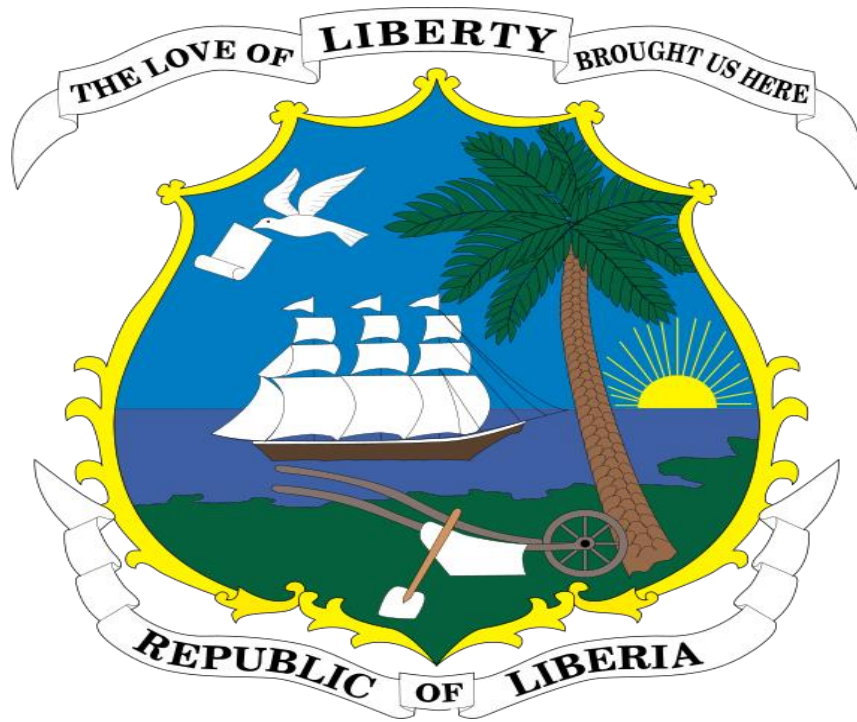


BUDGET FRAMEWORK PAPER FOR THE FISCAL YEAR 2025



Submitted to the National
Legislature of the Republic of Liberia
Capitol Hill, Monrovia, Liberia

October 2024

TABLE OF CONTENTS

LIST OF TABLES	ii
LIST OF FIGURES	ii
FORWARD.....	iii
EXECUTIVE SUMMARY	v
LEGISLATIVE REQUIREMENTS	1
BUDGET PROCESS AND STRATEGY	2
BUDGETARY PROCESSES	2
POLICY AGENDA.....	3
FISCAL RULES	8
FISCAL TARGETS	9
ECONOMIC AND FISCAL OVERVIEW	16
GLOBAL MACROECONOMIC OUTLOOK	16
DOMESTIC ECONOMIC PERFORMANCE AND OUTLOOK	18
FISCAL PERFORMANCE FOR FY2024.....	25
REVENUE AND GRANTS	26
EXPENDITURE	26
Economic Classifications FY2024	27
Budget Sectors	28
END OF YEAR PROJECTIONS (OCTOBER – DECEMBER, 2024)	30
Revenue Projections (October – December, 2024)	30
Expenditure Projections (October – December, 2024).....	30
FINANCING FOR FY2024.....	31
Debt Stock	31
Development Assistance for FY2024.....	32
FY2025 FISCAL FRAMEWORK: JANUARY 1 – DECEMBER 31, 2025	34
RESOURCE ENVELOPE FOR FY2025 BUDGET	35
FISCAL FRAMEWORK ASSUMPTIONS	35
FY2025 EXPENDITURE FRAMEWORK	40
AAID Recurrent Priorities for FY2025	40
AAID Development Priorities for FY2025	41
FINANCING FOR FY2025.....	49
Public Debt Projection for FY2025	49
Development Assistance for FY2025.....	50
FISCAL RISKS	60
SUMMARY: FY2025 National Budget and Off-Budget Development Assistance	62

APPENDIX.....	63
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LIST OF TABLES

Table 1: Key Macroeconomic Assumptions.....	vii
Table 2: Summary Overview of World Economic Outlook (Annual Growth Rate)	17
Table 3: Medium Term GDP Projection by Economic Sectors.....	19
Table 4: Budget Execution by Economic Classifications as At September 30, 2024	27
Table 5: Execution by Budget Sectors, FY2024.....	29
Table 6: Projected Revenue (Oct. – Dec., 2024)	30
Table 7: Projected Expenditure (Oct. – Dec., 2024).....	31
Table 8: Summary Public Debt Profile at End-September 2024	32
Table 9: Off-Budget Aid Projections and Disbursement by Sectors (Jan. – Sept., 2024)	33
Table 10: PSIPs Profile for the Industry and Commerce Sector	41
Table 11: PSIPs Profile for the Agriculture Sector.....	42
Table 12: PSIPs Profile for the Infrastructure and Basic Services Sector	42
Table 13: PSIPs Profile for the Security and Rule of law Sector	43
Table 14: PSIPs Profile for the Transparency and Accountability Sector	44
Table 15: PSIPs Profile for the Public Administration Sector	45
Table 16: PSIP Profile for the Municipal and Local Government Sector	45
Table 17: PSIP Profile for the Energy and Environment Sector	46
Table 18: PSIP Profile for the Education Sector	47
Table 19: PSIP Profile for the Health Sector	48
Table 20: PSIP Profile for the Social Development Services Sector.....	48
Table 21: Public Debt Stock Projection.....	49
Table 22: Projected Debt Service for FY2025.....	49
Table 23: Summary Off-Budget Development Assistance Profile for FY2025.....	50
Table 24: Development Assistance Profile for the Commerce and Industry Sector	51
Table 25: Development Assistance Profile for the Agriculture Sector.....	52
Table 26: Development Assistance Profile for Infrastructure and Basic Services Sector	53
Table 27: Development Assistance Profile for the Security and Rule of Law Sector	54
Table 28: Development Assistance Profile for Transparency and Accountability.....	55
Table 29: Development Assistance Profile for the Public Administration Sector.....	55
Table 30: Development Assistance Profile for the Municipal Government Sector.....	56
Table 31: Development Assistance Profile for the Energy and Environment	57
Table 32: Development Assistance Profile for the Educational Sector	58
Table 33: Development Assistance Profile for the Health Sector	59
Table 34: Development Assistance Profile for the Social Development Sector	59
Table 35: FY2025 Budget and Off-Budget Development Assistance.....	62
Table 36: Recurrent Expenditure Table	63
Table 37: FY2025 Fiscal Table.....	73

LIST OF FIGURES

Figure 1: Sector Composition of Real GDP Growth Rates (2022-2029)	20
Figure 2: Real GDP Growth Rate Comparison (percent, year-on-year).....	21
Figure 3: Month-on-Month Rate of Inflation (Sept. 2023 to Sept. 2024).....	22

FORWARD

The FY2025 Draft National Budget is developed in alignment with Liberia's medium term development plan, the ARREST Agenda for Inclusive Development (AAID) which is at the concluding stages of completion. The preparation of this year budget juxtaposed that of the development of the AAID making it even more challenging given the limited time period after working on the FY2024 Restated Budget, the FY2024 Recast Budget, requirements for the qualification for the approval of the International Monetary Funds Extended Credit Facility (ECF) Program, and ensuring that the GoL gather the needed resources to meet its pressing expenditure demands; but together, we made it as a team.

