

GOVERNMENT OF LIBERIA

FISCAL OUTTURN FOR THE THIRD QUARTER

FISCAL YEAR 2019/2020
JULY 1, 2019 – MARCH 31, 2020



MINISTRY OF FINANCE & DEVELOPMENT PLANNING (MFDP)

March 2020

This document is prepared in accordance with Section 36.4 of the Public Financial Management (PFM) Act, which requires that the Minister of Finance provides a report to the President, the National Legislature and the general public outlining the budget execution and the revenue collections. Section 13.4 requires that this document outlines any use of the Contingency Fund. Section 26.3 requires that cumulative budget reallocations be reported.

“The Minister shall produce a consolidated quarterly report comparing budget execution and revenue collections to the estimates contained in the National Budget. This report shall be available to the President, the Legislature and the general public within forty-five days of the end of the quarter” – Government of Liberia, Public Financial Management Act (2009).

“Fiscal data should be reported on a gross basis, distinguishing between revenue, expenditure and financing; with expenditure classified by economic, functional, and administrative category” – IMF Code of Good Practice on Fiscal Transparency

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ACRONYMS

AfT	Agenda for Transformation
CBL	Central Bank of Liberia
ESRP	Economic Stabilization and Recovery Plan
EVD	Ebola Virus Disease
FX	Foreign Exchange
GDP	Gross Domestic Product
GoL	Government of Liberia
HFO	High Fuel Oil
IDA	International Development Association
IMF	International Monetary Fund
M&As	Ministries and Agencies
MFDP	Ministry of Finance and Development Planning
MTEF	Medium Term Expenditure Framework
PSIP	Public Sector Investment Plan
WAPP	West Africa Power Pool
WASH	Water Sanitation and Hygiene
UNMIL	United Nations Mission in Liberia
USD	United States Dollars

DEFINITIONS

Allotment	An authorization issued to an implementing M&A to incur obligations for specified amounts contained in a legislative appropriation.
Appropriation	An authorization made by law or legislative enactment directing payment out of government funds under specified conditions or for specific purposes.
Cash	Checks cashed or other payments from the consolidated account.
Cash Surplus/Deficit	Revenue minus Expenditure minus net Acquisition of Assets (capital expenditure).
Commitment	Payment request processed through appropriation, allotment, and stamped with pledge of disbursement.
Net Cash from operating activities	Revenue minus Expenditure (not including Capital).

EXECUTIVE SUMMARY

The Liberian economy is anticipated to contract to a slump of 2.5 percent in 2020 remaining flat from the slump of 2.5 in 2019. This is mainly on account of the continued depreciation of the Liberian Dollar against other major currencies of the world particularly the US Dollar coupled with the outbreak of the COVID-19 pandemic.

Inflation reached 21.7 percent by end March 2020, up from 20.3 percent by end December 2019, fueled by the depreciation of the Liberian dollar against the US dollar (about 22.0 percent year-on-year) and an increase in the demand for goods and services on account of the lockdown. The rise in the cost of living due to inflationary pressures and limited employment opportunities continues to undermine the welfare of Liberians.

Significant improvements in the external sector have been projected. The current account balance as a percentage of GDP over the course of 2020 is projected to improve to a deficit of 20.8 percent down from a deficit of 22.3 percent in 2019. This improvement in the current account balance is projected to continue over the medium term. The country's gross official reserves are projected to increase in 2020 to US\$332.0 million up from US\$292.0 million for 2019 and to improve significantly in 2021 to US\$365.0 million.

Given the country's heavy reliance on the rest of the world for over 85 percent of the goods traded on the domestic market, the increase in gross official reserves will ease the constrain on the importation of goods as the months of imports of goods and services for both the near term and the medium term fall below the conventional threshold of 3.0 months. However, a significant decline in the CBL's net international reserves has been projected and this constrains the CBL's ability to meaningfully intervene in the foreign exchange market to stabilize the exchange rate and by extension the general price level; the CBL's net international reserves for 2020 has been projected at a deficit of US\$20.0 million down from US\$27.0 million for 2019.

The Liberian dollar, on average, depreciated by about 22.0 percent to L\$197.83/US\$1.00 at the end March 2020, compared to L\$162.22/US\$1.00 registered in the same period a year ago. On a quarterly basis, the exchange rate at end March 2020 stood at L\$197.83/US\$1.00 compared to L\$188.39/US\$1.00 recorded at end December 2019; hence, the Liberian-US dollar exchange rate depreciated by about 5.1 percent on average.

For the administration of the affairs of the state, the National Legislature approved a budget of US\$525.9 million for FY2019/20. This represents a decrease of 7.8 percent compared to the FY2018/19 budget of US\$570.1 million.

Total revenue plus grant realized by the Government of Liberia amounts to US\$371.4 million at the end of the third quarter of FY2019/20. Hence, the actualized revenue represents 67.3 percent of budgeted total revenue plus grant but 62.3 percent of the resource envelope. The Government of Liberia expended on a commitment basis US\$346.9 million to finance its programs which accounts for 71.4 percent of the budgeted total revenue plus grant but about 66.0 percent of the total resource envelope. Hence, the third quarter expenditure represents 93.4 percent of the actual revenue collected. The US\$346.9 million expenditure against revenue of US\$371.4 million resulted to a surplus of US\$24.5 million in the overall balance.

Allotment accounted for 73.6 percent of the National Budget of which 89.6 percent was committed. On a commitment basis, 65.9 percent of the approved budget was executed at the end of the period under review. Compensation of employees', use of goods and services and grants accounted for a significant portion of budget execution. On the sector basis, Public Administration, Security and Rule of Law, Education, Health and Infrastructure and Basic Services account for substantial portion of budget execution for the first quarter of FY2019/20.

The Government of Liberia continues to consolidate funding both on and off-budget to finance Public Sector Investment Programs (PSIPs) across all sectors. Total revised aid projected for FY2019/20 – both grants and loans – amounts to US\$403.9 million. Of the projected amount, grants account for US\$268.6 million (66.5 percent of total projection) while loans account for US\$135.3 million (33.5 percent). Total aid disbursed during the period under review was in both grants and loans amounted to US\$61.5 million. Grants account for US\$39.7 million (64.6 percent) while loans account for US\$21.7 million (35.4 percent). Hence the disbursement rate at the end of the period under review is 15.2 percent.

The total public debt stock as at end- March 2020 is US\$1,501.7 million compared to US\$1,064.0 million at end March 2019, thus representing an increase of 41.1 percent. Of the total debt stock at end March 2019, domestic debt accounts for US\$603.0 million (40.2 percent of the total debt stock as at end March 2020) compared to US\$264.9 million (representing 24.9 percent of end March 2019 total debt stock) at end March 2019; thus representing an increase of 41.1 percent on account of the reconciliation of the debt owed to the Central Bank of Liberia and to commercial banks. On the other hand, external debt amounts to US\$898.7 million (59.8 percent of the total debt stock at end March 2020) compared to US\$799.1 million (75.1 percent of the total debt stock at end March 2019 representing an increase of 12.5 percent. Total debt service, amounted to US\$15.1 million at the end of the period under review compared to US\$14.2 million in the corresponding period in 2019 representing an increase of 6.3 percent. During the period under review, domestic debt service on amounted to US\$7.7 million representing 50.9 percent of the total debt service while external debt service amounted to US\$7.4 million representing 49.0 percent of total debt service.

During the second quarter of the fiscal year under review, total tax expenditures¹ amounted to US\$41.8 million compared to US\$61.4 million for the corresponding period of the previous fiscal period of FY2018/19; thus representing a decrease of 31.8 percent thus signaling the Government's commitment to closing tax loopholes.

SECTION 1: MACROECONOMIC DEVELOPMENTS

The Liberian economy is anticipated to contract to a slump of 2.5 percent in 2020 remaining flat from the slump of 2.5 in 2019. This is mainly on account of the continued depreciation of the Liberian Dollar against other major currencies of the world particularly the US Dollar coupled with the outbreak of the COVID-19 pandemic.

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¹ Third quarter tax expenditure data is yet to be validated. However, this section will be updated in the annual fiscal outturn.

rise in the cost of living due to inflationary pressures and limited employment opportunities continues to undermine the welfare of Liberians.

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Given the country's heavy reliance on the rest of the world for over 85 percent of the goods traded on the domestic market, the increase in gross official reserves will ease the constrain on the importation of goods as the months of imports of goods and services for both the near term and the medium term to fall below the conventional threshold of 3.0 months. However, a significant decline in the CBL's net international reserves has been projected and this constrains the CBL's ability to meaningfully intervene in the foreign exchange market to stabilize the exchange rate and by extension the general price level; the CBL's net international reserves for 2020 has been projected at a deficit of US\$20.0 million down from US\$27.0 million for 2019.

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SECTION 2: BUDGET FY2019/2020

The Government of Liberia has demonstrated strong commitments over the years to attain prudent management of available resources. The government adopted a Medium Term Expenditure Framework (MTEF) budgeting since FY2012/13 with a desire of achieving greater macroeconomic stability and public investment through fiscal discipline. The FY2019/2020 national budget is the eighth since the launch of the MTEF and the first since the democratic political transition. The focus of this budget is consistent the Government's Pro-Poor Agenda for Prosperity and Development (PAPD) which is intended to stimulate the economy for the next five years through a new path of thinking out-of-the-box and acting proactively to open up new horizons for Liberia. To improve people livelihood, the Government is resolute in devoting resources to and sparing no effort in achieving its development goals.

The use of the MTEF budgetary process informs and improves the inter- and intra-Sectoral allocation of resources based on priorities set in the newly developed PAPD, thereby linking the MTEF to the Country's medium term development agenda. It furthermore ensures greater budgetary predictability for line Ministries and Agencies (M&As) and Commissions, and the efficient use of public funds; and renders the budget more predictable, comprehensive, transparent, and capable of producing measurable results.

The Government of Liberia has developed and launched the Country's medium term (2019-2023) development agenda titled the Pro Poor Agenda for Development and Prosperity (PAPD). The overall objective of the PAPD is to build a more capable and trusted state institutions that lead to a stable, resilient and inclusive nation, embracing its triple heritage and anchored on its African identity. Moreover, it seeks to provide greater income to an additional one million

Liberian and reduce absolute poverty by 23.0 percent across five out of six regions – through sustained and inclusive economic growth driven by skilled investment in agriculture, in infrastructure, in human resource development and in social protection.

