dry cough is a symptom. There is no clear positive trend for the share that knows that difficulty breathing is a symptom. There is also a gender gap in knowledge with female respondents seven and ten percentage points less likely to know that fever and dry cough is a symptom of COVID-19 compared to male respondents, respectively. • Only 41% of respondents know that people can have COVID-19 and show no symptoms. There is a gender gap in asymptomatic knowledge with female respondents 10 percentage points less likely to know compared to male respondents. • People adopted more preventative measures over time. The percentage of people who wore masks increased by 44 percentage points since the second week of May. People were also 14 percentage points more likely to
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			<p>report avoiding handshakes and 13 percentage points more likely to report washing their hands regularly.</p> <ul style="list-style-type: none"> • People became more relaxed about social distancing to some degree. By the first week of June, more people were coming in and out of their homes for friendly visits per day compared to the first week of May. They also reported a lower number of days without leaving the house. However, very few people report going to social gatherings of more than 10 people, or religious gatherings. <p>Health Seeking Behaviour</p> <ul style="list-style-type: none"> • Women who sought postnatal care for new-born babies reported a lower number of days where they visited the community health clinic for care and vaccines. In the first month of June, the number of days women visited community health clinics for post-natal care and vaccines decreased by 0.23 days on average compared to the first week of May. However, there is a positive trend with the number of days increasing over the following weeks in May. • Pregnant women reported a 20% drop in the number of days seeking antenatal care at the community health clinic between the third and fourth week of May. However, this increased 31% between the fourth week of May and the first week of June. <p>Migration</p> <ul style="list-style-type: none"> • There is a slight negative trend in the migration rate over time amongst the respondents.
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			<ul style="list-style-type: none"> For those who do migrate, 80% migrated within the district to different villages, and only 11% migrated to a different district. <p>Feedback is very welcome, and the team remains available for clarifications and specific requests for further analysis. Please get in touch via tracking.corona.sl@gmail.com.</p>
4.	Impact of COVID 19 on Micro, Small and Medium sized Enterprises in SL (May, 2020)	Sierra Leone SME Forum & Business Coalition on COVID 19	<p>The study investigates how Micro, Small and Medium-sized Enterprises (MSMEs) are navigating the economic disruptions resulting from Covid-19 and how will the impacts affect their decisions and prospects. The study also highlights how the MSMEs are coping; assess the current level of SMMEs financial fragility; ascertain measures taken to adjust to the realities of the period; and the types of support needed to survive even after the crisis period. The key findings of the study are as follows:</p> <ol style="list-style-type: none"> Income: generally, most businesses (93%) surveyed reported decline in income while only 7% reported increase in income. This was largely due to low sales resulting from containment measures implemented. Supply chain: as a result of the lockdowns and associated issues, 89% of the respondents agreed that they have issues with supply chain for their businesses as most of them reported that they are unable to move either the raw materials needed for production or transport their products due to the restrictions of movement. Technology: 74% of the respondents reported that they have resorted to using technology in their business. This includes digital marketing, brand promotion, delivery, payments systems, etc. Also, with the uncertainties and evolving nature of the virus and containment measures, majority (88%) of the MSMEs are re-thinking their business models. The MSMEs are taking decisions to fit the emerging realities. In spite of the huge challenges MSMEs are facing this period and with about 93% of the respondents reporting decline in income, it is interesting to note that majority of them (83%) believe their businesses will survive even after this period

