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Lessons for Sierra Leone on How to Reopen the Economy

Generating Evidence to Inform Policy Formulation and Implementation

Key Recommendations

- All policy interventions must consider the linkages between the economic and public health impacts and the trade-offs required in the response and recovery process.
- Develop an implementable plan with a clear communication strategy to provide confidence in ongoing economic support and manage expectations.
- Invest in accurate data collection and reporting capabilities to adaptively respond to and recover from the crisis.
- Determine the priorities of reopening the economy. These should ensure macroeconomic stability, protection of lives, food security and restoration of trade routes.
- Determine which parts of the economy (geographic and sectoral) should be reopened via a three-step process of tiering responses, triaging regions and monitoring progress**.**
- Select which sectors should receive further support from the government based on the vulnerability of the industry, externalities from the industry and vulnerability of those dependent in the industry.
- Make immediate investments in human capital through social protection programs, healthcare investment, nutrition and education.
- Leverage data, science, technology and innovation across all sectors.

Context

At the outset of the COVID-19 pandemic, Sierra Leone, like several countries around the world, implemented measures to curtail the spread of the disease even before the country recorded its index case on the 31st of March 2020. The Government suspended international flights, closed land borders; restricted inter-district movements; placed a ban on public gatherings; instituted a night curfew, and implemented partial lockdowns. As the pandemic unfolded, on 1st June 2020, Government passed legislation to enforce the wearing of masks in public spaces to complement existing calls for hand washing and social distancing. Whilst these measures were meant to save lives, their implementation had adverse consequences on economic activities. Recent Government estimations of the economic impact of COVID-19 has resulted in the revision of growth projections downwards from 2.8% to -3.2% for 2020.

As work to strike a trade-off between saving lives and livelihoods continued, His Excellency President Julius Maada Bio on 23rd June 2020 eased some of the COVID-19 restrictions by lifting the ban on inter-district movement, delaying the start time of the night curfew from 9:00 pm to 11:00 pm. The country's Lungi International Airport reopened on 22nd July 2020. The easing of COVID-19 restrictions however does not automatically translate into economic recovery. Most times, resources allocations need to be revised and complemented by policies targeting economic recovery and inclusive growth. In fact, the Minister of Finance on 24th July 2020 presented a Supplementary Budget for the 2020 financial year to the House of Parliament for approval. The objectives of this budget are:

- To implement the COVID-19 Health Sector Preparedness and Response Plan in order to strengthen health systems to save lives;
- To implement the Quick Action Economic Response Programme (QAERP) to save livelihoods; and
- To continue the implementation of the original 2020 Budget priorities, which will continue into 2021 as part of the recovery efforts in the post COVID-19 period.

This policy brief on 'Lessons for Sierra Leone on how to reopen the economy' is the second, in the series focused on the COVID-19 pandemic to guide policymaking. It synthesises research and advice on how to reopen economies proffered by notable institutions such as the International Monetary Fund (IMF), World Bank, African Development Bank (AfDB), Tony Blair Institute (TBI), Mckinsey & Co, Harvard University, the Overseas Development Institute (ODI), the Brookings Institute and the World Economic Forum(WEF). The intention is to highlight lessons and policy recommendations on how to safely-reopen the economy for consideration by the Government. It is crucial that Sierra Leone safely-reopens its economy so that gains in stabilising the economy and hard-won economic recovery of the past twenty-four months are not permanently reversed.

How to choose the right path to reopen the economy?

In determining the reopening strategy, the Government must take five key realities or institutional challenges into consideration:

- Reopening the economy requires consideration of the linkages between the economic and public health impacts and the trade-offs required in the response and recovery process.
- Given that the COVID-19 pandemic remains an evolving situation, investing in accurate data collection, reporting, management, and utilisation capabilities are required to adaptively manage this crisis.
- Depending on the caseload and spread of the disease, the Government might be required to repeatedly relax and restrict movement and certain economic activities on a granular and local level. It must build the necessary policy frameworks and capacity needed to prepare for slow economic recovery and eventual long-term growth.
- Given the long list of challenges the Government faces, its limited leeway is a key constraint in the implementation of any policy framework.
- The Government must provide ongoing economic support and manage expectations via a credible, implementable narrative and plan.
- Leveraging science, technology, and innovation across all sectors are needed to effectively respond and recover from the pandemic in a resilient and sustainable manner.