The FY2019/2020 approved National Budget substantially highlights crucial national priorities as identified in the PAPD, particularly expenditures that are geared towards building a more capable and trusted state institutions that lead to a stable, resilient and inclusive nation, embracing its triple heritage and anchored on its African identity. Moreover, it seeks to provide greater income to an additional one million Liberian and reduce absolute poverty by 23 per cent across five out of six regions – through sustained and inclusive economic growth driven by skilled investment in agriculture, in infrastructure, in human resource development and in social protection.

Public Sector Investment Program

The fiscal framework of FY2019/2020 prioritizes GoL's spending on key programs that have the potential to diversify economic growth and stimulate economic recovery. In the context of its national development agenda, the Government's Public Sector Investment Plans are grouped in two categories: Sector Level Investment Projects and National Priority Projects. However, for FY2019/20, PSIP included only sector level investment projects which are as follow:

A. Sector Level Investment Projects: These are projects developed by M&As to meet specific AfT objectives aimed at:

1. Public Administration Sector:

- National Population Census
- Humanitarian Outreach

2. Municipal Government Sector

- MCC Clean Cities Campaign
- PCC Clean Cities Campaign
- Landfill and Urban Sanitation Project

3. Transparency and Accountability Sector

- Elections

4. Security & Rule of Law Sector

- Judiciary Project

5. Health Sector

- Global Fund Program

6. Youth Development and Social Protection Services

- LACE Special Project
- Beach & Waterways

7. Education Sector

- Construction of faculty housing units at the UL Cape Mount Campus
- Construction of dormitories, staff housing and cafeteria facilities in Nimba
- MCSS renovation

8. Agriculture Sector

- Agricultural Fund

9. Infrastructure Sector

- Construction of pro poor housing units
- National Postal Address System
- Road Fund

Sector-level projects are selected based on social and economic returns such as the impact on job creation, revenue generation and contribution to public good and sector goals that are consistent with the PAPD and their geographical distribution.

Stages of the MTEF Budget Process

The MTEF budgetary process and structure encompasses the following phases:

- Strategic Phase –M&As present plans and strategies linking resources to policy priorities based on the Agenda for Transformation;
- Operational Phase – M&As prepare their detailed budgets and
- Budgeting Phase – the budget is structured into the eleven economic sectors consisting of groups of M&As that share common functions. It is also disaggregated into policy areas based on groups of administrative departments and projects within M&As that have common functions.

Fiscal Measures

The focus of the FY2019/2020 approved national budget is the GoL's commitment to the implementation of its Pro-Poor Agenda for Prosperity and Development (PAPD) which is geared towards sustainable economic recovery and poverty reduction. Thus, the budget was guided by a number of fiscal measures or principles to ensure the effective and efficient use of the available resources. These measures are divided into two parts, fiscal rules and fiscal targets:

Fiscal Rules

The government of Liberia established fiscal rules in its Public Financial Management (PFM) Act of 2009 and other regulations supplementary to the PFM Act that imposes long-lasting constraint on budgetary aggregates. It is intended to correct distorted inducements and to contain pressures to overspending so as to ensure fiscal discipline and debt sustainability.

- Prioritizing debt repayment, compensation and other non-discretionary payments to prevent the buildup of arrears;
- Prioritizing payment of counterpart funding, i.e. Government's portion of funding for high-impact projects that leverages external financing for much-needed national infrastructure;
- All borrowing must be undertaken for the purposes of investment, consistent with the Public Sector Investment Plan (PSIP);

- Total debt stock must not exceed 60.0 percent of previous calendar year's GDP as contained in the PFM Regulations;
- Prior to new borrowing being undertaken, a Debt Sustainability Analysis (DSA) must be carried out and presented to the Debt Management Committee (DMC) to ensure debt rules are not breached.

Fiscal Targets

The government of Liberia established fiscal targets for a fiscal year/the MTEF period to complements its fiscal policy set in the Public Financial Management (PFM) Act of 2009 and other regulations supplementary to the PFM Act that imposes constraint on budgetary aggregates. It is intended to correct distorted incentives and to contain pressures to overspending so as to ensure fiscal discipline and debt sustainability.

1. Consultancy Services

- The remuneration for individual-based consultancy contracts shall not exceed the remuneration of the principal deputy of the institution. In exceptional cases where there is a compelling need, this rule may be relaxed based on approval of PPCC;
- Consultancy contracts shall not be approved for positions in the civil service structure for which skills can be readily found in an institution;
- Consultancy contracts must be task-based and must clearly include knowledge transfer provisions so that civil servants are trained to take up the task on the expiry of the contract;
- Consultancy contracts for individuals should not be approved for any recurrent tasks within an institution except for specialized units (e.g. Presidential Delivery Unit, ECOWAS Secretariat, etc.) without statutory existence and in such a case, presidential approval will be required. However, this does not affect contracts already in force; and
- Consultancy contracts shall not be for a period more than a Fiscal Year (or 12 months).

2. Travel Restrictions

- The revised travel ordinance shall be reintroduced in Fiscal Year 2019/20;
- No more than two persons shall constitute a 'cabinet delegation' (i.e. a delegation led by a cabinet minister) except in cases where expansion of the delegation is approved by the President;
- Any change to travel plans unless expressly approved by a competent authority (i.e., the President or Head of Institution) shall be the full responsibility of the traveler;
- Travels should be properly planned at least a 10 days in advance to avoid exorbitant ticket charges or travel will not be funded, unless approved exceptionally by the President for travel of a cabinet minister;
- Except for the Vice President, Speaker, Pro-Tempore, Chief Justice and Foreign Minister who shall travel by business class, all travels shall be by economy class;

- Total GoL funded representation at any program/event held outside Liberia shall not exceed 5 persons unless special events expressly approved by the President; and
- Total number of days spent abroad for which per diem shall be paid by the GoL shall not exceed seven (7) unless for special events expressly approved by the President.

3. Fuel

- There shall be no personal fuel allowance for any employee. Fuel allowances shall not exceed the following limits for operational use by:
 - office of the Head of entity : maximum 250 gallons
 - office of Deputy Head of entity : maximum 200 gallons
 - office of principal assistants : maximum 150 gallons
 - other units within the entity : maximum 100 gallons

4. Scratch Cards

- Scratch card shall be provided (using post-pay where applicable) only for operational purposes and not as personal allowances and the following limits should not be exceeded:
 - For operational use of the office of the Head of entity : maximum \$500
 - For operational of the office of Deputy Head of entity : maximum \$375
 - For operational use of the office of principal assistants : maximum \$250
 - For operational use of other units within the entity : maximum \$125

5. Printing and Publication

- Ministries, Agencies, Commissions and Authorities are encouraged to use electronic means such as emailing and publication of documents on their websites rather than physically printing documents to curtail printing costs. Unless otherwise required by Law, the number of printed copies should not exceed 50.

6. Foreign Training/Workshop

- For the fiscal year 2019/20 and going forward, there shall be absolutely no foreign training, workshop or study tour except otherwise funded by an external agency. This does not apply to foreign scholarships based on national capacity development strategy and managed by the Inter-Ministerial Scholarship Committee; and
- Ministries/Agencies/Authorities/Commissions are encouraged to conduct local training and workshops in their conference rooms or Government-owned facilities preferably where minimum rental fees are required and pay special attention to catering costs.

7. Hiring Freeze

- With the exception of the Ministry of Health, Ministry of Education and security personnel already in training as part of the UNMIL drawdown, there shall be no new hiring of staff into the public service; and
- Exceptions may be granted for direct replacement of employees who have resigned or been pensioned provided there is no upward adjustment of salary or benefits for the position.

8. Purchase of Locally Processed Rice

- All on-budget purchases of rice shall be restricted to locally processed rice. This includes but not limited to purchases by the AFL, Police Training Academy, the Bureau of Correction and Independence Day or special holidays rice bonuses.

9. State Owned Enterprises (SOEs) Pay

- Where board fees are paid to board members, there shall be no sitting fees;
- Cabinet Ministers occupying either statutory or appointed board positions on public corporations or autonomous agencies shall not be entitled to board or sitting fees;
- Boards are required to present proposal for Board fees to the President for approval;
- Commissions without oversight boards are required to submit compensation proposal of senior management for approval by the President; and
- In cases where board has performed exceptionally and bonus is being paid, such proposal should be made to the President for approval.

10. Vehicle Maintenance & Repair

- Government will only be responsible to maintain and insure utility vehicles and vehicles assigned to presidential appointees provided those vehicles have not been purchased under the fleet management program in which case it becomes the responsibility of the owner; and
- Maintenance of Government, mentioned above, shall be the sole responsibility of GSA.

11. Purchase of New Vehicles/Fleet Management Policy

- The existing restriction on the purchase of vehicles shall hereby be enforced;
- There is hereby imposed a freeze on the sale of Government-owned vehicles, including vehicles of public enterprises, under the GSA fleet management policy or other related policies to political appointees;
- GSA shall design a special vehicle purchase scheme for political appointees who do not currently have assigned vehicle and have never benefited from the fleet management program;
- The vehicle purchase scheme shall be offered to civil servants all across the public service with the agreement that vehicles purchased will be used for government business and at same time maintained and insured by the owner; and

- However, vehicles determined by the GSA to have completely deteriorated beyond effective use and are not in working condition for which the cost of repair is prohibitively high shall be auctioned by the GSA.

12. Currency payment

- All Ministries and Agencies should ensure that contract for the purchase of goods or services should be made flexible to accommodate payment in Liberian Dollars as and when necessitated by liquidity conditions; and
- Ministries and Agencies should also make arrangement and be prepared to receive salary and wages in Liberian Dollars. The ratios will be determined based on liquidity position of the Government.