One of the key priorities of the administration is to restore fiscal discipline and sustainability to achieve a fiscal primary balance of 6.8 percent of GDP by the end of 2027 through a combination of rationalization of non-priority spending and revenue mobilization. The medium-term fiscal target would be a primary surplus of 2.5 percent of GDP, to be achieved by 2027. This will enable the government to stabilize the overall public debt currently at 58.0 percent of GDP to a sustainable level by securing primarily concessional loans or grants from external sources and with a notable reduction of the highly expensive domestic debt.

The GoL has projected a total of US\$851.8 million in the FY2025 Draft National Budget with recurrent expenditure accounting for 87.5 percent (US\$745.7 million) while capital expenditure accounts for 12.5 percent (US\$106.1 million). Compared to FY2024 National Budget, the Draft National Budget increased by 15.3 percent. Of the total resource envelope, 7.0 percent (US\$60.0 million) accounts external resources while 93.0 percent accounts for domestic revenue mobilizations. Of the external resources, 33.3 percent accounts for grants while 66.7 percent accounts for loans.

To achieve a sustainable fiscal consolidation and efficient use of public resources, we will adopt an enhanced budget execution and strict controls, with adherence to the Amended PFM law of 2019 and regulations that would limit off-budgetary spending. We will prioritize debt service obligations, cash management, align the budget to cross-sectoral linkages on spendings, reprimand ministries, agencies and commissions (MACs) that will not adhere to the public procurement laws and the internal audit procedures. Funds disbursements will require a careful verification of the liquidity position at the consolidated Treasury Single Account (TSA), in line with the monthly cash management plans with appropriate reporting and transparency processes.

Additionally, the government is committed to improving some sections of the PFM Act, particularly those related to the legislature's role in discussing and reshaping the government's budget proposals. The objective is to narrow down and refocus the legislature's large discretion in reshaping government's proposed budgets.

We will strengthen collaboration with the Central Bank of Liberia (CBL) to improve monetary framework to transition from an interest rate-based monetary policy framework with the long-term goal of adopting an inflation-targeting framework. The CBL and MFDP will work on establishing a domestic market for debt consolidation and financial market operations, financial deepening, and flexible exchange rate will facilitate this transition.

Strengthening governance and accountability is the cornerstone of the reforms under the AAID. The government is committed to fiscal transparency and will endeavor to enhance the operational capacities of the Liberia Anti-corruption Commission (LACC) and the General Auditing Commission (GAC) to ensure fiscal autonomy by the provision of essential human, financial, and technical resources to effectively facilitate their functions. The Liberia Anti-Corruption Commission (LACC) has begun its work of holding corrupt officials accountable by investigating and sending cases to court. The task of investigating new and ongoing corruption allegations will remain a priority of the government. In addition, the General Auditing Commission (GAC) has conducted a number of special audits that would help identify potential improprieties in the use of public resources as well as identify weak points in financial reporting and accountability systems. Despite fiscal constraints, the government is committed to providing the necessary resources to fund integrity institutions.

Augustine Kpehe Ngafuan
MINISTER of Finance and Development Planning

EXECUTIVE SUMMARY

Global growth is expected to remain stable yet underwhelming. At 3.2 percent in 2024 and 2025, the growth projection is virtually unchanged from those in both the July 2024 update on the World Economic Outlook and the April 2024 World Economic Outlook. However, notable revisions have taken place beneath the surface, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies; in particular, the largest European countries. Likewise, in emerging market and developing economies, disruptions to production and shipping of commodities especially oil conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa.

The Liberian economy is projected to grow by 5.8 percent in 2025; a 0.7 percentage point upgrade on the earlier forecast for 2024 and 5.9 percent on average over the medium term (2025 – 2027), on account of strong activities in mining, investment in infrastructure, agriculture and manufacturing, with support from development partners and more vibrant economic activities fueled by improved electricity supply. Despite this reduction in the projections, growth expectation is still driven by relatively strong performances in agriculture and fisheries, services, and mining sectors.

The Liberia dollar is projected to depreciate against the US dollar on average by 1.1 percent to L\$198.0/US\$1.00 in 2025 up from L\$195.8/US\$1.00 on average in 2024. This development is largely driven by the persistent high demand for foreign exchange to facilitate payments for imports, mainly to replenish depleted stocks and for transactions outside the banking system. As at October 31, 2024, the exchange rate was L\$191.1/US\$1.00 which represents 2.4 percent depreciation; compared with the same period in 2023, when the exchange rate was L\$186.6/US\$1.00. Compared to end-January 2024, the Liberian Dollar has appreciated against the United States Dollars by 1.1 percent.

Inflationary pressures are projected to slow down to 5.1 percent in 2025, down from a projected average of 6.3 percent in 2024. It is projected to further moderate marginally to 5.0 percent in the medium term (2025 – 27) on account of tight monetary policy measures. Headline inflation for the month of September 2024 is recorded at 7.7 percent, a 2.8 percentage point decline from the 10.5 percent of January 2024. At end September 2024, food and non-alcoholic beverages inflationary pressures plummeted by 23.2 percentage point when compared with the 26.1 percent

reported in January of this year. On the other hand, non-food inflation increased by 5.9 percentage point for the same period.

Total revenue collected at the end of the third quarter of FY2024 amounted to US\$511.9 million, which represents 69.6 percent of the approved resource envelope. Compared to the same period of the previous fiscal year, domestic revenue mobilized accounts for 100.0 percent of collected revenue. Of the total revenue collected at the end of the third quarter, tax revenue constituted US\$422.2 million, which accounted for 82.5 percent of the revenue outturn, which non tax revenue amounted to US\$81.8 million constituting 16.0 percent of the total collection. Revenue amount to US\$7.8 million, constituting 1.5 percent of the actual collection at the end of quarter three FY2024. The total revenue outturn at the end of quarter three FY2024 came from only domestic sources; no external funding (loans) had been disbursed to government.

Total public debt stock as of September 31, 2024 stood at US\$2.6 billion. Of this total, domestic debt stock amounts to US\$1.1 billion, representing 42.0 percent of the total debt stock, while external debt stock is US\$1.5 billion, making up 58.0 percent of the total debt stock. Compared to the end of September 2023, the debt stock increased by 17.2 percent. At end September 2024, total debt service amounts to US\$57.6 million. Of this total, domestic debt service amount to US\$28.1 million, accounting for 48.8 percent. External debt service payments amount to US\$29.5 million, or 51.2 percent of the total debt service. Total debt service represents 11.3 percent of the domestic revenue.