Reopening the economy requires consideration of both the economic and public health impacts - the responses are interwoven. Reopening the economy does not mean 'return to normal'. Effective public health responses can however facilitate a more effective reopening. Non-economic and non-pharmaceutical interventions (such as good hygiene, having adequate personal protective equipment for workers in jobs that are unavoidably high-contact, social distancing, wearing masks, testing, contact tracing, shielding of high-risk populations, and quarantine) can play a critical role in enabling the economy to reopen. They collectively can reduce the probability of transmission inside and outside the public or private sector workplace and thereby enabling people to get back to work or doing business.

Public messaging also plays an important role in driving some of these collective behaviours in communities. Until there is a vaccine, these messages remain the main ways to reduce the spread of infection. Given limited enforcement, the Government requires citizens to comply based on trust, which in turn requires them to understand why it makes certain decisions. Increasing healthcare capacity also facilitates the reopening of the economy as it reduces the risk of the system being overwhelmed enabling more open economic activities. Reopening offices and businesses with adequate regulation around public health safety (e.g. the use of sanitizers, wearing of masks, cashless payments), physical distancing, and supply chain management will ensure safe ways of working and supporting livelihoods. However, the Government must continuously learn from domestic and experiences in other parts of the world.

The Government continues to face several challenges including but not limited to resource mobilisation, immediate COVID-19 response, and the trade-off with long-term development projects. Therefore, the government's capacity to effectively forecast the economic, social, political, and environmental impact is a key constraint in any policy framework. An effective economic recovery strategy requires senior government officials to devote enough resources to the implementation and therefore they should consider only policy options, which are feasible within these capacity constraints. Delivery and coordination mechanisms can be useful for efficiently allocating government resources to the activities with the highest return and are politically most feasible.

The Government must prepare for a long but slow economic recovery where the policy framework must build the capacity to repeatedly reopen and restrict the economy on a national and subnational level. It should not consider reopening the economy as a one-time linear process. Safe reopening should be a slow process of ongoing monitoring and management as the health crisis evolves in different sectors, in different geographies, and in response to different opening-up policies. At times, there will likely be increased risks of the disease, which would require the economy to respond accordingly. Developing these capabilities is akin to training "muscles" over multiple rounds of locking down and reopening.

Investing in accurate data collection and reporting capabilities will be required to adaptively manage this crisis. Given the uncertainty around the disease, following best practices should not be the only strategy. The Government must invest in building the capacity that will be needed to utilise data and evidence to implement policies on a national and sub-national basis, such as regional lockdowns or restrictions on certain sectors. These capabilities will enable the Government to understand and monitor the health and socio-economic changes over time and at a granular level and therefore respond appropriately.

Sierra Leone should seek to understand what is happening locally and what works in the country. Critically the Government must understand, every few weeks, at the national and sub-national level: the prevalence of COVID-19, other health outcomes, and basic economic outcomes (like food security, revenue, income, etc.). Some countries are using a readiness dashboard for economic reopening to track these measures. This could be a powerful instrument when making decisions about which policies to implement, when, where, and in which sectors.

The Government must provide sufficient ongoing economic support to manage expectations via a credible, implementable narrative and plan. Articulating this long-term plan as soon as possible is important to manage domestic and international private sector confidence while also giving the chance to seize any opportunity created by the crisis to drive economic transformation. This process should be accompanied by the Government's effort to leverage science, technology, and innovation.

How to determine the priorities?

The Government could adopt a more targeted analytical framework to identify which sectors to focus on for development, as well as increasing the support for both private and public sector investment facilitation. Building on the analysis of historical data and emerging trends, the sectors should be prioritised based on their potential for both economic transformation and private returns, with specific factors being: profitability, resource base, and economic feasibility, market size, product innovation, political economy, and political feasibility, and firm capability in outbound countries. Development finance institutions and development investors should proactively give preference to investment in firms within sectors focused on economic transformation, even if returns may be lower than in other areas.