MTEF Budget Sectors

The formulation of the budget on a sector-specific basis highlights the policy direction of the budget and simplifies the budgetary process. This guides the GoL in measuring the impact of the budget on different sectors, and improves the coordination among M&As within each sector during the budget preparation and execution thereby creating a credible budget. The MTEF budget is divided into the following sectors:

- | | |
|--------------------------|-----------------------------------|
| ▪ Agriculture | ▪ Infrastructure & Basic Services |
| ▪ Education | ▪ Public Administration |
| ▪ Energy and Environment | ▪ Security and Rule of Law |
| ▪ Health | ▪ Social Development Services |
| ▪ Industry and Commerce | ▪ Transparency and Accountability |
| ▪ Municipal Government | |

FY2019/2020 Appropriations

For the administration of the affairs of the state over the course of July 1, 2019 to June 30, 2020, a budget of US\$525.9 million was approved and passed into law representing a decrease of 7.8 percent compared to the approved budget for the previous fiscal year – FY2018/2019. Of the approved budget, tax revenue accounted for US\$377.9 million representing 71.9 percent; non-tax revenue, US\$87.2 million representing 16.6 percent; grants, US\$20.8 million representing about 4.0 percent; and borrowing externally, US\$40.0 million representing 7.6 percent. Domestic revenue (tax plus non-tax revenues) accounts for US\$465.1 million representing 88.4 percent of the resource envelope while external resources (grants plus foreign borrowing) account for US\$60.8 million representing 11.6 percent. Of the approved expenditure outlay for FY2019/20 of US\$525.9 million, recurrent expenditures account for US\$492.4 million (93.6 per cent) while Public Sector Investment Plan (PSIP) expenditures account for US\$33.5 million (6.4 percent).

Economic Classification

A significant driver of recurrent spending in FY2019/2020 is the **wage bill** which amounts to US\$296.9 million accounting for 60.3 percent of recurrent spending but 56.5 percent of total expenditures. Compared to the previous fiscal year (FY2018/19) where the wage bill accounted for 55.6 percent of the budget, there has been a decrease of 6.3 percent in the wage bill which can be attributed to the harmonization process of payroll for government M&As.

Appropriations for **goods and services** amount to US\$77.0 million accounting for 14.6 percent of the FY2019/20 budget, compared to US\$92.1 million accounting for 16.2 percent of the FY2018/19 budget; thus there has been a decrease of 16.4 percent on account of the austerity measures being pursued by the Government.

Appropriations for **interest and other charges** amount to US\$62.9 million representing about 12.0 percent of FY2019/20 approved budget compared to US\$30.0 million, representing 5.3 percent of FY2018/19 approved budget; thus, there has been an increase of about 110.0 percent on account of increasing debt service obligations.

Appropriations for the provision of **grants** amount to US\$54.1 million representing 10.3 percent of FY2019/20 approved budget compared to US\$56.4 million, representing 9.9 percent of FY2018/19 approved budget; thus there has been a decrease of 4.1 percent.

Table 1: Budgetary Appropriation - FY2019/2020 (in millions USD)

	Budget Sectors	Compensation of employees	Use of goods and services	Capital Spending	Interest	Grants	Social benefits	Unspecified/ PSIP ¹	Total
FY19/20	Public Administration	87.3	33.5	-	62.9	-	-	-	183.7
	Municipal Government	13.0	5.2	-	-	2.8	-	-	21.0
	Transparency and Accountability	14.0	4.0	-	-	1.8	-	-	19.8
	Security and Rule of Law	60.1	3.6	-	-	-	-	12.9	76.5
	Health	38.8	13.3	-	-	25.3	-	-	76.4
	Social Development Services	6.3	2.8	-	-	1.2	-	0.1	10.4
	Education	52.2	9.6	-	-	19.4	-	-	81.3
	Energy and Environment	8.3	1.9	-	-	1.6	-	-	11.8
	Agriculture	3.0	0.6	-	-	2.0	-	0.1	5.7
	Infrastructure and Basic Services	10.5	2.2	-	-	-	-	20.5	33.2
	Industry and Commerce	2.4	2.2	-	-	-	1.5	-	6.1
FY18/19	Total	296.9	77.0	-	62.9	54.1	1.5	33.5	525.9
	Total	317.0	92.1	-	30.0	56.4	0.4	74.3	570.1

Source: FY2018/19 and FY2019/20 National Budgets

Appropriations for the provision of **social benefits** amount to US\$1.5 million representing about 0.3 percent of FY2019/20 approved budget compared to US\$0.4 million, representing 0.07 percent of FY2018/19 approved budget; thus, this represents an increase of 375.0 percent.

Appropriations for the implementation of **PSIP** amount to US\$33.5 million representing 6.4 percent of FY2019/20 approved budget compared to US\$74.3 million, representing 13.0 percent of FY2018/19 approved budget; thus, this represents a decrease of 54.9 percent.

Budget Sectors

On the Sectoral basis, appropriations for the **Agriculture Sector** account for 1.1 percent of FY2019/20 budget (US\$5.7 million), compared to 1.0 percent of the FY2018/19 budget (US\$5.7 million), thus appropriations to the sector remained constant.

Appropriations for the **Education Sector** account for 15.5 percent of FY2019/20 budget (US\$81.3 million) compared to about 14.9 percent of FY2018/19 budget (US\$84.7 million); thus, this represents a decrease of 4.0 percent.

Appropriations for the **Energy and Environment Sector** represent 2.2 percent of the FY2019/20 budget (US\$11.8) compared to about 2.5 percent of FY2018/19 budget (US\$14.3 million), representing a decrease of 17.5 percent.

Appropriations for the **Health Sector** for FY2019/20 account for 14.5 percent of the budget (US\$76.4 million) compared to 13.7 percent of FY2018/19 budget (US\$77.9 million). This represents a decrease of 1.9 percent.

Appropriations for **Industry and Commerce Sector** for FY2019/20 amount to US\$6.1 million accounting for 1.2 percent compared to US\$7.1 million representing 1.2 percent of FY2018/19 budget; thus, this represents a decrease of 14.1 percent.

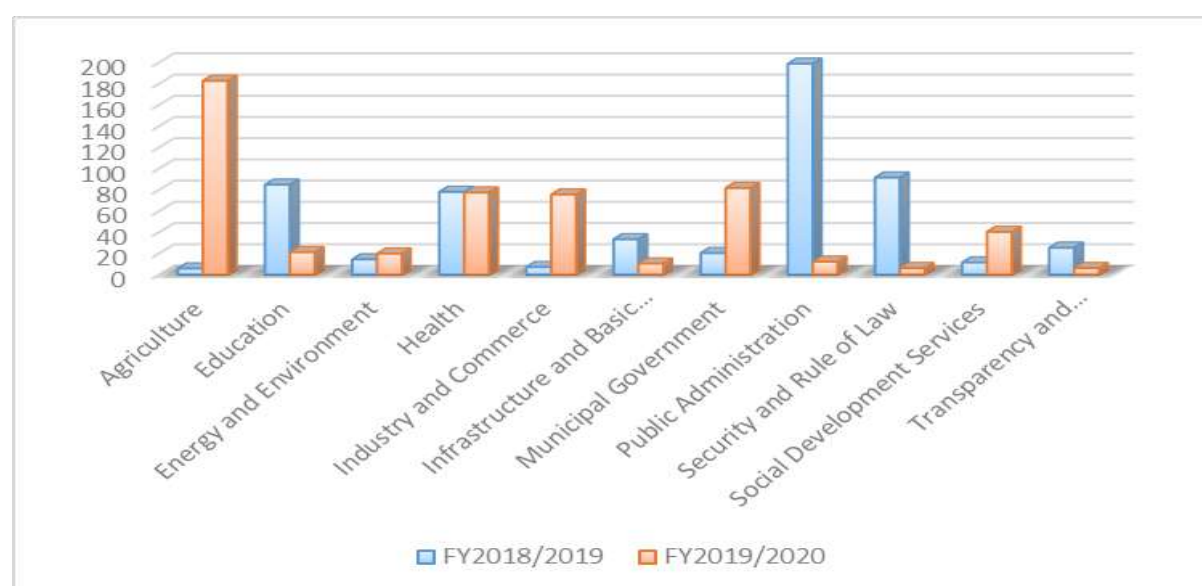
Appropriations for the provision of **Infrastructure and Basic Services Sector** for FY2019/20 amount to US\$33.2 million accounting for 6.3 percent of the total appropriation compared to US\$33.3 million representing 5.8 percent of the FY2018/19 budget; this represents a decrease of 0.3 percent.

Appropriations for **Municipal Government Sector** for FY2019/20 amount to US\$21.0 million accounting for about 4.0 percent compared to 3.7 percent in FY2018/19 (US\$20.3 million), representing an increase of 3.4 percent.

Appropriations for the **Public Administration Sector** amount to US\$183.7 million accounting for 34.9 percent of FY2019/20 budget compared to US\$198.7 million representing 34.9 percent of FY2018/19 budget. This represents a decrease of 7.5 percent.

Appropriations for the **Security and Rule of Law Sector** amount to US\$76.5 million accounting for 14.5 percent of FY2019/20 budget compared to US\$91.4 million representing 16.0 percent of FY2018/19 budget; thus, this represents a decrease of 16.3 percent.

Figure 1: Comparative Analysis of Budgetary Appropriation for FY2018/19 and FY2019/20



Source: FY2018/19 and FY2019/20 National Budgets

Appropriations for the **Social Development Services Sector** amount to US\$10.4 million accounting for about 2.0 percent of FY2019/20 budget compared to US\$11.4 million

representing about 2.0 percent of FY2018/19 budget; thus, this represents a decrease of 8.8 percent.

Appropriations for the **Transparency and Accountability Sector** amount to US\$19.8 million accounting for 3.8 percent of FY2019/20 budget compared to US\$25.3 million representing 4.4 percent of FY2018/19 budget; thus, this represents a decrease of 21.7 percent.

SECTION 3: OUTTURN AND DEVELOPMENTS

This section provides information on the status of revenue collection and budget execution against the National Budget.

GOVERNMENT FINANCE STATISTICS (GFS)

Government Finance Statistics (GFS) is the government balance sheet, which displays the economic activities of the government covering revenues, expenditures, deficit/surplus, transactions in assets, transactions in liabilities and other economic flows. GFS forms the basis for fiscal monitoring by international monetary institutions, most notably the IMF. Table 2 provides cumulative information of the GoL's Finance Statistics as at end of the third quarter of FY2019/20, on a commitment basis. This includes all commitment expenditure for the period of July 1, 2019 – March 30 2020.