The total draft resource envelope for the FY2025 budget is projected at US\$851.8 million of which tax revenue accounts for US\$633.5 representing 74.4 percent of the projected resource envelope, while non-tax revenue is projected at US\$139.5 million accounting for 16.4 percent. External resources (loans) are projected at US\$60.0 million, accounting for 7.0 percent of the projected resource envelope. Contingent revenues are forecasted at US\$18.8 million, accounting for 2.2 percent of the total resource envelope projected. Recurrent expenditures amount to US\$745.7 million representing 87.5 percent while capital expenditures (PSIP) amount to US\$106.1 million representing 12.5 percent.

Compared to the FY2024 approved budget of US\$738.9 million, the projected resource envelope for FY2025 represents an increase of about 15.3 percent. This increase is driven mainly by a 13.6 percent increase in the projections for taxes on income and profits; 8.6 percent increase in the

forecast for taxes on international trade; and 30.0 percent increase in projected revenue from property income tax for FY2025 compared to FY2024.

Total projected development assistance FY2024 through the ARREST Agenda for Inclusive Development Pillars for projects in different sectors is US\$398.2 million, with grants making up US\$255.0 million, or 64.0 percent, and loans accounting for US\$143.2 million, or 36.0 percent. As of September 30, 2024, both bilateral and multilateral contributions from development partners total US\$328.0 million; of which grant amounts to US\$221.9 million accounting for 67.6 percent while loan amounts to US\$106.2 million percent accounting for 32.4 percent.

Table 1: Key Macroeconomic Assumptions

Macro Indicators	Estimates		Projections					
	2022	2023	2024	2025	2026	2027	2028	2029
Real GDP Growth (%)	4.8	4.6	5.1	5.8	5.9	6.0	6.0	6.0
Real GDP (billions of US\$)	3.4	3.6	3.7	4.0	4.2	4.5	4.8	5.1
Nominal GDP (billions of US\$)	4.0	4.4	4.8	5.1	5.5	5.9	6.4	6.9
Exchange Rate (period Average)	152.9	175.0	191.1	198.0	211.8	213.6	215.0	218.3
Consumer Price Growth (period Average)	7.6	10.1	6.3	5.1	5.1	4.9	4.9	4.8
Consumer Price Growth (End of period)	9.2	10	5.4	5.6	5.0	4.9	4.9	4.8
Current Account Balance (% of GDP)	-19	-26.5	-24.8	-24.5	-23.7	-21.8	-21.6	-19.3

Source: Liberian Authorities and IMF

LEGISLATIVE REQUIREMENTS

Set out below are the requirements for the Budget Framework Paper (BFP) as enshrined in section 11 of the PFM Law of 2009 and its associated regulations in part D.6. The Proposed National Budget to be presented to the Legislature shall be accompanied by the BFP, outlined in Section 11 of the Public Financial Management Act of 2009 updated to reflect the draft budget submitted to the Legislature.

The Budget Framework Paper shall contain the following:

- i. An analysis of the economic and fiscal trends, and the assumptions underlying the medium-term macroeconomic and fiscal framework of the budget;
- ii. An explanation of the government's policy priorities and how these are reflected in the budget;
- iii. A statement of key fiscal risks that may affect budget execution;
- iv. The essential features of the medium-term expenditure framework, where this has been prepared;
- v. A summary statement of revenues and expenditure performance, using the main economic categories identified in Section 8(d) of the Amendment and Restatement of the Public Financial Management Act of 2009, for the last two years showing the surplus or deficit in each of the years, and indicating the use to which it was put (in the case of surplus) or the means of financing (in the case of deficit);
- vi. A summary statement of revenues and expenditures, using the main economic categories identified in Section 8(d) of the Amendment and Restatement of the Public Financial Management Act of 2009, for the three years showing the projected surplus or deficit in each of the years, and indicating the use to which it will be put (in the case of surplus) or the means of financing (in the case of deficit);
- vii. A summary statement of off-budget donor funding showing names of project and program, funding agency, recipient government agency, disbursements effected in the previous financial year, projected disbursement in the following financial year;
- viii. A summary statement of the performance of State-Owned Enterprises and their annual financial plans for the following year showing revenues, expenditures, and changes in net worth;
- ix. Summary statement of the performance of public corporations and Special Funds showing incomes accruing to them including any donor funding, cash flow statement,

outstanding debt if any that includes arrears to vendors and borrowing requirements for the following financial year;

- x. A summary statement of budgetary implications of new legislations on the proposed budget as well as the financial implication over the two outer years, consistent with the provisions of Section 19 of the Amendment and Restatement of the Public Financial Management Act of 2009.

The detailed annual budget estimates shall show the previous budget year outturns, the current year original budget as well as the year-to-date outturn based on available data, and projected outturns. The detailed estimates, which will include both revenues and expenditures, will be structured according to the classifications specified in Section 8(d) of the Amendment and Restatement of the Public Financial Management Act of 2009 (and amended in 2019). The detailed estimates will include overall as well as agency-level summaries by the various classifications utilized in the budget.

BUDGET PROCESS AND STRATEGY

BUDGETARY PROCESSES

1. The Public Financial Management Law passed in 2009 ushered in a substantial change in the budget process in Liberia, with the introduction of the first Medium-Term Expenditure Framework (MTEF) budget process in fiscal year (FY) 2012/13.
2. The MTEF process has three main objectives: to ensure fiscal discipline by spending what the public sector can afford; to allocate resources in line with national priorities; and to ensure those resources are used as efficiently as possible.
3. To strengthen the link between national priorities and the budget, the MTEF calls for two separate stages of the budget preparation process: a strategic phase and an operational phase. The strategic phase is used to review high-level priorities and strategies before detailed resource allocation is undertaken as part of the operational phase. The operational phase of the budget preparation concludes with the passing of the national budget by the national legislature.
4. The MTEF has a three-year rolling baseline. This means that revenues (the amount of money coming into the Government coffers) and expenditure (the amount of money the Government intends to spend) must be planned over a three-year horizon, in line with national priorities. Any planning also needs to take into account the off-budget expenditure by donors. Since Ministries, Agencies, and Commissions (MACs) are informed of the

resources that are likely to be available to them over a three-year period they are then able to plan.

5. The BFP is the final product of the strategic phase of the budget. Section 11 of the Country's Public Financial Management Act of 2009 prepares it. It is used to guide the operational phase of the budget, including facilitating consultations with the National Legislature on revenue and expenditure priorities.
6. The BFP brings together into a single document three key elements of importance to the budget:
 - **Overview of economy and fiscal trends** – this provides an assessment of recent macroeconomic and fiscal performance and a macroeconomic outlook for the coming years. The outlook helps make clear the economic assumptions underlying forecasts of the resource envelope, particularly tax and non-tax revenues, and provides context for choices about expenditure in the budget.
 - **Medium Term Fiscal Framework (MTFF)** – this establishes the resource envelope available over the three years of the MTEF. This is designed to capture all sources of revenue: domestic revenue (tax and non-tax), grants from donors, and likely borrowing (domestic and external). The MTFF also sets out any fiscal measures that the government has agreed to abide by and an overview of fiscal risks, both on the expenditure and on the revenue side.
 - **Medium-term expenditure plans and priorities** – these set out the Government's policy priorities and how, given the resource envelope identified in the MTFF, these will be reflected in the budget.