Mckinsey& Co. and the Tony Blair Institute (TBI) suggest that safely reopening borders to trade and travel would minimise disruptions to trade routes and supply chains, restore demand for exports and help the tourism and hospitality sector to recover. Reconnecting to the global economy is important to allow people and goods to flow while reducing outbreak risks and maintaining the ability to reimpose restrictions in the event of a surge in COVID-19 cases. Such policies include implementing standardised and reliable sanitation schemes for ports of entry for goods and people; avoiding arbitrary shutdowns of trade routes and the resulting uncertainty in trade. It is proposed that the Government focuses efforts on providing clear and reliable rules and enforcement mechanisms for the management of outbreaks to enhance credibility and trust among trade partners. This includes having a framework for assessing the benefits and risks of opening up to different countries based on trade and travel importance; how countries are performing in managing the virus; and the reliability of their control protocols. Focusing on boosting regional or continental African trade may also be given prominence to reduce dependence on wider global supply chains.

According to Mckinsey& Co., one approach to determining which parts - both geographic and sectoral - of the economy should be reopened requires a three-step process of tiering responses, triaging regions, and monitoring progress. First, define a tiered set of responses from least to most restrictive, which could then be applied to each region of the country. Within each tier, there would be measures to protect the general population, high-risk populations, and details of which sectors can open. The second step is to "triage" regions of the country to determine which tier they are in, based on the severity of the virus and the readiness of the public health system. Lastly, the ongoing step is to monitor progress continuously. Once regions are triaged and response measures in place, assessments need to be made about adherence and thresholds set for moving a region to a different tier.

Mckinsey &Co. goes on to describe an approach to determine which sectors should be opened in which tier, based upon both the inherent risk of infection and their economic importance. The priority is to open those sectors where the risk of infection is low (or can be mitigated, e.g. through working from home) but their economic importance is high. This may be due to several factors including essential industries or services, size or number of people employed, spillovers, tax revenues, exports, pro-poor, and economic resilience. Certain high contact but low economic value activities may be suspended indefinitely such as live fans at professional sports and festivals. Sporting and entertainment bodies could also explore staging virtual events or smaller events with a minimal number of attendees.

Irrespective of the reopening approach, according to the Tony Blair Institute (TBI) one of the priorities of reopening the economy should be ensuring food security. Examples of policies from TBI deployed by other countries in this area include: (i) scaling-up of food aid for the poorest and most affected communities, as in Senegal where the Government devoted $125m to the purchase of food for emergency food aid; (ii) designating the following industries as essential services: agro-inputs producers and distributors, farmers, post-harvest handling and food processing; (iii) providing stimulus packages for the food production industry as in Cote d'Ivoire where the Government has allocated $90m to support food, vegetable, and fruit production); (iv) building up strategic grain reserves of at least six to nine months (bulk countrywide procurement); (v) designating all food industry logistics as essential services; (v) addressing supply chain disruptions; (vi) minimising border delays and leveraging technology in transportation and logistics solutions; (vii) keeping informal markets open but adapting for social distancing and other COVID-19 safety measures; (viii) scaling tech solutions for market linkages for farmers; (ix) tracking food stocks and prices; and (x) lobbying key source countries to curtail export restrictions and transit/shipping countries to adapt and reduce freight costs.

As the economy recovers, industrialisation policies should favour economic diversification, and industries, which create jobs, are growth-enhancing, export-orientated, and could widen the tax base. Economic recovery policies should target industries such as agro-processing, manufacturing, technology services, and tourism. Over time, policy support will need to shift towards encouraging people to return to work and to facilitate the reallocation of workers to sectors with growing demand and away from shrinking sectors. This could take the form of spending on worker training and hiring subsidies targeted at workers that face a greater risk of long-term unemployment.

The Government should determine which sectors should receive further support based on the vulnerability of the industry, externalities from the industry, and vulnerability of those dependent on the industry. Industries that face the most severe disruptions (such as tourism) are essential for the rest of the economy and which support the livelihoods of the most vulnerable (such as agriculture) should be targeted for support. The Government must also prioritise export industries when determining support.

Beyond immediate investments in human capital through social protection programs and healthcare, further investment in education and nutrition will be required. This provides not only cash injections into the economy but also enhances long-term human capital development.

Specific policy guidance

As the COVID-19 pandemic continues to evolve globally, International Financial Institutions, Think Tanks, and research institutions have produced a plethora of policy guidance notes. A vast majority of these recommendations, while not country-specific, focus on interventions that would positively impact nations, especially developing economies. It is worth noting that in general, the literature provides little concerning the ease with which some of these recommendations can be successfully implemented. This might probably be because COVID-19 is still an evolving situation, and at the time of publishing these guidance notes, there is limited evidence detailing country-specific implementation outcomes. Nonetheless, this further lends credence to the notion that a country's successful policy implementation and service delivery is largely dependent on the quality institutions, delivery systems, availability of financial and human resources, lesson learning, and capacity to adapt whilst leveraging science, innovation, and technology.