Table 2: GFS Table - JULY 1, 2019 – MARCH 30, 2020 – (in millions USD)

	Budget	Cash
Total revenue plus grants	485.9	327.4
Total revenue	465.1	320.0
Tax	377.9	247.5
Non- Tax	87.2	72.5
Grants	20.8	7.4
Expenditure (Commitment)	525.9	346.9
Recurrent Expenditure	492.4	346.6
Compensation of employees	296.9	192.5
Use of goods and services	77.0	47.9
Interest	62.9	27.9
Grants	54.1	19.6
Social benefits	1.5	2.3
Financial Asset	-	56.5
Capital expenditure	33.5	0.2
Spending on capital (Incl. PSIP)*	33.5	0.2

Overall balance	-40.0	(19.5)
Financing	40.0	44.0
Accounts Cash (+/-)	-	
Amortization	-	
Domestic Borrowing	-	-
Foreign Borrowing	40.0	44.0
World Bank-IDA	-	40.0
African Development Bank	-	4.0

Source: Departments of Budget and Fiscal Affairs Ministry of Finance & Development Planning

* Capital spending includes PSIP appropriation which are not classified until the point of execution

Total revenue plus grant realized by the Government of Liberia, as evident by Table 2, amounts to US\$371.4 million at the end of the third quarter of FY2019/20. Hence, the actualized revenue represents 67.3 percent of budgeted total revenue plus grant but 62.3 percent of the resource envelope. The Government of Liberia expended on a commitment basis US\$346.9 million to finance its programs which accounts for 71.4 percent of the budgeted total revenue plus grant but about 66.0 percent of the total resource envelope. Hence, the third quarter expenditure represents 93.4 percent of the actual revenue collected. The US\$346.9 million expenditure against revenue of US\$371.4 million resulted to a surplus of US\$24.5 million in the overall balance.

FLOW OF FUNDS

The flow of funds table describes financial flows within the public sector; basically, it highlights how revenues finance expenditures. The Government of Liberia, as evident by Table 3, realized a total flow of funds of US\$371.4 million at the end of the third quarter of FY2019/20 which accounts for 62.3 percent of the approved resource envelope of which tax revenues accounted for 66.6 percent; non-tax revenues account for 19.5 percent; grants account for 2.3 percent; and borrowing accounts for 11.8 percent. Expenditure during the period under review amounted to US\$346.9 million with compensation of employees accounting for 55.5 percent of total expenditures.

Table 3: Flow of Funds - JULY 1, 2019 – MARCH 30, 2020 (in millions USD)

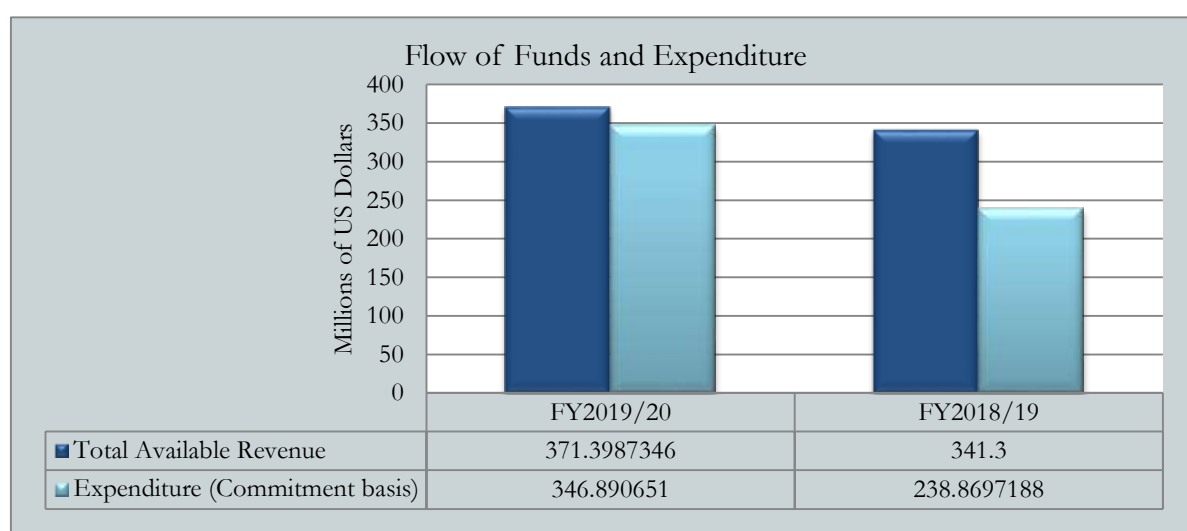
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Total	FY18/19Q3
TA	Total Available Revenue	33.1	32.3	26.0	31.5	29.6	43.8	60.6	77.4	37.2	371.4	341.3
R	Revenue	33.1	32.3	26.0	31.5	29.6	43.8	60.6	37.4	33.2	327.4	341.3
CR	Collected Revenue	33.1	32.3	26.0	31.5	29.6	43.8	54.2	36.4	33.2	320.0	328.6
TX	Tax	27.5	25.6	20.9	27.4	24.7	25.0	36.7	31.5	28.2	247.5	278.2
NTX	Non-Tax	5.6	6.8	5.0	4.0	4.9	18.8	17.5	4.9	5.0	72.5	50.4
G	Grants	0.0	0.0	0.0	0.0	0.0	0.0	6.4	1.0	0.0	7.4	12.7
B	Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0	4.0	44.0	0.0
CF	Carry Forward	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ECA	Expenditure (Commitment)	6.1	28.5	46.9	44.1	12.8	59.2	56.4	39.9	53.0	346.9	238.9
	Compensation of Employees	1.1	8.6	21.4	27.6	5.7	36.8	38.9	25.3	27.1	192.5	145.0
	Use of Goods and Services	2.2	7.7	8.1	3.1	3.1	4.8	4.2	7.2	7.5	47.9	49.1
	Capital Spending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	4.9
	Interest	0.7	4.2	5.8	0.7	0.0	4.5	2.7	4.2	5.2	27.9	8.8
	Grants	1.2	0.2	2.5	4.1	0.2	2.0	3.7	2.9	2.6	19.6	17.5
	Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
	Social Benefits	0.0	0.1	0.3	0.0	-0.1	0.2	0.1	0.2	1.4	2.3	0.7
	Financial Asset	0.9	7.7	8.8	8.6	3.9	10.9	6.7	0.0	9.0	56.5	12.2
PBA	Projected Balance at Month End	27.0	3.8	-20.9	-12.7	16.8	-15.4	4.2	37.4	-15.8	10.0	-4.2
BCF	Including Carry Forward	27.0	3.8	-20.9	-12.7	16.8	-15.4	4.2	37.4	-15.8	-1.3	-4.2
BG	Including Grants	27.0	3.8	-20.9	-12.7	16.8	-15.4	4.2	-2.6	-19.8	-1.3	-4.2
BWG	Excluding Grants	27.0	3.8	-20.9	-12.7	16.8	-15.4	-2.2	-3.6	-19.8	-1.3	-16.9
	Financing	0.0	0.0	-20.9	-12.7	0.0	-15.4				-20.9	-13.7
FR	Required	0.0	0.0	-20.9	-12.7	0.0	-15.4	0.0	-2.6	-19.8	-20.9	-13.7
FI	Identified	-27.0	-3.8	20.9	12.7	-16.8	15.4				-10.0	4.2
	Accounts cash	-27.0	-3.8	20.9	12.7	-16.8	15.4	-4.2	-37.4	15.8	-10.0	4.2
	Commercial	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Concessional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	T-Bills	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	CBL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Department of Fiscal Affairs, Ministry of Finance and Development Planning

Table 3 and Figure 2 above show the performance of inflow of funds for FY2019/20 as at March 30, 2020 compared with the same period for FY2018/2019. Compared to the same period for FY2018/19 total inflow of funds increased by 8.8 percent while expenditure on the commitment basis also increase by 45.2 percent. Thus, about 93.4 percent of the revenues collected in the third quarter of FY2019/20 were expended compared to about 70.0 percent for the previous fiscal year.

Figure 2: Comparative Analysis of Flow of Funds & Expenditure for FY19/20 Q3 and FY18/19 Q3



Source: Department of Fiscal Affairs, Ministry of Finance and Development Planning

REVENUE

The approved revenue envelope for FY2019/20 is US\$525.9 million, of which core revenue (tax revenue is US\$377.9 million and non-tax is US\$87.2 million) amounts to US\$465.1 million, on-budget grants amounts to US\$20.8 million with external borrowings of US\$40.0 million.

Of the total resource envelope, core revenue plus grant accounts for 92.4 percent, of which tax revenues, non-tax revenue, and grants account for 77.8 percent, 17.9 percent and 4.3 percent, respectively. Taxes on international trade and taxes on incomes and profits account for a significant portion of tax revenue projections; while property income taxes and administrative fees account for about 98.8 percent of non-tax revenues projected.

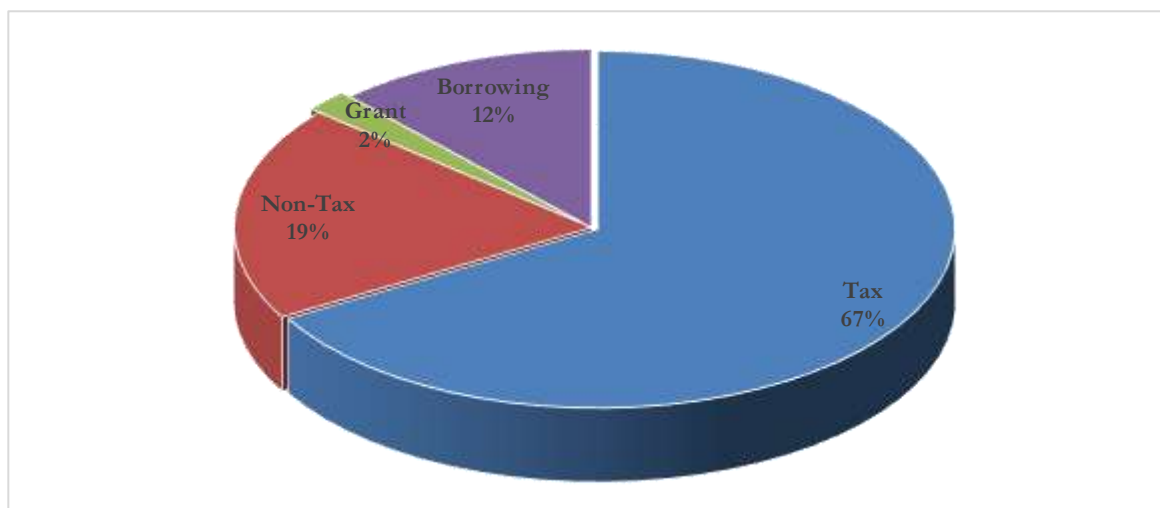
Table 4: Revenue Performance - JULY 1, 2019 – MARCH 30, 2020 - (in millions USD)