			<p>5. Business survival rate: About 47% of the respondents are likely to consider new business due to the opportunities and/or challenges associated with the Covid-19 period, while about 30% are undecided, 22 % are not considering new business. Nearly half (48%) of the respondents reported creating new product/service during period while about 51% reported in the negative. Additionally, 57% of the MSMEs reported that their sales have been affected, this is largely due to challenges relating to cash flow (52%). The results suggest that many businesses are financially fragile and some report that they only have cash to cover only for a short period of time</p> <p>6. Areas of Business most affected: 49% of MSMEs reported having logistics issues while about 36% noted having challenges with their production. Other aspects of business operations affected include salaries (26%), customer services (23%), payments (20%), investments (9%) and foreign exchange (7%). With dwindling income and wages for employees, 55% of the MSMEs are considering laying off employees. Even for the 44% that has no plans of laying off their workers, reduced productivity and income are making them think of salary reduction while the situation persists.</p> <p>7. Measures to cushion the effect: about 75% of respondents suggested that funding (affordable/concessionary loans) is highly needed by MSMEs. Apart from affordable loans, some MSMEs require other forms of financial support including grant to cope with the challenges of the period. This is followed by technology support and access to market with 35% each; 29% need mentorship support; and 22% needs reduced interest rate and extended moratorium (on the different financing available). MSMEs also want tax holidays (17%) and energy support (16%).</p>
5.	Impact of restrictions on the private sector (May, 2020)	Invest Salone	This study was commissioned to assess the impact of lockdown measures on segments of the private sector. The aim of the project was to identify areas for concerted action on the part of both public and private sector actors, including to support the Government of Sierra Leone's efforts to ensure the continued availability of essential commodities at affordable prices during the COVID-19 crisis. The key findings are as follows:

			<ol style="list-style-type: none"> 1. Planting, Harvesting and Processing: As the current quarter (April to June) is the planting season for rice, maize, groundnuts and cassava, the restrictions are delaying planting which risks impacting yields and hence the availability of crops later in the year. Prolonged travel restrictions and lockdowns could affect firms' ability to deliver inputs such as training to agents and farmers 2. Ports and Air freight: restrictions and social distancing measures have created extra delays at the ports increasing freight costs and lead times. Several businesses surveyed reported that they are unable to transport products to Freetown and the Port for export or can do so only with long delays. Restrictions on air freight has constrained access to spare parts as well as transfer of experts for new projects. A business in the poultry sector reported that they and others in the sector may not be able to replenish their chicken stock. 3. Staffing: Business costs are increased by having to pay staff during lockdowns, even when revenues are not earned 4. Electronic Passes: Most companies surveyed reported that it is difficult to secure passes to travel to Freetown which makes it almost impossible to prepare for an extended lockdown. 5. Banking: There are long delays with banking operations. Businesses surveyed reported that it can take up to ten days for interbank transfers. 6. Costs and availability of inputs: travel restrictions imposed additional cost on some firms to build new facilities or expand existing ones to store their products which leads to extra costs. Also, firms continue to experience huge demand in the days leading to every lockdown – people buy lots of food to stock in their homes for the lockdown, and some buy in anticipation of shortage in supply of both local and imported substitutes.
		ACAPS Anticipatory Briefing Note	This Brief analysed the impact of the pandemic on overcrowded slums in Freetown lacking access to clean and running water or sanitation, Population density and shelter, health and other livelihood risks. Because of the poverty level in Sierra Leone, many congested

			<p>communities may lack financial coping capacity and lacking access to clean and running water, good sanitation facility, population density and lack of adequate shelter pose increased risk of COVID-19 transmission. There is a risk of diversion of healthcare resources from prevention and treatment of other ailments to tackle the COVID-19 outbreak (DHSE 26/01/2020) (New Scientists, 10/03/2020). The economic impact is forecasted to be high with job cuts (RFI 20/03/2020).</p> <p>The Brief further discuss lessons learned from the Ebola outbreak in Sierra Leone, it says 3956 recorded deaths, including 90 healthcare workers or 7% of workforce, out of 14,124 cases (Robinson 2019) (CDC last accessed 01/04/2020). Protection and prevention are central. A key lesson learned was the importance of tailored messages and effective communication channels, both in preparedness and during the intervention, to limit virus spread. This is effectively included in the current response plans (FCC 27/03/2020) (ACAPS, February 2016)</p> <p>Restrictions on movement over land, sea, and river may constrain humanitarian access and limit the provision of services and aid (RFI 31/03/2020). Additionally much of Freetown, particularly its Eastern areas, lack road networks and available roads throughout the city are often poorly maintained (World Bank 2019).</p>
	Economic and Market Impact analysis of COVID-19 on West and Central Africa	World Food Programme(WFP)	<p>Key Messages from this report is</p> <ul style="list-style-type: none"> • The 19 countries of West and Central Africa all fall into the categories of low or lower-middle income economies; within which they can be further broadly grouped into 3 clusters based on Gross Domestic Production. Most of the countries in the lowest group have been affected by conflict of one form or another, although not a causal analysis as several countries in the top two ranges have also faced conflict or political turmoil in the last decade. Ebola crisis affected three of them: Guinea, Liberia and Sierra Leone. • The strong agricultural season of 2019/20, with overall higher than average production of cereals, has meant good supply of cereals and declining prices in