POLICY AGENDA

7. The Medium-Term Expenditure Framework (MTEF) is designed to draw consistent linkages between the medium- and long-term policy objectives in Liberia's national development agenda, as set out in the ARREST Agenda for Inclusive Development (AAID) and the Vision 2030, and the framework for resource allocation: the national budget. The objectives of the AAID are as follow:

8. Pillar One: Economic Transformation

This pillar covers two sectors; the Commerce and Industry Sector and the Agriculture Sector, and entails achieving and sustaining a stable economic environment characterized by low inflation, sustainable growth, and manageable public debt. While investing and enhancing critical

infrastructure to support economic growth, improve quality of life, increase overall productivity and reduce poverty.

Macroeconomic Stability will ensure fiscal policy via implementing policies to balance budgets, manage public debt, and optimize government spending. This might involve targeted expenditure cuts, revenue and fiscal reforms. It will also be delivered through sound monetary policy that will ensure stable inflation rates and a stable currency through effective monetary policies, such as adjusting interest rates or managing money supply while ensuring economic diversification to reduce dependency on volatile sectors and create a more resilient economic structure. Moreover, enabling investment climate to create a favorable environment for both domestic and foreign investments through regulatory reforms and incentives. The focus is to provide the appropriate policy incentives for a conducive investment environment that is supportive of employment and wealth creation, innovations, industrialization, and exports growth. It will explore various funding sources, including public-private partnerships, international aid, and government bonds (debt), to finance infrastructure projects.

8.1. Commerce and Industry Sector

This sector drives the diversification, modernization, and competitiveness of the economy by fostering industrial development, expanding trade, and promoting entrepreneurship that leads to jobs creation, increasing productivity, and boosting exports.

8.2. Agriculture Sector

A primary objective of the Government of Liberia is to leverage the agriculture sector to drive growth, enhance livelihoods, and promote sustainable development. Prioritizing food security, employment creation, and value addition, agriculture can play a pivotal role in transforming the economies and improving the well-being of the populations.

9. Pillar Two: Infrastructural Development

Infrastructural development will identify essential physical infrastructure priority projects for development. This will include infrastructure projects such as transportation networks (roads, railways, airports, sanitation, telecommunications, and etc....), utilities (water, electricity), and digital infrastructure. It will ensure sustainability to incorporate sustainable practices and green

technologies in infrastructure development to ensure long-term environmental and economic benefits. The Pillar has one sector; the **Infrastructure and Basic Services Sector**.

10. **Pillar Three: Rule of Law**

Strengthening legal framework; judicial independence, access to justice; and strengthen law enforcement agencies to ensure they operate within the bounds of the law. The key objective here is to establish a just, equitable, and accountable legal and security system that upholds human rights, fosters public trust in institutions, and ensures that all citizens have equal access to justice and protection under the law. The **Security and Rule of Law Sector** is the only sector under Pillar Two.

11. **Pillar Four: Governance and Anti-Corruption**

Includes institutional integrity, transparency and accountability: promote transparency in government operations and decision-making processes, citizen engagement and participation in governance processes, including consultations, public hearings, and feedback mechanisms. This will include decentralized governance structures to ensure that local governments have the authority and resources needed to address regional and community-specific issues effectively.

11.1 **Transparency & Accountability Sector**

This sector outlines strategies and policies aimed at combating corruption within various sectors of government and society. It includes increase transparency in government operations and decision-making processes to reduce opportunities for corruption. Strengthen mechanisms to hold public officials and private sector actors accountable for corrupt practices. Promote a culture of integrity and ethical behavior within public and private institutions. Implement measures to prevent corruption and mitigate its impact on society.

11.2 **Public Administration Sector**

Public administration in Liberia has a central role in the country's economic transformation by fostering governance, infrastructure development, human capital enhancement, and innovation. Through effective public policies, sound resource management, and the promotion of public-private partnerships, public institutions can facilitate the transition from an extractive-based

economy to one that is diversified, competitive, and inclusive. The success of this transformation depends on the ability of public administration to create an enabling environment for private sector development, ensure sustainable resource use, and implement policies that benefit all Liberians, particularly the most vulnerable groups.

One key objective is to rationalize and strengthen public sector institutions for the delivery of services. The new national drive towards establishing autonomous local government service delivery necessitates a reduction in the current size of the central government. Remove overlaps, improve organizational structures to strengthen functional synergies and interdependences to leverage MACs and SOE efforts in socio-economic transformation of Liberia.

11.3. Municipal Governance Sector

Strengthen county and municipal government structures and build their capacity to deliver services. The Local Government Act calls for establishment of county councils and county administrations, as well as the governance structures of cities and townships to strengthen implementation of decentralization reforms. The effectiveness of decentralized governance reforms depends on the functioning of these structures. A major objective of this sector is to promote peace and reconciliation to ensure social cohesion and peaceful co-existence through establishment of community-based conflict resolution mechanism; furthermore, to create local enabling environment for local business for investment, economic diversification, and revenue generation through facilitation of agri-business trade fairs within the counties.

12. Pillar Five: Environmental Sustainability

Implement measures to protect natural resources, including forests, wetlands, and biodiversity. Reduce pollution through regulations and initiatives targeting air, water, and soil quality. This might include stricter emission standards and waste management practices. Encourage sustainable agricultural, industrial, and urban practices to minimize environmental impact. The **Energy and Environment Sector** is the only sector in Pillar Five.

Develop and implement strategies to reduce greenhouse gas emissions, such as transitioning to renewable energy sources, improving energy efficiency, and promoting sustainable transportation. Prepare for and adapt to the impacts of climate change through infrastructure improvements, disaster preparedness, and resilience building. Formulate and enforce policies that align with international climate agreements and targets, such as the Paris Agreement. A primary objective of the sector is to ensure sustainable energy access, promote environmental

protection, and enhance resilience to climate change. This sector plays a critical role in Liberia's economic transformation by providing reliable energy for economic activities, improving environmental management, and promoting sustainable use of natural resources.

13. Pillar Six: Human Capital Development

This pillar outlines strategies and policies aimed at enhancing the skills, knowledge, and capabilities of individuals to drive overall societal and economic progress. It entails skill enhancement to develop and improve the skills of the workforce to meet current and future economic needs. It will also ensure broad access to quality education at all levels, from primary to higher education and vocational training. Optimize the use of human resources to foster innovation, productivity, and economic growth; expand access to quality education, particularly in underserved areas, to ensure that all individuals have the opportunity to learn; and update and improve educational curricular to align with modern needs and future job market demands, including STEM (Science, Technology, Engineering, and Mathematics).