Category (US\$m)	FY19/20 Approved Budget	Quarter I AUG SEP			Quarter II OCT NOV DEC			Quarter III Jan Feb Mar			FY19/20 ACTUAL Q3	FY18/19 ACTUAL Q3
Grand Total Rev including Borrowing	525.9	33.1	32.3	26.0	31.5	29.6	43.8	60.6	77.4	37.2	371.4	341.3
TOTAL CORE REVENUE	465.1	33.1	32.3	26.0	31.5	29.6	43.8	60.6	37.4	33.2	327.4	341.3
TOTAL TAX REVENUE	377.9	27.5	25.6	20.9	27.4	24.7	25.0	36.7	31.5	28.2	247.5	278.2
Taxes On Income & Profits	146.4	13.3	11.0	7.6	13.1	10.3	5.1	20.4	17.7	13.3	111.7	115.6
Property Taxes	5.4	0.4	0.2	0.1	0.1	0.1	0.1	0.3	0.5	0.3	2.3	2.7
Taxes On Goods And Services	46.0	2.3	1.6	1.6	1.6	2.4	8.0	2.2	2.7	2.4	24.7	27.4
Taxes On International Trade	177.0	11.5	12.7	11.6	12.7	11.9	11.9	13.7	10.6	12.1	108.8	130.8
Other Taxes	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	1.7
NON-TAX REVENUE	87.2	5.6	6.8	5.0	4.0	4.9	18.8	17.5	4.9	5.0	72.5	50.4
Property Income	70.0	4.5	5.5	4.0	2.5	4.0	18.0	15.8	3.2	3.4	60.9	36.7
Administrative Fees	16.2	1.0	1.2	1.0	1.5	0.9	0.9	1.6	1.6	1.2	10.9	11.8
Fines, Penalties and Forfeits	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.2	1.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.0
GRANTS (ON-BUDGET)	20.8	0.0	0.0	0.0	0.0	0.0	0.0	6.4	1.0	0.0	7.4	12.7
From Foreign Governments	20.8	0.0	0.0	0.0	0.0	0.0	0.0	6.4	1.0	0.0		
From International Organizations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.7
BORROWINGS	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.0	4.0	0.0	0.0
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External	40.0	0.0	0.0	4.1	0.0	0.0	0.0	0.0	40.0	4.0	44.0	0.0
CARRY FORWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Department of Fiscal Affairs, Ministry of Finance Development Planning

Total revenue collected at the end of the third quarter of FY2019/20 amounts to US\$371.4 million. This represents approximately 62.3 percent of the total revenue and grants but 70.6 percent of the approved resource envelope. Of the collected amount, tax revenues amounted to US\$247.5 million representing 66.6 percent; nontax revenues accounted for US\$72.5 million representing about 19.5 percent of actual collection; grants accounted for US\$7.4 million representing about 2.0 percent of the revenue collected; and borrowing accounted for US\$44.0 million representing about 11.8 percent.

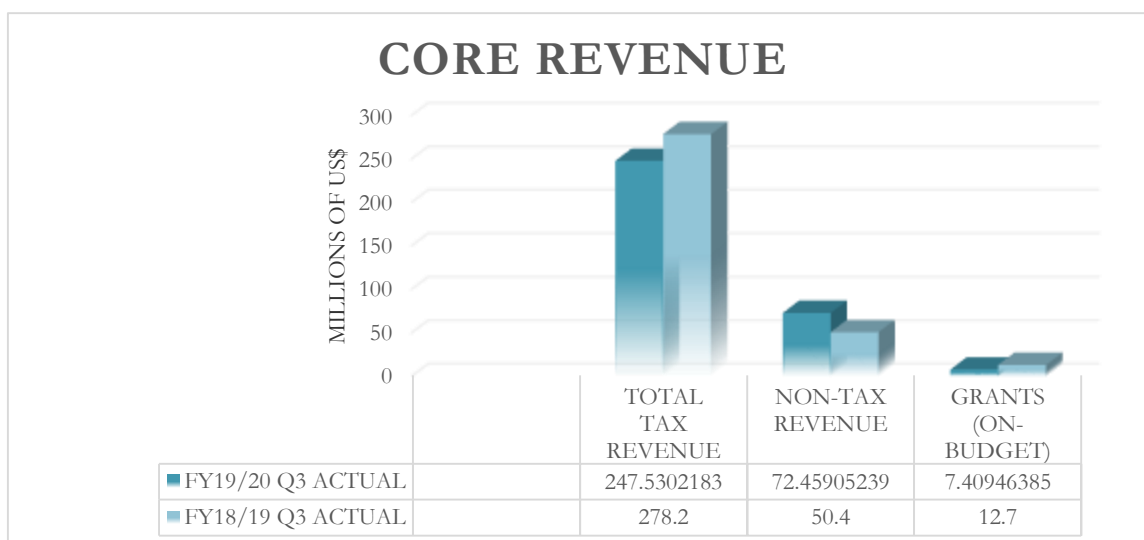
Figure 3: THIRD Quarter Revenue Performance for the FY2019/2020



Source: Department of Fiscal Affairs, Ministry of Finance and Development Planning

Compared to the same period of the previous fiscal year as depicted in Figure 4, revenue experienced a decrease of 4.1 percent mainly on account of a fall of 11.0 percent in tax revenue (mainly on account of decreases of 16.5 percent in property taxes and 16.8 percent on taxes on international trade) despite an increase of 43.8 percent in non-tax revenue mainly from property income with an increase of 66.0 percent. Table 4 provides breakdown of the GoL resource envelope for FY2019/20.

Figure 4: Comparative Analysis of Revenue Performance for FY19/20 and FY18/19



Source: Department of Fiscal Affairs, Ministry of Finance and Development Planning

TAX EXPENDITURES²

Tax expenditures are wavier granted to public spending entities and private enterprises intended to promote investment support within government policy objective in various sectors of the economy- mining, public transport, agriculture, forestry, education and health during the fiscal year. These waivers are informed by various policy instruments, including incentive certificates issued under Section 16 of the Liberia Revenue Code 2000 as amended, Executive Orders, government's contracts and procurements, concession agreements, and diplomatic privileges.

During the second quarter of the fiscal year under review, total tax expenditures amounted to US\$41.8 million compared to US\$61.4 million for the corresponding period of the previous fiscal period of FY2018/19; thus representing a decrease of 31.8 percent thus signaling the Government's commitment to closing tax loopholes.

Table 5: Tax Expenditure Summary - July 1, 2019 – DECEMBER 31, 2019- (in millions USD)

Tax Expenditure	FY2019/20	FY2018/2019	% Change
	Q2	Q2	
Concessions Agreement	6.0	8.2	-26.3
Investment Incentives	13.7	11.8	16.9
Diplomatic Missions	2.1	2.6	-18.6
GOL/Ministries & Agencies	5.3	4.6	15.3
International NGOS	1.2	1.4	-11.2
Local NGOS	0.2	4.8	-95.9
Religious Institutions	0.1	0.1	126.2
Educational Institutions	0.0	0.1	-73.2
Medical Institutions	0.0	0.0	31.6
GoL Projects	4.9	11.3	-56.9
National Legislators	0.5	0.3	56.4
Individual/Returnees	0.1	0.1	-38.1
Executive Order	5.5	12.0	-54.7
Special Exemptions	0.1	1.2	-92.1
Tax Refund	0.2	0.8	-75.2
Judiciary	0.0	0.0	-100.0
Petroleum Products	1.8	2.1	-13.9
Total	41.8	61.4	-31.8

Source: Liberia Revenue Authority, LRA

Of the exempted amount,

- **Investment Incentive** accounts for 32.9 percent for the second quarter of FY2019/20 compared to 19.2 percent for the corresponding period of the previous fiscal year; thus, representing an increase of 16.9 percent;

² Tax expenditures section represents data for the second quarter

- **Concession Agreements** account for 14.4 percent for the second quarter of FY2019/20 compared to 13.3 percent for the corresponding period of the previous fiscal year; thus, representing a decrease of 26.3 percent;
- **GOL/Ministries & Agencies** account for 12.7 percent for the second quarter of FY2019/20 compared to 7.5 percent for the corresponding period of the previous fiscal year; thus, representing an increase of 15.3 percent;
- **Executive Orders** account for 13.0 percent for the second quarter of FY2019/20 compared to 19.6 percent for the corresponding period of the previous fiscal year; thus, representing a decrease of 54.7 percent;
- **GOL Projects** account for 11.6 percent for the second quarter of FY2019/20 compared to 18.3 percent for the corresponding period of the previous fiscal year; thus, representing a decrease of 56.9 percent; amongst others.

FINANCING

The Government of Liberia continues to consolidate funding both on and off-budget to finance Public Sector Investment Programs (PSIPs) across all sectors. Total revised aid projected for FY2019/20 – both grants and loans – as evidenced by Table 6 amounts to US\$403.9 million. Of the projected amount, grants account for US\$268.6 million (66.5 percent of total projection) while loans account for US\$135.3 million (33.5 percent).

Total aid disbursed at the end of the third quarter of FY2019/20 in the form of both grants and loan, as evidenced by Table 6, amounts to US\$61.5 million, of which grants account for US\$39.7 million, thus representing 64.6 percent and loans account for US\$21.7 million representing 35.4 percent. Hence disbursement rate at the end of the third quarter of FY2019/20 is 15.2 percent with grant recording a disbursement rate of 14.8 percent while loans recording a disbursement rate of 16.1 percent.

Aid from **bilateral sources** (which includes both loan and grant) has been projected at US\$157.4 million, thus representing 39.0 percent of the total aid projection. Of the projected aid from bilateral sources, grants accounted for entire amount. The total aid disbursed from bilateral sources amounted to US\$19.1 million, representing 31.1 percent of the total amount disbursed thus far; of which grants accounted for the entire amount. Thus, 12.1 percent of the projected aid from bilateral sources has been disbursed.

Similarly, aid from **multilateral sources** (which includes both loan and grant) has been projected at US\$246.5 million, thus representing 61.0 percent of the total aid projection. Of the projected aid from multilateral sources, grants account for US\$111.2 million (45.1 percent) while loans account for US\$135.3 million (54.9 percent). The total aid disbursed from multilateral sources amounted to US\$42.4 million, representing 68.9 percent of the total amount disbursed thus far; of which grants account for US\$20.6 million which represent 48.6 percent of the total multilateral disbursement, while loans account for US\$21.7 million representing 51.4 percent of

the disbursement. Thus, 17.2 percent of the projected aid from multilateral sources has been disbursed.