			<p>many markets across the region. However, this is not the case everywhere. As background to assessing the impact of Covid-19 on market prices, it is important to note that food commodities prices have been volatile throughout 2019. Consumer price index (CPI) for food is at its highest since 2008 in the Monetary Union of West Africa zone.</p> <ul style="list-style-type: none"> • For West Africa countries, crashing demand from China and the rest of the world will dry down major economic sectors, notably agriculture, extractive industry and tourism. Fragile economies, like Mali, Chad, Niger, Burkina Faso are likely to suffer more. • Migrant remittances are an important source of external finance in West Africa. In general, migrant remittances surpass official aid and foreign direct investment and remittances flows contribute substantially to economy growth and to household incomes. Remittances are an important income source for many households in the region, both in rural and urban areas. • Most of the rural people that migrated in urban areas in west Africa are involved in the informal sector. They are sending back money to their families living in rural areas. Disruption in the supply chain from China will affect all these livelihood groups to a certain degree. Moreover, increasingly strict mitigation measures attempting to reduce movement and interaction will have direct and substantial negative implication for livelihoods based in the informal sector. • More than 80 percent of rural population rely on subsistence farming in West and Central Africa. The 2020 off season harvests should be reaching markets and providing substantial incomes of stallholder farmer. However, market closure, restriction on internal and cross borders movement limit markets access. Planting period starts in May/June for the main agricultural season while the Covid-19 epidemic is forcing governments to cut agricultural expenses and to prioritize health-related expenditures. If the above-mentioned restrictions continue, famers won't have access to market to buy good quality seeds and fertilizers.
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	<p>The impacts of the COVID-19 outbreak on Sierra Leone's biodiversity (Blog Sierra Leone) Ambrose Bockarie Kanneh and Abdul Wahid Arimiyaw</p>	<p>Centre for Development Research University of Bonn</p>	<p>The blog points out that restrictive policies implemented by the government seem to have a negative effect on the protection of natural habitats, biodiversity conservation, and, possibly, on conservation gains thereby causing a loss of livelihood for hundreds of people in this sector. The implementation of lockdown measures has pushed many environmental organizations to cut back their operations, as well as their efforts to protect biodiversity and the environment, in an attempt to comply with the government's lock-down measures which has posed more problems such as exploitation of resources:</p> <ul style="list-style-type: none"> The observation is that during lockdown periods, communities adjacent to co-managed forests and protected forest areas extensively harvest forest resources thereby breaching existing conservation laws and guidelines. The exploited resources include honey, mushrooms, fruits, nuts, as well as medicinal plants and many more. Thus, the natural habitats of several endangered wildlife species that had been protected for many years through conservation efforts, are destroyed (Barrie et al., 2015). The consequences of this human encroachment triggered by the crisis can be long-lasting for certain wildlife species. This particularly applies to species whose reproductive potential is low, and whose declining populations will take years to rebound, such as Chimpanzees and mature plant species. National parks like Gola Rainforest National Park in the south-eastern part of the country, and the Loma Mountain National Park in the north, serve as reservoirs for wildlife species and are known to have significant mineral deposits. Prior to the COVID-19 outbreak, patrol officers were deployed (also called 'Eco-guards'), so miners, poachers, and loggers had very limited access to these sites for any illegal