Given Sierra Leone's COVID-19 response, COVID-19 recovery and development priorities outlined in the QAERP, the 2020 Supplementary Budget, and Medium-Term National Development (2019 – 2013) respectively, a selection of policies for consideration within the context of reopening the economy and medium-term growth vision include:

a. Maintaining macroeconomic stability;
b. Targeted government support to businesses to aid liquidity and improve the business environment;
c. Financial Sector Reforms;
d. Investments in infrastructure development;
e. Investment facilitation;
f. Targeted support to the informal sector;
g. Sector-specific responses to accelerate growth; and
h. Leveraging science, technology, and innovation.

a. Maintaining macroeconomic stability

As the crisis evolves, increasingly moving to targeted fiscal spending will invariably be required to manage the fiscal deficit. Although initial fiscal support policies may have been, rightly but broadly targeted - such as unconditional cash transfers - as recovery begins policies should be made more affordable by targeting the poorest households and hardest-hit sectors. A more holistic review of the entire budget is likely required, where increased fiscal spending in some areas may require reduced spending in lower areas of importance. This could also include prudent investment in infrastructure projects given changes in demand due to the current crisis. An example of such a policy adjustment could be in reducing energy subsidies and taking advantage of currently low oil prices. In turn, these funds could be channeled to high priority health spending areas. Even within healthcare spending, prioritisation is required so that the largest share of spending does not go to the richest quintile through hospitals in urban areas. Additional focus must be placed on the most vulnerable population's link with the health system, which is often through primary health clinics, which may be under-equipped and understaffed.

To maintain macroeconomic stability, the first action must be to develop and communicate coherent debt management, sovereign financing, and economic recovery and industrialisation plan. Firstly, such a plan is required to engage in dialogue with existing creditors and sovereign financiers and to negotiate restructuring debt obligations and additional financing needs. Secondly, such a plan is needed to chart a medium-term path towards a narrowed fiscal deficit - through targeted spending and widening the tax base - and thereby protecting against credit downgrades. Lastly, such transparency is useful to manage expectations, build confidence, and facilitate long-term investment.

Multilateral institutions should be engaged on issues of debt relief and financing support in a clear, exact and targeted manner and potentially as part of a regionally coordinated effort. The IMF, World Bank, and the G20 are likely the institutions with the most capacity to support. Those countries, which have secured support, have typically made a **clear** *(what is the financing precisely for, tied to a debt management and recovery plan),* **exact** *(how much is precisely required based on evidence)* and **targeted** (*right type of support from the right institution)* request for support. Requests for debt relief or additional financing for the global community may be more effective at a coordinated regional level, where involvement of the President is likely required. For ongoing development finance projects, these could be re-negotiated to frontload partner contribution and/or postpone Government contribution. Lastly, if there is an imminent threat of a fiscal crisis, legal advice should be sought to lessen any associated risks.

Macroeconomic stability during the response should also continue to be a key concern during the economic recovery. Failure to maintain macroeconomic stability and avoid a fiscal crisis could severely damage the economy and livelihoods in the long-term. All other economic policy decisions therefore must be undertaken within a framework that ensures prudential debt management, prioritises fiscal spending, and charts a pathway to sustainable growth.

Maintaining expansionary fiscal policy until recovery is well underway is likely the preferred path. Evidence suggests premature fiscal consolidation may result in further contractionary effects and hurt a country's standing in financial markets when fiscal stress is severe. Reducing leakage from fiscal spending is of even greater importance during this period. The current crisis may offer an opportunity to address issues of corruption, with the goal of both improving the current situation while delivering valuable long-term institutional reform.