Of the US\$39.7 million grant received, US\$19.1 million (48.1 percent) comes from bilateral sources while US\$20.6 million (51.9 percent) is from multilateral sources. On the other hand, the US\$21.7 million loans received was sourced from multilateral institutions.

Table 6: Aid Disbursement by Donor Type (in millions USD)

Donor Type	FY2019/20 Projection			% Share of Proj.	Actual Disbursement Q3			% Share of Disb.	Rate of Disb. to Proj.
	Grant	Loan	Total		Grant	Loan	Total		
Bilateral	157.4		157.4	39.0	19.1	-	19.1	31.1	12.1
Multilateral	111.2	135.3	246.5	61.0	20.6	21.7	42.4	68.9	17.2
Grand Total	268.6	135.3	403.9	100.0	39.7	21.7	61.5	100.0	15.2

Source: Department of Economic Management, Ministry of Finance and Development Planning

Table 7 provides information on the total projected aid as well as the total aid disbursed (both grant and loan) to the eleven budget sectors.

The **Agriculture sector** accounts for US\$20.9 million representing 5.2 percent of the total aid projections; of which grants account for US\$9.2 million (44.0 percent) while loans account for US\$11.7 million (56.0 percent). Disbursement to the sector amounted to US\$5.1 million representing 8.2 percent of the total aid disbursed; of which grants account for US\$4.7 million thus representing 92.5 percent, while loans account for 0.3 million representing 7.8 percent. Thus, 24.2 percent of the projected aid for the sector has been disbursed.

The **Education sector** accounts for US\$12.6 million, representing 3.1 percent of the total aid projections; of which grants account for the entire amount. Disbursement to the sector amounted to US\$4.3 million representing 7.0 percent of the total aid disbursed; of which grants accounted for the entire amount. Thus 33.9 percent of the projected aid for the sector has been disbursed.

The **Energy & Environment sector** accounts for US\$107.0 million representing 26.5 percent of the total aid projections; of which grants account for US\$75.4 million (70.5 percent) while loans account for US\$31.6 million (29.5 percent). Disbursement to the sector amounted to US\$17.1 million representing 27.9 percent of the total aid disbursed; of which grants account for US\$2.3 million thus representing 13.5 percent, while loans account for US\$14.8 million, representing 86.5 percent. Thus 16.0 percent of the projected aid for the sector has been disbursed.

Table 7: Aid Disbursement by Budget Sector (in millions USD)

Budget Sectors	FY2019/20 Projection			% Share of Proj.	Actual Disbursement Q3			% Share of Disb.	Rate of Disb. to Proj.
	Grant	Loan	Total		Grant	Loan	Total		
AGRICULTURE	9.2	11.7	20.9	5.2	4.7	0.3	5.1	8.2	24.2
EDUCATION	12.6	-	12.6	3.1	4.3	-	4.3	7.0	33.9

ENERGY AND ENVIRONMENT	75.4	31.6	107.0	26.5	2.3	14.8	17.1	27.9	16.0
HEALTH	71.5	7.3	78.8	19.5	8.3	2.0	10.3	16.8	13.1
INDUSTRY AND COMMERCE	1.2	-	1.2	0.3	0.2	-	0.2	0.4	18.3
INFRASTRUCTURE AND BASIC SERVICES	33.3	37.5	70.8	17.5	7.3	3.6	10.8	17.6	15.3
MUNICIPAL GOVERNMENT	5.4	-	5.4	1.3	1.4	-	1.4	2.3	25.6
PUBLIC ADMINISTRATION	13.8	40.9	54.7	13.5	5.7	-	5.7	9.3	10.4
SECURITY AND RULE OF LAW	11.1	-	11.1	2.7	0.8	-	0.8	1.3	7.1
SOCIAL DEVELOPMENT SERVICES	28.2	6.2	34.5	8.5	2.7	0.96	3.7	6.0	10.7
TRANSPARENCY AND ACCOUNTABILITY	6.8	-	6.8	1.7	2.1	-	2.1	3.4	30.5
Grand Total	268.6	135.3	403.9	100.0	39.7	21.7	61.5	100.0	15.2

Source: Department of Economic Management, Ministry of Finance and Development Planning

The **Health sector** accounts for US\$78.8 million representing 19.5 percent of the total aid projections; of which grants account for US\$71.5 million (90.7 percent) while loans account for US\$7.3 million (9.2 percent). Disbursement to the sector amounted to US\$10.3 million representing 16.8 percent of the total aid disbursed; of which grants account for US\$8.3 million thus representing 80.5 percent of the total aid disbursed, while loans accounts for US\$2.0 million representing 19.4 percent. Thus 13.1 percent of the projected aid for the sector has been disbursed.

The **Industry & Commerce sector** accounts for US\$1.2 million, representing 0.3 percent of the total aid projections; of which grants account for the entire amount. Disbursement to the sector amounted to US\$0.2 million representing 0.4 percent of the total aid disbursed; of which grants account for the entire amount. Thus 18.3 percent of the projected aid for the sector has been disbursed.

The **Infrastructure & Basic Services sector** accounts for US\$70.8 million, representing 17.5 percent of the total aid projections; of which grants account for US\$33.3 million (47.0 percent) while loans account for US\$37.5 million (52.9 percent). Disbursement to the sector amounted to US\$10.8 million representing 17.6 percent of the total aid disbursed; of which grants account for US\$7.3million thus representing 67.6 percent, while loans account for US\$3.6 million representing 32.4 percent. Thus 15.3 percent of the projected aid for the sector has been disbursed.

The **Municipal Government sector** accounts for US\$5.4 million, representing 1.3 percent of the total aid projections; of which grants account for the entire amount. Disbursement to the sector amounted to US\$1.4 million representing 2.3 percent of the total aid disbursed; of which grants accounted for the entire amount. Thus 25.6 percent of the projected aid for the sector has been disbursed.

The **Public Administration sector** accounts for US\$54.7 million representing 13.5 percent of the total aid projections; out of which grants account for US\$13.8 million (25.2 percent) while loans account for US\$40.9 million (74.8 percent). Disbursement to the sector amounted to US\$5.7 million representing 9.3 percent of the total aid disbursed; of which grants accounted for the entire amount. Thus 10.4 percent of the projected aid for the sector has been disbursed.

The **Security & Rule of Law sector** accounts for US\$11.1 million, representing 2.7 percent of the total aid projections; of which grants account for the entire amount. Disbursement to the

sector amounted to US\$0.8 million representing 1.3 percent of the total aid disbursed; of which grants accounted for the entire amount. Thus 7.1 percent of the projected aid for the sector has been disbursed.

The ***Social Development Services sector*** accounts for US\$34.5 million, representing 8.5 percent of the total aid projections; of which grants account for US\$28.2 million representing 81.7 percent and loan accounts for US\$6.2 million representing 18.3 percent. Disbursement to the sector amounted to US\$3.7 million representing 6.0 percent of the total aid disbursed; of which grants account for US\$2.7 million thus representing 73.0 percent, while loans account for US\$0.96 million representing 27.0 percent. Thus 10.7 percent of the projected aid for the sector has been disbursed.

The ***Transparency & Accountability sector*** accounts for US\$6.8 million, representing 1.7 percent of the total aid projections; of which grants account for the entire amount. Disbursement to the sector amounted to US\$2.1 million representing 3.4 percent of the total aid disbursed; of which grants accounted for the entire amount. Thus 30.5 percent of the projected aid for the sector has been disbursed.

Table 8 provides information on the total projected aid as well as the total aid disbursed (both grant and loan) by aid modality. The ***Budget Support*** accounts for US\$20.3 million, representing 5.0 percent of the total aid projections; of which grants account for the entire amount. Disbursement during the period amounted to US\$4.1 million thus representing 6.7 percent of the total aid disbursed, while grants accounted for the entire amount.

Table 8: Aid Disbursement by Modality (in millions USD)

Aid Modalities	FY2019/20 Projection			% Share of Proj.	Actual Disbursement Q3			% Share of Disb.	Rate of Disb. to Proj.
	Grant	Loan	Total		Grant	Loan	Total		
Budget Support	20.3	-	20.3	5.0	4.1	-	4.1	6.7	0.0
Project/Program Aid	244.3	135.3	379.6	94.0	32.1	21.7	53.8	87.5	14.2
Trust Fund	4.0	-	4.0	1.0	3.6	-	3.6	-	89.5
Grand Total	268.6	135.3	403.9	100.0	39.7	21.7	61.5	94.2	15.2

Source: Department of Economic Management, Ministry of Finance and Development Planning

The ***Project/Program Aid*** accounts for US\$379.6 million, representing 94.0 percent of the total aid projections; of which grants account for US\$244.3 million (64.4 percent) while loans account for US\$135.3 million (35.6 percent). Disbursement to the sector amounted to US\$53.8 million representing 87.5 percent of the total aid disbursed; of which grants account for US\$32.1 million, thus representing 60.0 percent, while loans account for US\$21.7 million representing 40.3 percent. Thus 14.2 percent of the projected aid for the modality has been disbursed.

The ***Trust Fund*** accounts for US\$40.0 million, representing 1.0 percent of the total aid projections; of which grants account for the entire amount. Disbursement during the period amounted to US\$3.6 million thus representing 5.9 percent of the total disbursement. Grants account for the entire amount disbursed to Trust Fund. Thus 89.5 percent of the projected aid for the modality has been disbursed.

Table 9 provides information on the total projected aid as well as the total aid disbursed (both grant and loan) by pillars in the Country's medium term development plan titled "The Pro-Poor Agenda for Prosperity and Development (PAPD).