			<p>activities. With the current lockdown situation, as long as conservation agencies and organizations are unable to perform their monitoring and surveillance functions effectively, there is a risk that illegal activities and biodiversity degradation will continue in Sierra Leone.</p> <ul style="list-style-type: none"> • The aquatic environment has also been exploited by poor coastal communities in a bid to stock up on protein sources during this lockdown period. Aquatic species were harvested uncontrollably, regardless of the type and size of fish to be captured, resulting in numerous by-catch issues. Coastal communities situated along the Sherbro River Estuary of the Bargura Creek; Moyamba District - southern Sierra Leone were mostly affected. Fishing has always been the main source of livelihood for these communities, but due to the COVID-19 pandemic, many more people are fishing in these waters, putting aquatic species at higher risk of exploitation <p>On March 28, the Tacugama Chimpanzee Sanctuary, the only animal sanctuary in Sierra Leone, closed its doors to the public and thereby cut off its primary source of income. This has affected the livelihood of its workers</p>
	<p>COVID-19 IMPACTS ON AFRICAN CHILDREN (How to protect a generation)</p>	<p>Save the Children International (PAN-AFRICAN POLICY PAPER)</p>	<p>This policy paper underscores that, although children do not represent a high-risk group for direct COVID-19 fatality, the pandemic posts far-reaching secondary impacts that heighten risks to African children's rights and wellbeing.</p> <ul style="list-style-type: none"> • The rapid spread of COVID-19 is overburdening the under resourced African health systems and disrupting routine health services that are likely to increase disease incidences and deaths from preventable and treatable diseases especially for children. • COVID-19 pandemic is jeopardising Africa's children formal learning, health and safety/protection, particularly the girls. It is estimated that over 262.5 million children from pre-primary and secondary school are currently out of

			<p>school because of COVID-19 closures, which translates to approximately 21.5% of the total population in Africa</p> <ul style="list-style-type: none"> • COVID-19 pandemic is unfolding in Africa against a backdrop of worrying hunger levels driven by climate shocks, conflict and economic challenges. Recent estimates of food insecurity suggest that as many as 107 million people in Sub-Saharan Africa were acutely food insecure • COVID-19 pandemic is exacerbating existing vulnerabilities. This pandemic has also a catastrophic impact for the most vulnerable who do not have access to social protection system, including the most vulnerable children. Street children, Internal Displaced Peoples and Refugees are not only expose to higher sanitary risk, they are also facing higher limitation to access to health and alternative education system <p>COVID-19 pandemic threatens to reverse development progress in Africa. COVID-19 economic aftershocks will derail the progress towards poverty reduction and will increase an additional 59 million people into the extreme poverty bracket in Africa; including 33 million children.</p>
	<p>Update on the impact of Covid-19 on food and nutrition security in West and Central Africa</p>	<p>WFP Regional Bureau Dakar, Research, Assessments and Monitoring, Emergency Preparedness, Nutrition and Supply Chain Units</p>	<p>Key Messages from this paper are</p> <ul style="list-style-type: none"> • In West and Central Africa, the March 2020 Cadre Harmonisé (CH) and Integrated Phase Classification (IPC) in Central African Republic project that more than 21.2 million people will face severe food gap during the lean season in July-August. Three scenarios were developed to estimate the at-risk population in the context of Covid-19. In total, the population at risk in West and Central Africa could feasibly double the figures projected in the CH and IPC given the inclusion of highly vulnerable populations living in urban slums and those already vulnerable (previously in phase 2).