Additionally, given fiscal constraints and the need for investment, scaling-up public-private partnerships may be an additional avenue to attract investment and participation from the private sector to deliver critical projects and services. For example, long-term concessions could facilitate the development of large-scale irrigation projects or diagnostics centres, and build–operate–transfer models could be used to build power transmission projects.

b. Targeted Government support to businesses to aid liquidity and improve the business environment

Government support for different industries and type of firms can take several different forms with varying impacts on the Government's balance sheet, examples from smallest to largest:

- *Easing of COVID-19 regulations*: Proactive dialogue and coordination by Government with private-sector organisations or key private-sector actors, dedicated agency or team to respond to issues of the impact of COVID-19 restrictions on key industries. The approach to design workable support measures should include consultations with the private sector, civil society, academia, local leaders, and development partners if necessary.
- *Cash flow support*: Government could expedite the payment of tax refunds and other government obligations. Lowering, waiving, or delaying taxes, tariffs, and fees for businesses is another pathway. These could be complemented by a delay in charging citizens' obligations to the Government, such as income tax, payment of fees to public services (e.g. utilities), and goods and services provided by State-Owned Enterprises (SOEs).
- *Access to finance*: Government could explore liquidity infusion, macro-prudential loosening, and modifying financial regulation. Negotiating with financial institutions to loosen loan payments and terms should not be ignored. The Government could provide loan guarantees for key industries and direct soft loans for key industries (through central banks or dedicated support facilities).
- *Transfers*: Government can provide direct transfers to firms, e.g. for adaptation costs, payroll subsidies (on condition workers are not laid off), technology updates and innovation, and in-kind benefits, e.g. food, supplies.

c. Financial Sector Reforms

Reforms in the financial sector that can also be used to support recovery include:

- Financial-sector regulator compelling the easing of payment conditions;
- Temporary easing of credit reference bureaus' protocols;
- Financial-sector regulator easing the categorisation of distressed assets; and
- Reduction of reserves requirements or quantitative easing to increase liquidity.

Supporting a recovery will also involve actions to repair balance sheets and address debt overhangs. This will require strong insolvency frameworks and mechanisms for restructuring and disposing of distressed debt.

d. Investments in infrastructure development

There will be a need for a range of energy and other infrastructure policy considerations as part of the economic recovery. These could include:

- Engaging telecommunications and power companies on the provision of subsidised services;
- Rapid mobilisation of off-grid energy solutions for critical social services;
- Reviewing strategic petroleum reserves or working with neighbouring and supplier countries to ensure supply chains are maintained;
- Ensuring domestic supply chains for cooking fuels (wood/charcoal/gas) are protected; and
- Identifying key field workers (for example, those in road or power-system maintenance) and establishing protocols to enable them to work safely.

Maintaining and expanding infrastructure and public investment projects must be part of any recovery. This includes both hard infrastructure such as rail, road, and port projects, and soft infrastructure such as public sector digitalisation projects. Public works and urban programmes can be launched or scaled up to facilitate job creation in low-income communities. Such schemes are underway in Ghana, Ethiopia, Kenya, and Senegal.

e. Investment facilitation

The Government must also play a central role in attracting investment into the country by containing the risks from the pandemic and so incentivising foreign and domestic investment to return. Investment facilitation is necessary, both for the restoration of foreign direct investment (FDI) and for the improved targeting of both FDI and domestic investment. Governments play a key role in scaling up investment by running a fair and competitive procurement process for infrastructure projects; ensuring the availability of suitable land and rural roads for agriculture investors; coordinating a suitable regulatory framework for telecommunications firms, and enhancing the capacity of investment and export promotion institutions to provide efficient and cost-effective services to domestic and foreign investors. Investment facilitation should be supported by outreach and facilitation for key investors, orderly fiscal and macroeconomic management, and a commitment to business environment reforms.

Improving the business environment both within Sierra Leone and across borders would allow capital and labour to adjust relatively more quickly to the current crisis. This could include reforms to speed-up the resolution of disputes, reduce regulatory barriers, and reform costly subsidies, monopolies, and protected state-owned enterprises that may be slowing development.

f. Targeted support to the informal sector

Expanded social safety nets policies, suitable for informal workers, have been widely adopted in the current crisis. However, given the need to likely continue this expanded spending for some time, in the medium to long term, these will need to shift to being increasingly targeted to the most vulnerable. Many countries have utilised digital cash transfer systems to put money in the hand of the poorest families, who have limited savings and access to finance, to maintain local economic activities, especially in essential sectors. These digital payments have often been accompanied by in-kind support in the form of food, medicine, and other household staples channeled through local governments and community organisations. These service provisions are even more essential for informal sector workers during lockdowns as they would otherwise be unable to stay home, thereby negating the effect of the lockdown. As an example of targeting, some policies have been deliberately targeted to support rural women.

