

# Climate policy priorities in Sierra Leone

Sierra Leone—Ministry of Finance

A contribution to the 'Compendium of Practice from a Global Community of Ministries of Finance and Leading Organizations: Economic analysis and modeling tools to assist Ministries of Finance in driving green and resilient transitions'

**Topic:** Addressing the climate policy questions facing Ministries of Finance: the economic and fiscal impacts the green transition

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The Government of Sierra Leone has made significant progress around the national Medium-Term Development Plan by taking key steps in addressing climate change and its impacts. Some of these actions by the Government include the following:

- **Removal of petroleum products subsidies.** The full-pass-through petroleum pricing formula is allowed now the Government of Sierra Leone has removed all subsidies on petroleum products; this was announced by the Minister of Finance on 31 July, 2023, as he submitted the 2023 “Supplementary Budget” to Parliament. By subsidizing fuel prices, the Government of Sierra Leone incurred a revenue loss of US\$32.8 million, just in the first half of 2023, as well as a further US\$3.3 million as direct subsidies paid to oil marketing companies in the same period. The removal of the subsidies thus reduced pressure on the national budget, making room for other Government priorities. It also drove an increase in the Government’s revenue stream. In the Finance Act 2024, specific exercise duty on petroleum products was increased to a fixed rate of NLe 2.40 per liter for diesel, NLe 2.80 per liter for petrol, NLe 0.81 per liter for kerosene, NLe 4.14 per liter for fuel oil, and NLe 2.20 per liter for lubricating oils.
- **Implementing afforestation projects.** The Government, through its Ministries, Departments, and Agencies (MDAs) and with support from development partners, has been active in implementing afforestation projects across the country. In 2024, the Government was due to roll out the third phase of the Tree Planting Project by planting a further 2.2 million trees across the country in addition to the 2.8 million trees already planted. With support from the Food and Agriculture Organisation (FAO), the Government of Sierra Leone—through its Ministry of Environment and Climate Change—is developing the National Forestry Inventory of Sierra Leone, to revise the Forestry Inventory, last updated in 1975. This will provide an updated database on the forest assets in the country.
- **Restoring degraded wetlands and terrestrial ecosystems.** The country also restored degraded wetlands and terrestrial ecosystems areas, from 70 acres in 2019 to 300 acres in 2023. In Sierra Leone’s updated Medium-Term National Development Plan (2024–2030), the Government will focus on doubling the area of national forest/wetlands under improved management for conservation, doubling the national area under sustainable carbon financing from the current baseline of 71,000 hectares, plant an additional 10,000,000 trees across the country, and increase local revenue generation from ecosystem services by at least 35%.

Access to data, especially on climate change variables, remains a challenge. It is for this reason the Government has sourced support from the FAO to update the country’s National Forestry Inventory. From 1975 to date, much has changed in terms of the country’s population, forests, mangroves, etc. The updated National Forestry Inventory will provide data on Sierra Leone’s natural resources and land-use changes at the national, sub-national and protected area levels.

The Ministry of Finance, through its Climate Finance Unit, is seeking support from development partners (World Bank, IMF) to develop a macroeconomic database incorporating all climate change variables, which will be managed by the Unit. The data will be available and accessible to MDAs, donor partners, academic institutions, the private sector, and others.

## References

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