Table 9: Aid Disbursement by PAPD Pillar (in millions USD)

PAPD Pillars	FY2019/20 Projection			% Share of Proj.	Actual Disbursement Q3			% share of Disb.	Rate of Disb. to Proj.
	Grant	Loan	Total		Grant	Loan	Total		
Power to the People	112.4	13.5	125.9	31.2	15.3	3.0	18.3	29.7	14.5
Economic and Jobs	119.1	80.9	199.9	49.5	14.5	18.8	33.3	54.1	16.6
Sustaining the Peace	11.1	-	11.1	2.7	0.8	-	0.8	1.3	7.1
Governance and Transparency	26.1	40.9	67.0	16.6	9.2	-	9.2	14.9	13.7
Grand Total	268.6	135.3	403.9	100.0	39.7	21.7	61.5	100.0	15.2

Source: Department of Economic Management, Ministry of Finance and Development Planning

The ***Power to the People Pillar*** accounts for US\$125.9 million, representing (31.2 percent) of the total aid projections; of which grants account for US\$112.4 million (89.3 percent) while loans account for US\$13.5 million (10.7 percent). Disbursement to the pillar amounted to US\$18.3 million representing 29.7 percent of the total aid disbursed; of which grants accounted US\$15.3 million thus representing 83.6 percent, while loans to the pillar accounts for US\$3.0 million representing 16.4 percent of the total aid disbursed. Thus 14.5 percent of the projected aid for the pillar has been disbursed.

The ***Economy & Jobs Pillar*** accounts for US\$199.9 million, representing 49.5 percent of the total aid projections; of which grants account for US\$119.1 million (60.0 percent) while loans account for US\$80.9 million (40.4 percent). Disbursement to the pillar amounted to US\$33.3 million representing 54.1 percent of the total aid disbursed; of which grants account for US\$14.5 million thus representing 43.5 percent, while loans account for US\$18.8 million representing 56.5 percent. Thus, 16.6 percent of the projected aid for the pillar has been disbursed.

The ***Sustaining the Peace Pillar*** accounts for US\$11.1 million, representing 2.7 percent of the total aid projections; of which grants account for the entire amount. Disbursement to the pillar amounted to US\$0.8 million representing 1.3 percent of the total aid disbursed; of which grants accounted for the entire amount. Thus 7.1 percent of the projected aid for the pillar has been disbursed.

The ***Governance & Transparency Pillar*** accounts for US\$67.0 million, representing 16.6 percent of the total aid projections; of which grants accounted for US\$26.1 million representing 39.0 percent and loan accounts for US\$40.9 million representing 61.0 percent. Disbursement to the pillar amounted to US\$9.2 million representing 14.9 percent of the total aid disbursed; of which grants accounted for the entire amount. Thus 13.7 percent of the projected aid for the pillar has been disbursed.

Table 10 provides information on the total projected aid as well as the total aid disbursed (both grant and loan) by development partner. An analysis of Table 10 shows that the highest off-budget aid projection comes from the International Development Association (IDA) followed by the United States Agency International Development (USAID). However, the highest disbursement has been from the African Development Bank.

Table 10: Aid Disbursement by Development Partner (in millions USD)

Development Partners	FY2019/20 Projection			% Share of Proj.	Disbursement at end September			% Share of Disb.	Rate of Disb. to Proj.
	Grant	Loan	Total		Grant	Loan	Total		
Off Budget Support									
African Development Bank	8.8	42.4	51.3	13.4	3.0	4.3	7	12.7	14.2
France	-	-	-	-	1		1	3	
European Union		-	-	-	4.9	-	5	8.6	
Germany	38.8	-	38.8	10.1		-	-	-	-
Global Fund	-	-	-	-	2.0	-	2	3.5	
IFAD	-	7.4	7.4	1.9	-	-	-	-	-
International Development Association	81.0	81.5	162.5	42.4	6.6	17.4	24	41.9	14.8
Japan	10.0	-	10.0	2.6	0.4	-	0	-	4.2
Millennium Challenge Corporation	1.0	-	1.0	0.3	-	-	-	-	-
Norway	0.6	-	0.6	0.2		-	-	-	-
OFID	-	4.0	4.0	1.0	-	-	-	-	-
Sweden	22.6	-	22.6	5.9		-	-	-	-
United Nations Children Fund	5.2	-	5.2	1.4		-	-	-	-
UNHCR	2.0	-	2.0	0.5		-	-	-	-
USAID	78.2	-	78.2	20.4	17.2	-	17	30.0	22.0
Total	248.3	135.3	383.6	100.0	35.6	21.7	57.4	99.3	55.2
Budget Support									
European Union	10.1	0.0	10.1	49.8	0.0	0.0	0.0	0.2	0.1
African Development Bank	4.0		4.0		4.1		4.1		102.5
USAID	6.2	0.0	6.2	30.5		0.0	0.0	-	0.0
Total	20.3	0.0	20.3	80.3	4.1	0.0	4.1	0.2	102.6
Grand Total	268.6	135.3	403.9	100.0	39.7	21.7	61.5	100.0	15.2

Source: Department of Economic Management, Ministry of Finance & Development Planning

BUDGET EXECUTION

At the end of the third quarter of FY2019/20 allotment accounted for 73.6 percent of the National Budget of which 89.6 percent was committed. On a commitment basis, 65.9 percent of the approved budget was executed at the end of the period under review.

Allotments

Of the approved budgetary appropriation of US\$525.9 million as evident by Table 11, US\$387.2 million was allotted at the end of the third quarter of FY2019/2020 which compared to the corresponding period for the previous fiscal year (FY2018/2019) represents an increase of 134.6 percent. Therefore, total allotment issued out during the period under review account for 73.6 percent of the total approved expenditures.

Table 11: Budgetary Allotment -JULY 1, 2019 – MARCH 30, 2020 - (in millions USD)

	Budget Sectors	Compensation of employees	Use of goods and services	Capital Spending	Interest	Grants	Social benefits	Unspecifi ed	Total
FY19/20 - Q3	Public Administration	86.9	13.6		45.1	-		-	145.6
	Municipal Government	3.2	2.9		-	3.6		-	9.7
	Transparency and Accountability	10.6	4.0	-	-		-	1.5	16.1
	Security and Rule of Law	44.2	16.7			6.8		-	67.7
	Health	35.6	8.7	-	-	6.4		-	50.7
	Social Development Services	2.3	1.3	-	-		2.4	-	5.9
	Education	49.3	4.6		-	7.5		-	61.3
	Energy and Environment	5.5	4.2					-	9.7
	Agriculture	2.7	0.9					-	3.6
	Infrastructure and Basic Service	9.5	2.1			0.5		-	12.1
	Industry and Commerce	1.7	3.0	-	-		-		4.7
	Total	251.5	62.0	-	45.1	24.8	2.4	1.5	387.2
FY18 /19 - Q3	Total	162.8	61.4	5.2	12.3	20.2	1.6	21.9	285.4

Source: Department of Budget and Fiscal Affairs, Ministry of Finance & Development Planning

Commitment

Total commitment issued out to Ministries, Agencies and Commissions (MACs) during the third quarter under review amounted to US\$346.8 million compared to US\$238.9 million recorded for the same period in FY2018/19; thus representing an increase of 144.2 percent. Therefore, total commitment issued out during the period under review account for 65.9 percent of the total approved budgeted expenditure.

Table 12: Budgetary Commitment - JULY 1, 2019 -- MARCH 30, 2020 - (in millions USD)

	Budget Sectors	Compensation of employees	Use of goods and services	Capital Spending	Interest	Grants	Social benefits	Financial Asset	Total
FY19/20_Q2	Public Administration	40.8	15.3		27.9	8.4		38.1	130.6
	Municipal Government	5.5	2.5	-	-	0.6		-	8.5
	Transparency and Accountability	5.7	1.9	-	-			7.8	15.5
	Security and Rule of Law	36.6	9.8	-	-			8.9	55.3
	Health	36.5	1.3	-	-	5.4		1.3	44.5
	Social Development Services	1.7	0.9	-		-	2.3		4.9

FY18/19	Education	44.4	5.1	-	-	3.6	0.4	53.5
	Energy and Environment	4.9	1.7			1.0		7.6
	Agriculture	1.5	0.8	-	-	0.5		2.8
	Infrastructure and Basic Service	12.2	6.8	0.2		-		19.3
	Industry and Commerce	2.6	1.8	-	-			4.3
	Total	192.5	47.9	0.2	27.9	19.6	2.3	346.8
	Total	145.0	49.1	4.9	8.8	17.5	1.3	238.9

Source: Department of Fiscal Affairs, Ministry of Finance and Development Planning

Economic Classification

During the period under review as evident by Table 13 (which provides details on budget execution in millions of dollars) and Table 14 (which provides details on budget execution in percent), allotments for compensation of employees accounted for 84.7 percent of the total appropriation for compensation of employees. Of the allotted amount for compensation of employees, 76.5 percent was committed thus representing 64.8 percent of the appropriations for compensation of employees.

Table 13: Summary of Budget Execution: Economic Classification – JULY 1, 2019 – MARCH 30, 2020 - (in millions USD)

	Budget	Allotment	Commitment
Compensation of employees	296.9	251.5	192.5
Use of goods and services	77.0	62.0	47.9
Capital Spending	-	-	0.2
Interest	62.9	45.1	27.9
Grants	54.1	24.8	19.6
Social benefits	1.5	2.4	2.3
Funding Gap	33.5	1.5	56.5
Total	525.9	387.2	346.8

Source: Departments of the Ministry of Finance & Development Planning

Allotments for the use of goods and services accounted for 80.5 percent of total appropriation for the use of goods and services for FY2019/20 out of which 77.2 percent was committed. Commitment accounted for 62.2 percent of total appropriation for goods and services.

Table 14: Summary of Budget Execution: Economic Classification - JULY 1, 2019 – MARCH 30, 2020 - (in percent)

	Allotment (% of Budget)	Commitment (% of Allotment)	Commitment (% of Budget)
Compensation of employees	84.7	76.5	64.8
Use of goods and services	80.5	77.2	62.2
Capital Spending	-	-	-
Interest	71.7	61.9	44.4
Grants	45.8	79.0	36.2
Social benefits	156.9	97.1	152.3
Total	73.6	89.6	65.9

Source: Departments of the Ministry of Finance & Development Planning

Allotment for interest accounts for 71.7 percent of total budgeted appropriation for interest for FY2019/20 out of which 61.9 percent was committed. Thus, 44.4 percent of the total appropriation for interest was committed at the end of the FY2019/20.

Allotment for the provision of grants accounts for 45.8 percent of total appropriation for grants for FY2019/20 out of which 79.0 percent was committed. Thus, 36.2 percent of total appropriation for grants was committed at the end of the FY2019/2020.

Allotment for social benefits accounts for 156.9 percent of total budgeted appropriation for social benefits for FY2019/20 out of which 97.1 percent was committed. Thus, 152.3 percent of total appropriation for social benefits was committed at the end of the FY2019/20.