			<ul style="list-style-type: none"> • The challenge of addressing acute malnutrition amongst pregnant and lactating women and children less than 5 years of age is already immense in West and Central Africa. According to the recent CH analysis for the lean season 2020, an estimated 12 million children (6-59 months) are anticipated to be acutely malnourished, up from 8.2 million in the lean season 2019. The measures being implemented to contain the spread of Covid-19, the shifting of resources towards the response to Covid-19 at the expense of other care, and the risk the infection itself will pose to those nutritionally-comprised individuals who fall ill, all threaten to amplify this challenge dramatically. • The combination of reduced supply resulting from the restrictive measures taken by Governments to mitigate Covid-19 spread has already resulted in price increases in some countries. This will further impact already observed increases in observed in Sierra Leone, Senegal, southern Mauritania and the Central African Republic caused by decreases in agricultural production or result of economic crisis. • Looking at the situation of rice in West Africa, despite overall increases in production this most recent agricultural season, the region remains rice net import with main origin from Asia. As this region is heavy affected by the Covid-19 crisis, there are possibility that countries hold their cereals stocks and use them for domestic consumptions as it was observed during the 2008 economic crisis, with subsequent further rice price increase. • Within urban areas, the most vulnerable to directly contracting Covid-19 or being negatively impacted by Covid-19 due to slow-down of economic activities are the urban poor who are generally engaged in low skill wage labor with no job security, dependent on markets for food with little ability to store and save food or money, have poor access to diversified nutritious diets or health care, and live in crowded unsanitary conditions. These populations are as such considered as high priority for assistance.
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			While it remains difficult to gauge the impact that Covid-19 will have on 2021 agricultural production, it could include (1) disrupted access to good seeds, fertilizers and pesticides due to market closures; (2) an aging farmer population more vulnerable to Covid-19 as young people migrate for work; and (3) limited access to land to cultivate due to curfews or internal movement restrictions
	Supporting informal settlements and the specific needs and risks to consider in relation to COVID-19: Lessons from the Ebola outbreak	SLURC LEONE RESEARCH CENTRE Dr. Joseph Macarthy (SLURC Executive Director) and Yasmina Yusuf (UCL Fellow)	<p>Key messages from the article are</p> <ul style="list-style-type: none"> • Informal settlements are at the heart of health inequalities, particularly evident during pandemics, due to their characteristics: without access to reliable and essential urban services such as water, health care, sanitation and electricity. • The 2014 Ebola outbreak did not only highlight the need to focus responses on urban areas but recognized the need for responses to be tailored and pay special attention to the constraints which informal settlements face in health emergency responses. Questions however remain: What is the state of health systems in urban Sierra Leone? What specific conditions make urban informal settlements at risk to disease outbreaks? What specific considerations need to be taken to limit the incidence of disease outbreaks? And how should response to health epidemics such as COVID-19 be tailored to informal settlements? • The increase in health epidemics combined with rapid urbanization is set to exert enormous pressure on city authorities to provide more land for housing, essential urban services and address the complex factors which underpin the vulnerability of informal settlements. • As cases of COVID-19 increase in informal settlements in Freetown, the issue of health security in informal settlements needs to be considered more seriously amongst the list of issues to look at in the response to the pandemic <p>Despite ongoing efforts from the city and national government and other organisations, we encourage more evidence to inform policy measures to curb the spread of COVID-19 in informal settlements</p>

Planned/on-going national Studies			
1.	Measuring the Pulse of Firms The COVID-19 Business Pulse Survey (COV-BPS)	World Bank	This study intends to provide a rapid survey to understand the impact of COVID 19 on businesses.
2.	Impact of COVID 19 on the Financial Sector	Bank of Sierra Leone	This study is being planned and will capture the effect of government intervention on the financial sector and macroeconomic indicators.
3.	Macroeconomic Update on Sierra Leone	World Bank	The study will provide economic update on Sierra Leone and provide an outlook that will present the potential impact of the pandemic on the economy.

Organizations/ Authors	Implementing Institution	Summary Description and Findings
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The COVID-19 Economic Impact Surveys (Ongoing survey)	Innovations for Poverty Actions (IPA) and International Growth Centre (IGC)	This is a joint effort in measuring the economic impact of the COVID 19 crisis on a variety of agents, such as large companies, SMEs, informal and micro businesses, self-employed people, workers, and farmers in low- and middle-income countries.

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FINDINGS OF SIERRA LEONE FOOD SECURITY MONITORING JANUARY 2020	FAO, Welt hunger hilfe, Statistics Sierra Leone, GOVSL, WFP	• .