13.1 Education Sector

Strengthen vocational and technical training programs to provide practical skills that match industry requirements and support job readiness. Support higher education institutions and research initiatives to advance knowledge and innovation. Offer ongoing training and development opportunities for employees to enhance their skills and adapt to evolving industry trends; foster entrepreneurship by providing training, mentorship, and access to resources for aspiring entrepreneurs and small business owners; enhance job placement services and career counselling to help individuals navigate the job market and secure meaningful employment.

13.2 Health Sector

Expand access to quality healthcare services for all citizens, focusing on underserved and vulnerable population; preventive healthcare, including vaccinations, health screenings, and public health campaigns to reduce the incidence of diseases. Investment in healthcare facilities, diagnostic equipment, and human resources to enhance the quality and efficiency of medical services. Investment in addressing mental health issues through increased awareness, support services, and integration into the broader healthcare system.

Expand access to quality healthcare services for all citizens, focusing on underserved and vulnerable population; preventive healthcare, including vaccinations, health screenings, and public health campaigns to reduce the incidence of diseases. Investment in healthcare facilities, diagnostic equipment, and human resources to enhance the quality and efficiency of medical services. Investment in addressing mental health issues through increased awareness, support services, and integration into the broader healthcare system.

Ensure universal access to clean and safe drinking water by investing in water supply infrastructure and maintenance via improve sanitation facilities, including the construction of safe and hygienic toilets and waste management systems. Promote good hygiene practices through education and community programs, emphasizing the importance of handwashing and sanitation. Develop and implement effective waste management strategies to prevent contamination of water sources and protect public health.

13.3 Social Development Services Sector

Develop and implement social safety nets such as unemployment benefits, pensions, and disability assistance to protect individuals and families in need. Provide essential social services, including housing support, food assistance, and childcare services. Implement programs aimed at poverty reduction and economic empowerment, including skills training and microfinance initiatives. Ensure that social protection programs are inclusive and accessible to marginalized and disadvantaged groups, including persons with disabilities and the elderly. One major objective of the sector is to remove barriers to inclusion and participation for vulnerable populations through strengthening and enforcement of policies, laws, and regulations, as well as increasing awareness of gender issues.

FISCAL RULES

14 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 impose long-lasting constraints on budgetary aggregates. It is intended to correct distorted inducements and to contain pressures to overspend to ensure fiscal discipline and debt sustainability. They are as follows:

- a. Prioritizing debt repayment, compensation, and other non-discretionary payments to prevent the buildup of arrears;

- b. 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;
- c. Ensuring that all borrowing must be undertaken for investment, consistent with the Public Sector Investment Plan (PSIP);
- d. Ensuring that the total debt stock must not exceed 60 percent of the previous calendar year's GDP as contained in the PFM Regulations; and
- e. Ensuring that before new borrowing is 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

15 The Government of Liberia established fiscal targets to complement its fiscal policy set in the Public Financial Management (PFM) Act of 2009 and other regulations supplementary to the PFM Act that impose constraints on budgetary aggregates. It is intended to correct distorted incentives and to contain pressures to overspend to ensure fiscal discipline and debt sustainability. With the Government's unwavering commitment to adequately fund ongoing projects mainly in agriculture, roads, and education sectors as well as increasing allocations to health, energy, and rule of law sectors, the only real scope for adjustment is the recurrent portion of the budget. Therefore, the introduction of the below fiscal measures shall help the Government run an adjusted recurrent budget without necessarily foregoing the delivery of services critical to the mandate of ministries and agencies and at the same time, ensure value for money. They are as follows:

A. Allotment Requirements

- a) No expenditure of ANY CATEGORY INCLUDING PAYROLL shall be made without an approved allotment authorized by the Department of Budget and Development Planning and the Department of Fiscal Affairs at MFDP;
- b) The Accounting Services Unit at MFDP will neither post nor commit payment vouchers of any category that are not backed by an approved allotment;
- c) No ministry or agency shall be eligible to receive allotments for goods and services (Account Code 22) unless they have submitted a copy of their Procurement Plan approved by the Public Procurement and Concessions Commission (PPCC). Ministries

and agencies will update their Procurement Plans periodically, as necessary, to ensure more accurate allotment requests;

- d) No ministry or agency shall be eligible to receive allotments for expenditures (All Accounts) unless they have submitted a Spending Plan to the Department of Budget in the MFDP and the Department of Budget has approved the Spending Plan;
- e) Ministries and agencies may update their spending plans on a monthly/quarterly basis (as needed) to ensure more accurate allotment requests. If there are no substantial changes to the Spending Plan, then the ministry or agency should still report to the General Department of Budget that the Spending Plan has not been changed; and
- f) No payments shall be made for any expenditure that does not have sufficient allotment. This includes salary payments.

B. Expenditure Reporting

All ministries and agencies are required to provide quarterly and monthly financial statements as per the PFM Regulations. If ministries and agencies do not provide the required reports within 25 days after the reporting cycle, payments for non-salary expenditures will be suspended.

C. Bank Reconciliations

To support better financial reporting and cash management, ministries and agencies managing their bank accounts are required to provide monthly bank reconciliations to the CAG's Office of Financial Reporting 5 days after the end of the month. If these ministries and agencies do not provide the required reconciliations by the reporting deadline then payments for non-salary expenditures will be suspended.

D. Contractual Obligations

- a) Spending entities are not to execute contractual obligations unless funds have been specifically appropriated;
- b) This condition shall apply to Residential Property/Land/Office Buildings rental/leases, Equipment Leases or Consulting Services;
- c) Failure to comply with this fiscal rule may result in penalties and reductions in future allotments; and
- d) All of such arrangements, including payments must meet PPCC requirements.

E. Consultancy Services

- a) 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 by the PPCC;
- b) Consultancy contracts shall be approved only based upon the availability of budgetary allocation within the requesting spending entity's budget to cover said contract;
- c) Consultancy contracts shall not be approved for positions in the civil service structure for which skills can be readily found in an institution;
- d) Consultancy contracts must be task-based and must include knowledge transfer provisions so that civil servants are trained to take up the task on the expiry of the contract;
- e) 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
- f) Consultancy contracts shall not be for a period of more than a Fiscal Year (or 12 months).

F. Travel restrictions

- a) The travel ordinance shall be reintroduced in Fiscal Year 2024;
- b) No more than 2 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;
- c) Any change to travel plans unless expressly approved by the Head of the MAC in consultation with the President shall be the full responsibility of the traveller;
- d) Travels should be properly planned at least 10 days to avoid exorbitant ticket charges or travel will not be funded unless approved exceptionally by the President for travel of a cabinet minister;
- e) Except for the Vice President, Speaker, Pro-Tempore, and Chief Justice who shall travel by business class, all travels shall be by economy class;

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

G. Air Ticket Cost

All spending entities shall liaise with the Financial Regulation Unit at MFDP in determining the cost of air tickets for the assurance of comparison with International Air Ticket Prices.