Given the need to maintain food systems, rural markets should be allowed to operate with slight restrictions but maximum precautions, with agricultural sector activities and transport prioritised. Farmers need to be ensured access to fertiliser, seeds, fuel, and in some cases seasonal labour for harvests. For enterprises involved in food supply chains, access to finance should be pursued to ease long-term disruption.

Policies to support Micro, Small and Medium Enterprises (MSMEs) are crucial for a fast rebound of the economy. They must both reduce the health risks of these business environments and address other business challenges. An example of such policies is adapting physical marketplaces and other sites for social distancing including coverage of costs for sheds, spaces, and utilities. Others include subsidisation of transportation costs and public-utility payments; providing targeted grant facilities, cash transfers, or wage subsidies (*contingent on the maintenance of employment, protect both companies and workers during the crisis)*; and providing technical support for targeted MSMEs in the most affected sectors.

Moving beyond the immediate crisis, targeting increased formalisation of MSMEs presents an opportunity for long-term economic transformation. Formalisation brings benefits such as higher productivity, better access to finance, more integration into the supply chains of larger businesses, and the public sector. It also brings benefits to employees through additional protection and relief opportunities eventually leading to additional tax contributions. Formalisation requires the right set of incentives. The current crisis could provide such incentives as MSME survival may depend on Government support which requires formal registration. To achieve this goal, stimulus funding should be channelled for MSMEs. The Government can also create market access schemes for MSMEs which create links to the corporate sector, incentivising formality. Both of these measures could be accompanied by a targeted campaign to formalise MSMEs by demonstrating the benefits. The Government could also design compelling packages, potentially including access to favourable borrowing terms, multi-year tax breaks, and capability building.

g. Sector-specific responses to accelerate growth

Increased regional trade, integration, and coordination would support both the immediate need for food, medical, and other essential goods, as well as providing new growth areas countering the backdrop of de-globalisation. Immediate coordination efforts may be best supported by the African Union and ECOWAS such as ensuring international food trade routes remain open and lobbying against export bans by other countries. Momentum should also be sustained on the landmark African Continental Free Trade Area (AfCFTA) Agreement, where a rapid and ambitious implementation would both support recovery and protect against future global shocks. The goals of this should be to harmonise trade-related regulations, customs controls, and reduce both tariff and non-tariff barriers while improving infrastructure to lower the logistics costs. New international trade agreements – including with major economies - may also help support growing but still fragile export sectors.

Local manufacturing capacity should be repurposed and redirected towards meeting the immediate and essential healthcare demands of the COVID-19 response. This includes the manufacture of personal protective equipment (PPEs), ventilators, pharmaceutical products, and hospital equipment. The Government can support these efforts by determining which production capabilities are essential and supporting industrial coordination by giving support to these industries, thus enabling them to survive and develop. Given the disruption to global supply chains, including transportation challenges, global shortages, and export bans, a renewed focus on domestic manufacturing of key goods would lead to increased self-reliance.

Tourism will be acutely affected for a long-time due to the associated risks of infections spreading, resultant border closures, and the likely long-term reductions in international travel. As a result, the sector will likely require high levels of support to avoid long-term damage. For example, in Senegal, the Government is accelerating VAT refunds and providing tax deferrals to key industries like tourism. Similarly, in Guinea, a highly targeted package of policies has been directed to support the tourism industry, from tax deferments and exemptions to freezing the charges of utilities for the sector.

TBI suggests establishing an intra-ministerial committee with senior government authority that sets out a focused agenda to address the major challenges relating to agriculture and food security. Part of this process should involve identifying and engaging with key actors within the agricultural space (including those coming from agtech, SMEs, innovation hubs and incubators; home-grown investors and value-chain actors; and large strategic and international development and impact investors). A delivery mechanism to track the progress of efforts in this space may also be key. Lastly, investment facilitation must be part of any long-term agricultural transformation effort.

h. Leveraging Data, Science, Innovation, and Technology

Embracing the digital age and digital technologies may offer some of the most promising new opportunities to emerge from this current crisis, including the banking, retail, education, health, and other public services sectors. In the short term, the increase in remote work and the need for cashless payments are examples of challenges, which may in time present opportunities for innovation. To capitalise on these opportunities, a few policies are proposed:

- Support businesses to expand online presence and broaden digital offerings;
- Ensure there is the right enabling environment for rapid digitalisation, such as affordable data;
- Bring the public sector into the digital age by increasing the provision of digital services and information, and harness digital tools to collect, manage, and use data to inform decision making. The crisis could also be used to accelerate the rollout of digital IDs, signatures, and registries;

- Speed up infrastructure investments, including those in backbone networks and last-mile connectivity, as well as electricity supply;
- Scale-up digital skills so that the workforce is equipped for the post-COVID world where digital skills will be at the core of many occupations.