Budget Sectors

Table 15 shows budget execution by budget sector in millions of US dollars while Table 16 depicts budget execution by budget sector in percentage. Allotment for the **Agriculture Sector** accounts for 1.1 percent of the total budgetary appropriation for the sector for FY2019/20 out of which 77.8 percent was committed. Commitment accounts for 49.3 percent of total budgetary appreciation for the sector.

Table 15: Summary of Budget Execution: Budget Sectors – JULY 1, 2019 – MARCH 30, 2020 - (in millions USD)

Budget Sectors	Budget	Allotment	Commitment
Agriculture	5.7	3.6	2.8
Education	81.3	61.3	53.5
Energy and Environment	11.8	9.7	7.6
Health	76.4	50.7	44.5
Industry and Commerce	6.1	4.7	4.3

Infrastructure and Basic Services	33.2	12.1	19.3
Municipal Government	21.0	9.7	8.5
Public Administration	183.7	145.6	130.6
Security and Rule of Law	76.5	67.7	55.3
Social Development Services	10.4	5.9	4.9
Transparency and Accountability	19.8	16.1	15.5
Total	525.9	387.2	346.8

Source: Departments of the Ministry of Finance & Development Planning

Allotment for **Education Sector** accounts for 15.5 percent of total appropriation for the educational sector for FY2019/20 out of which 87.3 percent was committed. Thus, 65.9 percent of total budgetary appropriation for the Education Sector was committed at the end of the third quarter for FY2019/20.

Energy and Environment sector reported an allotment of 82.3 percent of total appropriation for the sector for FY2019/20 out of which 78.3 percent was committed. Thus, 64.5 percent of total budgetary appropriation for the sector was committed at the end of the period under review.

Table 16: Summary of Budget Execution: Budget Sectors – JULY 1, 2019 – MARCH 30, 2020- (in percent)

Budget Sectors	Allotment (% of Budget)	Commitment (% of Allotment)	Commitment (% of Budget)
Agriculture	1.1	77.8	49.3
Education	15.5	87.3	65.9
Energy and Environment	82.3	78.3	64.5
Health	66.3	87.8	58.2
Industry and Commerce	76.6	92.5	70.9
Infrastructure and Basic Services	36.4	158.9	57.9
Municipal Government	46.3	87.8	40.6
Public Administration	79.3	89.7	71.1
Security and Rule of Law	88.5	81.7	72.3
Social Development Services	57.0	82.3	46.9
Transparency and Accountability	81.4	96.1	78.2
Total	73.6	89.6	65.9

Source: Departments of the Ministry of Finance & Development Planning

Allotment for **Health Sector** accounts for 66.3 percent of total appropriation for the Health Sector for FY2019/20 out of which 87.8 percent was committed. Thus, 58.2 percent of total budgetary appropriation for health was committed at the end of the third quarter for FY2019/20.

Industry and Commerce sector revealed an allotment of 76.6 percent of total appropriation for the sector for FY2019/20 out of which 92.5 percent was committed. Thus, 70.9 percent of total budgetary appropriation for the sector was committed at the end of the period under review.

Allotment for the **infrastructure and basic services sector** accounts for 36.4 percent of total appropriation for the infrastructure and basic services sector for FY2019/20 out of which 158.9 percent was committed. Thus, 57.9 percent of total budgetary appropriation for infrastructure and basic services was committed at the end of the third quarter for FY2019/20.

Municipal government sector reported an allotment of 46.3 percent of total appropriation for the sector for FY2019/20 out of which 87.8 percent was committed. Thus, 40.6 percent of total budgetary appropriation for the sector was committed at the end of the period under review.

Allotment for **public administration sector** accounts for 79.3 percent of total appropriation for the sector for FY2019/20 out of which 89.7 percent was committed. Thus, 71.1 percent of total budgetary appropriation for public administration was committed at the end of the third quarter for FY2019/20.

Security and Rule of Law sector reported an allotment of 88.5 percent of total budgetary appropriation for the sector for FY2019/20 out of which 81.7 percent was committed. Thus, 72.3 percent of total budgetary appropriation for the sector was committed at the end of the period under review.

Allotment for **social development services sector** accounts for 57.0 percent of total appropriation for the sector for FY2019/20 out of which 82.3 percent was committed. Thus, 46.9 percent of total budgetary appropriation for social development services was committed at the end of the third quarter for FY2019/20.

Transparency and accountability sector reported an allotment of 81.4 percent of total budgetary appropriation for the sector for FY2019/20 out of which 96.1 percent was committed. Thus, 78.2 percent of total budgetary appropriation for the sector was committed at the end of the period under review.

PUBLIC DEBT

The total public debt stock as at end- March 2020 is US\$1,503.1 million compared to US\$1,064.0 million at end- March 2019, thus representing an increase of 41.3 percent. Of the total debt stock at end March 2020, domestic debt accounts for US\$604.4 million (40.2 percent of the total debt stock as at end March 2020) compared to US\$264.9 million (representing percent of end March 2019 total debt stock) at end March 2019; thus representing an increase of percent on account of

the inclusion of the debts owed to Commercial Banks and the IMF on-lending from the CBL. On the other hand, external debt amounts to US\$898.7 million (59.8 percent of the total debt stock at end March 2020) compared to US\$799.1 million (75.1 percent of the total debt stock at end March 2019) representing an increase of 12.5 percent.

Table 17: Public Debt Stock as at end- MARCH 30, 2020 (in millions USD)

DEBT STOCK		
Domestic Debt Details	End Mar FY19/20	End Mar FY18/19
Disbursed Outstanding Debt (start of period)	419.8	264.9
CBL	302.9	254.5
Commercial Banks	65.2	10.0
Private Placement	51.5	0.0
Other (Court Debt)	0.2	0.4
Disbursements	184.6	0.0
Principal Repayments	0.0	0.0
Net Flows On Debt Stock	604.4	264.9
Interest Payments	1.4	0.0
Exchange rate / other adjustments	0.0	0.0
Total Debt Service	1.4	0.0
Total Domestic Debt (end of period)	604.4	264.9
External Debt Details		
Disbursed Outstanding Debt (period start)	850.1	776.4
Disbursements	48.6	23.0
Principal Repayments	-0.1	-0.9
Net Flows On Debt Stock	898.7	798.5
Interest Payments	1.4	1.7
Exchange rate / other adjustments	0.0	0.6
Total Debt Service	1.5	2.6
Total External Debt (end of period)	898.7	799.1
TOTAL DEBT STOCK (USD millions)	1503.1	1064.0

Source: Department of Economic Management, MFD

Total debt service as evidenced by Table 18 amounted to US\$15.1 million at the end of the period under review compared to US\$14.2 million for the corresponding of the previous fiscal year thus representing an increase of about 106.1 percent. Of the total debt service, domestic debt service amounted to US\$7.7 million or 50.9 percent (interest payment accounts for 81.8 percent while principal repayment accounts for 18.2 percent) compared to US\$4.5 million or 31.2 percent (interest payment accounts for 59.1 percent while principal repayment accounts for 40.9 percent) for the corresponding period of the previous fiscal year thus showing an increase of about 75.0 percent. External debt service payment amounted to US\$7.4 million or 49.0 percent (interest payment accounts for 55.5 percent while principal repayment accounts for 44.6 percent) compared to US\$9.7 million or 68.8 percent (interest payment accounts for 72.2 percent while principal repayment accounts for 27.8 percent) for the corresponding period of the

previous fiscal year thus showing a decrease of about 23.7 percent. The percentages are calculated on the cumulative basis.

Table 18: Public Debt Service as at end-MARCH 30, 2020 (in millions USD)

DEBT SERVICE (US\$M)		
Domestic Debt Service Details	End Mar FY19/20	End Mar FY18/19
Principal	1.4	1.9
Interest	6.3	2.6
Total Domestic Debt Service	7.7	4.5
External Debt Service Details		
Principal	3.3	2.7
Interest	4.1	7.0
Total External Debt Service	7.4	9.7
Total Debt Service (USD millions)	15.1	14.2

Source: Department of Economic Management, MFD

SECTION 4: PROSPECTS AND CHALLENGES

The Liberian economy was poised to make a gradual recovery following the multiple shocks that beset the economy since 2014. Recovery had been slower than anticipated and it was then constrained by reduced foreign exchange inflows that have led to depreciation of the exchange rate on account of unfavorable developments in the external environment coupled with low domestic demand. These adverse impacts were then exacerbated by the outbreak of the coronavirus disease which constrained the movement of persons and goods thereby contributing to a slump in economic activities. As a consequence, there had been an acceleration of inflation which has had dire consequences on the Government's fiscal space – constraining revenue generation while increasing expenditures.

The Government has responded to these challenges by instituting fiscal rules and measures to guide budget execution as outlined in the fiscal rules section of this report. Moreover, to contain the viral outbreak, the Government of Liberia on March 21, 2020 invoked the public health law by issuing restrictive measures designed to enforce social distancing. The measures called for the closure of all schools, night clubs, cinemas, beaches, spas, mosques and churches; banned all street selling and gatherings of more than 10 people; restricted admittance into banks and restaurants to five customers keeping a minimal distance of six feet apart; imposed social distancing for health facilities and pharmacies (which are to remain open); and made mandatory the washing of hands with soap and clean or chlorinated water prior to gaining entry at all public and private establishments. In addition, the Government established a hotline to report COVID-19 cases or persons perceived to be exhibiting COVID-19 symptoms.

Although Liberia has not yet seen and is not likely to see the impacts – in terms of the number of deaths-- experienced during the Ebola Viral outbreak of 2014, it is the economy that has taken the hardest hit, with COVID-19 threatening to derail the objectives set out in the PAPD. Macroeconomic fundamentals are expected to deteriorate further if the restrictive measures and the epidemic persist beyond a six month to one-year interval.

As Liberia is a commodity exporter and an import-oriented economy, the persistence of COVID-19 will have larger than anticipated impacts on the country. Liberia is a net importer of finished goods such as petroleum and rice, its staple food, and prolonged disruptions in the global supply chain of these critical commodities will adversely affect the country. These disruptions will seriously affect revenue, which has declined since the onset of COVID-19, forcing the country to rely on foreign aid or budget support to weather the storm over the short to medium term. The full scale of COVID-19's impact can only be glimpsed at the present.