H. Travel Retirement

All officials and/or employees of the government returning from a trip must provide proof (copy of stamped passport or boarding pass) of travel for the last trip before undertaking another trip except the President and Vice President.

I. 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.

J. Foreign Training/Workshop

- a) For the fiscal year 2024, there shall be 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
- b) 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.

K. Hiring Freeze

- a) With the exception the Ministry of Health, Ministry of Education, and security personnel already in training, there shall be no new hiring of staff into the public service.
- b) 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.

L. Purchase of Locally Processed Rice

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

M. Petty Cash Policy

A policy will be established to guide the criteria by which petty cash funds will be established and approved and to provide guidance on the proper management of those funds in the prevailing Financial Rules and Procedures of the Government of Liberia. The use of certain expenditure categories/codes (i.e. Operating expenses, other specialized materials, etc.) to meet ****emergency**** expenditures and bypass the procurement process will be discontinued. Entities will need to work with MFDP to ensure appropriate codes are utilized.

N. Public Debt

A head of government agency shall not incur or settle any commitment for which public money has not been provided by the National Budget or authorized to be charged to the Consolidated Fund.

O. Subsidies & Grants

- a) The Grant and Subsidy Policy was introduced in 2018 as a step towards strengthening financial reporting and monitoring within Government operations to improve the overall effectiveness of how financial resources are used to deliver key services to its citizens. This policy is one of our essential tools for ensuring that the Government has well-structured fiscal policy goals that align the Government's spending;
- b) These transfers support service deliveries in several sectors, including the Education, Health, Social Development, and Agriculture Sectors. Recipients of grants and

subsidies include Universities, Community Colleges, Hospitals, and Clinics associations supporting agricultural development, the youth, and vulnerable populations;

- c) All Grants and Subsidy Recipients are required to:
 - provide detailed line-item use of funds allocated in the national budget;
 - must be monitored by the parent entity to ensure funds provided are utilized to meet the objectives of the national development plan; and
 - report on the use of said funds

P. State Owned Enterprises (SOEs)

- a) Where board fees are paid to board members, there shall be no sitting fees;
- b) Cabinet Ministers occupying either statutory or appointed board positions on public corporations or autonomous agencies shall not be entitled to board or sitting fees;
- c) Boards are required to present proposals for Board fees to the President for approval;
- d) Commissions without oversight boards are required to submit compensation proposals of senior management for approval by the President; and
- e) In cases where the board has performed exceptionally and a bonus is being paid, such a proposal should be made to the President for approval.
- f) SOEs supported by the Central Government shall present the reporting and compliance clearance from the Bureau of State Enterprises before any payment is made by MFDP.

Q. Vehicle Maintenance & Repair

- a) The government will only be responsible for maintaining and insuring 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
- b) Maintenance of Government vehicles, mentioned above, shall be the sole responsibility of GSA.

R. Purchase of New Vehicles/Fleet Management Policy

- a) The existing restriction on the purchase of vehicles shall hereby be enforced;
- b) 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;

- c) GSA shall design a special vehicle purchase scheme for political appointees who do not currently have assigned vehicles and have never benefited from the fleet management program;
- d) 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 the same time maintained and insured by the owner; and
- e) However, vehicles determined by the GSA to have completely deteriorated (if 3 years remain the timing to render a vehicle depreciated, we think it should be changed to 5 or 6 years- let's GSA input) beyond effective use and are not in working condition for which the cost of repair is prohibitively high shall be auctioned by the GSA.

S. Currency Payment

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

T. Use of Official e-mail

All institutions of the Government are required to establish and use an official e-mail platform for government-related communications.

U. Expenditure Classification and Coding

The use of certain expenditure categories such as Other Specialized Materials, Operating Expenses, etc. for expenditures for which codes exist in the Chart of Accounts will be prohibited. Said classifications will be restricted to certain institutions and will be required to provide details. Other classifications for security-related operations will be authorized however, as a member of the Joint Security Team; the Minister of Finance may request details of such a request before approval.

ECONOMIC AND FISCAL OVERVIEW

- 16 Economic reviews are essential as they provide key information on how the economy has been performing during a specified period. This section provides a detailed review of the performance or state of the global economy and the domestic economy during the period under review, highlights challenges and provides an outlook for the medium term.

GLOBAL MACROECONOMIC OUTLOOK

- 17 **Global growth** is expected to remain stable yet underwhelming. At 3.2 percent in 2024 and 2025, the growth projection is virtually unchanged from those in both the July 2024 update on the World Economic Outlook and the April 2024 World Economic Outlook. However, notable revisions have taken place beneath the surface, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies—in particular, the largest European countries. Likewise, in emerging market and developing economies, disruptions to production and shipping of commodities especially oil conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa.
- 18 Following a reopening rebound in 2022 from the COVID-19, growth in **Advanced Economies** markedly slowed in 2023 and is projected to remain steady, oscillating between 1.7 and 1.8 percent until 2029. This apparent stability conceals differing country dynamics as various cyclical forces unwind and economic activity gets back in line with potential. In the United States, growth is expected to decelerate, with output reaching potential from above by 2029. In the United Kingdom and the euro area, on the other hand, activity is projected to accelerate, closing the output gap from below. In Japan, where the output gap is already closed, GDP is expected to grow in line with potential.
- 19 In a manner analogous to that for advanced economies, the growth outlook for **Emerging market and Developing Economies** is remarkably stable for the next two years, hovering at about 4.2 percent and steadying at 3.9 percent by 2029. And just as in advanced economies, offsetting dynamics are occurring between country groups. Compared with that in April, growth in emerging market and developing economies is revised upward by 0.1 percentage point for 2024, reflecting upgrades for Asia (China and India) that more than offset downgrades for sub-Saharan Africa and for the Middle East and Central Asia (Table
- 20 In contrast, growth in the **Middle East and Central Asia** is projected to pick up from an estimated 2.1 percent in 2023 to 3.9 percent in 2025, as the effect on the region of temporary

disruptions to oil production and shipping are assumed to fade away. Compared with that in April, the projection has been revised downward by 0.4 percentage point for 2024, mainly the result of the extension of oil production cuts in Saudi Arabia and ongoing conflict in Sudan taking a large toll.