Cognizant of Sierra Leone's domestic situation and the Government's priorities, the implementation of all these proposed measures should be accompanied by continuous investment in micro and macro data collection, analytics, and management with a clear feedback loop with the private sector, practitioners, and civil society.

Status of reopening the Sierra Leone economy

Table 1: Policy implementation status in Sierra Leone

Category	**Policy**	**Implementation status***
Institutional preparation	Integrate the economic and health responses and recovery processes to COVID-19	*Ongoing - on track*
	Invest in accurate data collection and reporting capabilities to manage this crisis adaptively	*Ongoing - partial*
	Develop the policy frameworks and capacity to repeatedly reopen and restrict the economy on a granular and local level as is needed	*Ongoing -on track*
	Highly target where to invest government bandwidth during this time	*Ongoing -on track*
	Provide confidence through economic support and manage expectations via a credible, implementable narrative and plan	*Ongoing - partial*
Determining priorities	Develop a process of tiering, triaging, and monitoring different regions and sectors to understand which parts of the economy must be restricted	**Unknown**
	Prioritise food security above other economic issues	*Ongoing – on track*
	Establish methods to safely reopening borders to trade and travel; minimising disruptions to trade routes, restoring demand for exports, and helping the tourism and hospitality sector to recover	*Ongoing – on track*
	Establish a long-term economic recovery plan which favours economic diversification and industries which create jobs, are growth-enhancing, export-orientated, and widen the tax base	*Ongoing - partial*
	Determine which sectors should receive further support from the Government based on the vulnerability of the industry, externalities from the industry, and vulnerability of those dependent on the industry	*Ongoing – on track*
	Consider increasing long-run investments in education and nutrition	*Ongoing - partial*
	Consider the evidence that reopening schools may present an elevated risk in countries like Sierra Leone given the higher proportion of households that include both children and elderly people	*Ongoing - partial*
Maintaining macroeconomic stability	Maintaining macroeconomic stability and avoiding a fiscal crisis by developing and communicating coherent debt management, sovereign financing and economic recovery and industrialisation plan	*Ongoing - partial*
	Engage multilateral institutions on issues of debt relief and financing support in a clear, exact, and targeted manner and potentially as part of a regionally coordinated effort	*Ongoing - on track*
	Maintaining expansionary fiscal policy until recovery is well underway is likely the preferred path	*Ongoing - partial*
	Reducing leakage from fiscal spending	*Ongoing - partial*
	Scale-up public-private partnerships to attract investment and participation from the private sector to deliver critical projects and services	*Ongoing - partial*
	Over time, move to more targeted fiscal spending to manage the fiscal deficit	*Ongoing - partial*

Supporting businesses	Develop a program of government support for different industries and types of firms including easing of regulations, providing cashflow support, increasing access to finance and direct transfers	*Ongoing – on track*
Financial sector reforms	Ensure reforms in the financial sector are included as part of the economic recovery plan	*Ongoing - partial*
Infrastructure development	Ensure energy and infrastructure policy considerations are included as part of the economic recovery plan	*Ongoing - partial*
	Maintain and expand infrastructure and public investment projects	*Ongoing - on track*
Investment facilitation	Increase the Government's role in attracting investment into the country by containing the risks from the pandemic and so incentivising foreign and domestic investment to return	*Ongoing - partial*
Support for the informal sector	Expand social safety nets for informal workers which over time will need to increasingly target the most vulnerable	*Ongoing – on track*
	Allow rural markets to operate with minimal restrictions and precautions, with agricultural sector activities and transport pursued	*Ongoing – on track*
	Support MSMEs with policies that both minimise the health risks of these business environments and address other business challenges	*Ongoing – on track*
	Implement policies to drive increased formalisation of MSMEs	*Ongoing - partial*
Sectors to accelerate growth	Adopt a more targeted analytical framework to identify which sectors to prioritise for development, as well as increasing the support for both private and public sector investment facilitation	*Ongoing - partial*
	Increase regional trade, integration, and coordination	*Ongoing - partial*
	Embrace the digital age and digital technologies, including the banking, retail, education, and public services sectors	*Ongoing - partial*
	Repurpose local manufacturing capacity towards meeting the immediate and essential healthcare demands of the COVID-19 response	*Ongoing – on track*
	Recognise that tourism will be acutely affected for a long-time	*Ongoing - partial*
	Establish an intra-ministerial committee with senior government authority that sets out a focused agenda to address the major challenges relating to agriculture and food security	***Unknown***
	Improve the business environment both within Sierra Leone and across borders	*Ongoing - partial*
Key	*Green:* *Implementation ongoing and current scale showing marked impact within response phase* *Amber:* *Implementation ongoing and current scale will show a marked impact within short to long term recovery* *Red:* *Current status unknown* **Authors' assessments as of October 2020*	