Table 2: Summary Overview of World Economic Outlook (Annual Growth Rate)

Country Group Name	2022	2023	Projections					
			2024	2025	2026	2027	2028	2029
World	3.6	3.3	3.2	3.2	3.3	3.2	3.1	3.1
Advanced Economies	2.9	1.7	1.8	1.8	1.8	1.7	1.7	1.7
Euro Area	3.3	0.4	0.8	1.2	1.5	1.4	1.3	1.2
Major Advanced Economies (G7)	2.6	1.9	1.7	1.7	1.7	1.6	1.6	1.6
Advanced Economies Excluding G7/Euro Area	2.7	1.8	2.1	2.2	2.3	2.2	2.2	2.1
European Union	3.7	0.6	1.1	1.6	1.7	1.6	1.6	1.5
ASEAN-5	5.4	4.0	4.5	4.5	4.5	4.5	4.5	4.5
Emerging Market and Developing Economies	4.0	4.4	4.2	4.2	4.2	4.0	3.9	3.9
Emerging and Developing Asia	4.4	5.7	5.3	5.0	4.9	4.6	4.5	4.5
Emerging and Developing Europe	0.6	3.3	3.2	2.2	2.5	2.4	2.5	2.5
Latin America and the Caribbean	4.2	2.2	2.1	2.5	2.7	2.8	2.7	2.6
Middle East and Central Asia	5.5	2.1	2.4	3.9	4.2	3.9	3.8	3.8
Sub-Saharan Africa	4.1	3.6	3.6	4.2	4.4	4.3	4.4	4.4

Source: IMF WEO October 2024

- 21 In **Sub-Saharan Africa**, GDP growth is similarly projected to increase, from an estimated 3.6 percent in 2023 to 4.2 percent in 2025, as the adverse impacts of prior weather shocks abate and supply constraints gradually ease. Compared with that in April, the regional forecast is revised downward by 0.2 percentage point for 2024 and upward by 0.1 percentage point for 2025. Besides the ongoing conflict that has led to a 26 percent contraction of the South Sudanese economy, the revision reflects slower growth in Nigeria, amid weaker-than-expected activity in the first half of the year.
- 22 In **Latin America and the Caribbean**, growth is projected to decline from 2.2 percent in 2023 to 2.1 percent in 2024 before rebounding to 2.5 percent in 2025. In *Brazil*, growth is projected at 3.0 percent in 2024 and 2.2 percent in 2025. In *Mexico*, growth is projected at 1.5 percent in 2024, reflecting weakening domestic demand on the back of monetary policy tightening, before slowing further to 1.3 percent in 2025 on a tighter fiscal stance. Overall, offsetting revisions leave the regional growth forecast broadly unchanged since April.
- 23 Growth in **Emerging and Developing Europe** is projected to remain steady at 3.2 percent in 2024, but to ease significantly to 2.2 percent in 2025. The moderation reflects a sharp

slowdown in Russia from 3.6 percent in 2023 to 1.3 percent in 2025 as private consumption and investment slow amid reduced tightness in the labor market and slower wage growth.

- 24 Although bumps on the path to price stability are still possible, global headline inflation is projected to decrease further, from an average of 6.7 percent in 2023 to 5.8 percent in 2024 and 4.3 percent in 2025 in the baseline. Disinflation is expected to be faster in advanced economies—with a decline of 2 percentage points from 2023 to 2024 and a stabilization at about 2 percent in 2025—than in emerging market and developing economies, in which inflation is projected to decline from 8.1 percent in 2023 to 7.9 percent in 2024 and then fall at a faster pace in 2025 to 5.9 percent.
- 25 Global trade is expected to continue to grow in line with GDP, reaching an average of 3¼ percent growth annually in 2024 and 2025, following a period of near stagnation in 2023. Despite an increase in cross-border restrictions affecting trade between geopolitically distant blocs, the global trade-to-GDP ratio is expected to remain stable. Intra bloc trade and trade with third countries have been compensating forces so far.
- 26 Downside risks include: Monetary policy tightening bites more than intended, financial markets reprice as a result of monetary policy reassessments, Sovereign debt stress intensifies in emerging market and developing economies, China's property sector contracts more deeply than expected, renewed spikes in commodity prices arise as a result of climate shocks, regional conflicts, or broader geopolitical tensions, countries ratchet up protectionist policies, and social unrest resumes. Upside risks include: Stronger recovery in investment in advanced economies, and Stronger momentum of structural reforms in advanced and emerging market economies.

DOMESTIC ECONOMIC PERFORMANCE AND OUTLOOK

Real GDP Growth

- 27 The Liberian economy is projected to grow by 5.8 percent in 2025, a 0.7 percentage point upgrade on the earlier forecast for 2024 and 5.9 percent on average over the medium term (2025 – 2027), on account of strong activities in mining, investment in infrastructure, agriculture and manufacturing, with support from development partners and more vibrant economic activities fueled by improved electricity supply. Despite this reduction in the projections, growth expectation is still driven by relatively strong performances in agriculture and fisheries, services, and mining sectors.

28 The medium-term growth forecast (2025-2027) remains promising, with an average growth rate of 5.9 percent. This will be supported by investments in public sector projects and in mining, coupled with structural reforms in key sectors such as energy, trade, transportation, and financial services.

Table 3: Medium Term GDP Projection by Economic Sectors

Millions of US\$	2022	2023	Projections					
			2024	2025	2026	2027	2028	2029
Real GDP	3398.4	3553.2	3741.4	3979.8	4232.7	4503.0	4830.3	5135.7
Agri. & Fisheries	1009.3	1015.9	1075.5	1147.0	1222.9	1303.3	1388.5	1478.5
Forestry	292.9	296.5	300.1	303.7	307.3	311.1	314.8	318.7
Mining & Panning	621.8	665.4	699.9	764.1	834.4	908.9	1038.4	1135.5
Manufacturing	199.1	211.9	222.0	237.4	251.6	266.7	282.6	299.4
Services	1275.3	1363.4	1444.0	1527.6	1616.4	1713.0	1806.0	1903.7
Real Growth Rate (%)								
Real GDP	4.8	4.6	5.1	5.8	5.9	6.0	6.0	6.0
Agri. & Fisheries	1.3	0.9	4.8	5.2	5.3	5.3	5.2	5.2
Forestry	1.6	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Mining & Panning	14.0	5.7	5.1	8.5	8.8	9.5	9.3	8.9
Manufacturing	2.2	8.9	4.7	6.9	6.0	6.0	6.0	5.9
Services	4.8	7.1	5.3	5.0	5.0	5.0	5.0	5.0
Share of GDP (%)								
Agri. & Fisheries	29.7	28.6	28.7	28.8	28.9	28.9	28.7	28.8
Forestry	8.6	8.3	8.0	7.6	7.3	6.9	6.5	6.2
Mining & Panning	18.3	18.7	18.7	19.2	19.7	20.2	21.5	22.1
Manufacturing	5.9	6.0	5.9	6.0	5.9	5.9	5.9	5.8
Services	37.5	38.4	38.6	38.4	38.2	38.0	37.4	37.1
Real GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