Conclusion

Sierra Leone is a sovereign state that has its development priorities, institutions, delivery systems, financial and human resources, adaptive and absorptive capacity. Additionally, the Government has been proactive in preventing, responding to, and recovering from COVID-19. As presented in Table 1, a number of the recommendations proffered globally are at varying stages of implementation in the country.

The Ministry of Finance leads collaborative efforts to reopen the economy and return to the path for the continued implementation of the Medium-Term National Development Plan (2019-2023). The Economic Management Team (EMT) chaired by His Excellency, President Julius Maada Bio critically reviews data and evidence on the economy to inform decision-making. This decision-making process also triangulates evidence on the health response presented by the COVID-19 Task Force (C-19) and Sierra Leone's Scientific and Technical Advisory Group for Emergencies (STAGE).

The authors encourage the leadership of the Economic Management Team and the wider readership of this brief to engage and share their recommendations on how the Government can continue to reopen the economy sustainably whilst maintaining the delicate balance between saving lives and livelihoods.

Key Resources

- Brookings Institute
    - *https://www.brookings.edu/research/reopening-the-coronavirus-closed-economy/*
    - *https://www.brookings.edu/blog/future-development/2020/06/04/developing-countries-can-respond-to-covid-19-in-ways-that-are-swift-at-scale-and-successful/*
    - *https://www.brookings.edu/wp-content/uploads/2020/06/Brookings-Reopening-the-World-FINAL.pdf*
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- Government of Sierra Leone
    - *https://mof.gov.sl/documents/supplementary-government-budget-and-statement-of-economic-and-financial-policies-for-the-financial-year-2020/*
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    - *https://blogs.imf.org/2020/06/24/reopening-from-the-great-lockdown-uneven-and-uncertain-recovery/*

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    - *https://www.mckinsey.com/featured-insights/middle-east-and-africa/reopening-and-reimagining-africa#*
    - *The path to the next normal for Africa*

- Overseas Development Institute(ODI)
    - *https://www.odi.org/publications/17047-dealing-covid-19-rural-africa-lessons-previous-crises*
    - *https://www.odi.org/events/16993-africa-beyond-covid-19*
    - *https://www.odi.org/sites/odi.org.uk/files/resource-documents/africa_trade-covid-19_web_1.pdf*

- Tony Blair Institute (TBI)
  - *https://institute.global/sites/default/files/inlinefiles/Tony%20Blair%20Institute%20Covid-19%20Economic%20Response%20Summary.pdf*
  - *https://institute.global/sites/default/files/inline-files/Tony%20Blair%20Institute%2C%20Economic%20Response%20Guide%20for%20Developing%20Economies%20%28EN%29.pdf*
  - *https://institute.global/advisory/looking-beyond-clouds-how-african-economic-growth-can-make-great-leap-ahead-post-covid*
  - *https://institute.global/advisory/scaling-investment-covid-19-economic-recovery-and-jobs-africa*
  - *https://institute.global/advisory/preventing-lost-decade-africa*
  - *https://institute.global/advisory/planning-worst-and-hoping-best-forecasting-covid-19-sub-saharan-africa*
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  - *https://www.worldbank.org/en/news/factsheet/2020/06/02/world-banks-response-to-covid-19-coronavirus-in-africa*
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  - *https://blogs.worldbank.org/latinamerica/when-and-how-safely-reopen-economy-how-better-data-can-help*
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  - *https://www.weforum.org/agenda/2020/03/flattening-the-covid-19-curve-in-developing-countries/*
  - *https://www.weforum.org/agenda/2020/08/re-opening-schools-too-soon-in-developing-countries-could-lead-to-much-faster-spread-of-covid-19/*

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