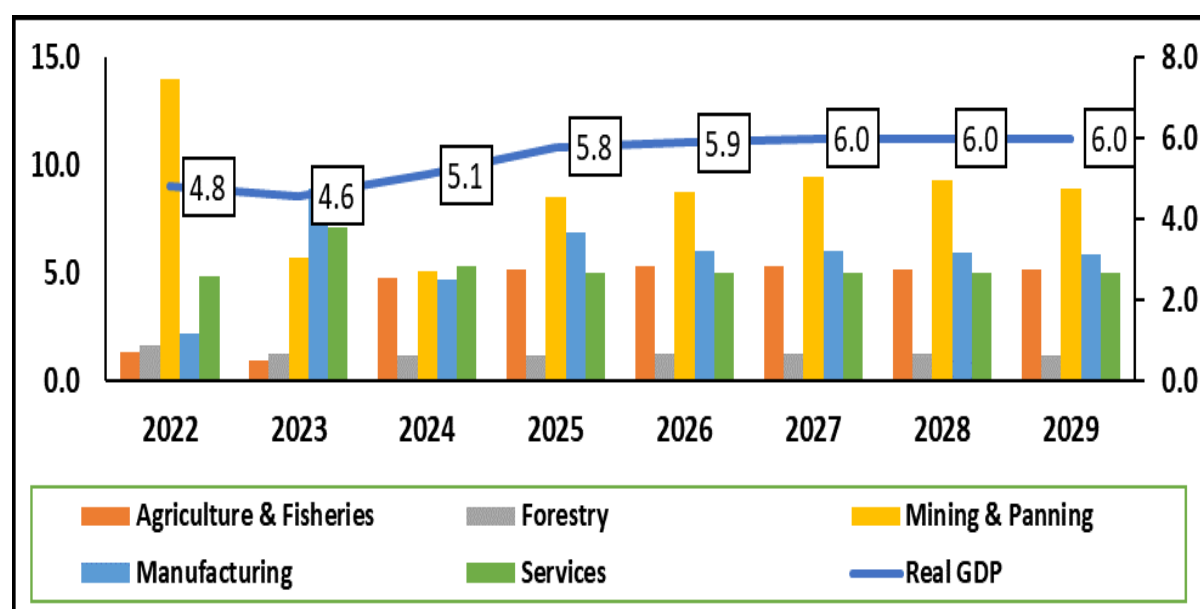
Source: Liberia Authority and the IMF

29 The Mining sector is forecasted to record a growth of 8.5 percent in 2025 which is 3.4 percentage points increase when compared with 2024 forecast (5.1 percent). This increase is partly attributed to growth in the iron ore and diamond sub-sector. The medium-term forecast of 7.4 percent is based on an anticipated increase in gold and iron ore mining.

30 Growth forecast for the Agriculture & Fisheries sector is put at 5.2 percent in 2025, up from a projection of 4.8 percent in 2024 mainly informed by an anticipated increase in the production of rubber, rice, cassava and palm oil.

31 The Services sector is projected to grow at 5.0 percent in 2025, down from a more optimistic earlier forecast of 5.3 percent. The sector is forecasted to record an average growth of 5.0 percent in the medium term based on anticipated fall in financial services.

Figure 1: Sector Composition of Real GDP Growth Rates (2022-2029)



Source: Liberian Authority and the IMF

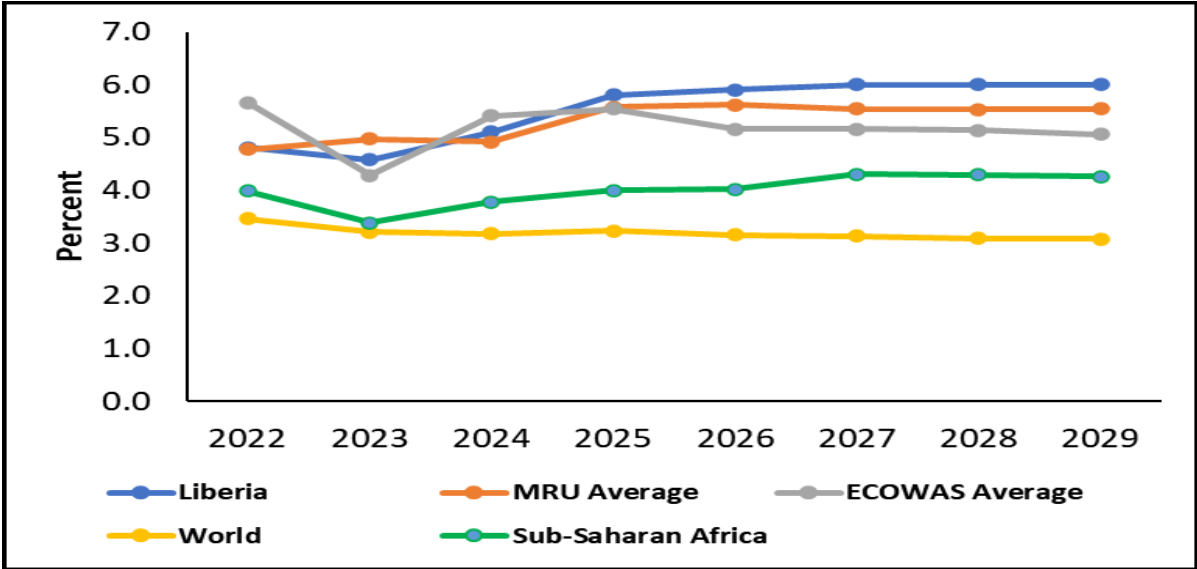
32 Activities in the manufacturing sector are projected to edge upwards in both 2024 and 2025 based an increased forecast for Cement and Beverages & Beer. Cement production is expected to increase by 6.0 percent in 2024 and 5.0 percent in 2025 which is fueled by the increased activities in the construction sub-sector. It is forecasted to remain flat in the medium term. Beverages and beer production is forecasted to grow significantly from 4.0 percent in 2024 to 7.0 percent in 2025 based on the desire to consume locally manufactured beverages and the relatively high cost of importation of foreign beverages which has pushed prices upwards compared to the domestic ones.

33 The Forestry sector has registered low growth in recent years based the protocols signed on forest conservation. The sector grew remains flat at 1.2 percent from 2023, 2024 and 2025, and continue at this pace through the medium term and beyond.

34 An analysis of average GDP growth rates in the ECOWAS region and the Mano River Union shows that the Liberian economy does not show a big divergence with the MRU and ECOWAS. In 2023, Liberia grew slightly above the ECOWAS average, but below the MRU average mainly based the high cost of food and other imported commodities. It shows convergence with the two regional averages going to 2024. The trend, however, is projected

to be reversed from 2025 going forward when Liberia is projected to register a higher rate above both MRU and ECOWAS averages.

Figure 2: Real GDP Growth Rate Comparison (percent, year-on-year)



Source: Liberian Authority and the IMF

- 35 The higher growth is expected to be fueled by massive investments in public sector projects (roads, agriculture, tourism) and some structural reforms. For these years, Liberia is expected to perform below the Mano River Union average mainly on account of the high prices of food and fuel. Côte d'Ivoire has outperformed the sub-regional (MRU) average mainly because of the diversification of its economy.
- 36 The Liberian economy is susceptible to external shocks due to its dependence on the export primary products and the low manufacturing base of the economy. A sharp decline in the prices of primary products and/or an increase in the prices imported commodities would create fiscal imbalances for the economy.

Exchange Rate Developments

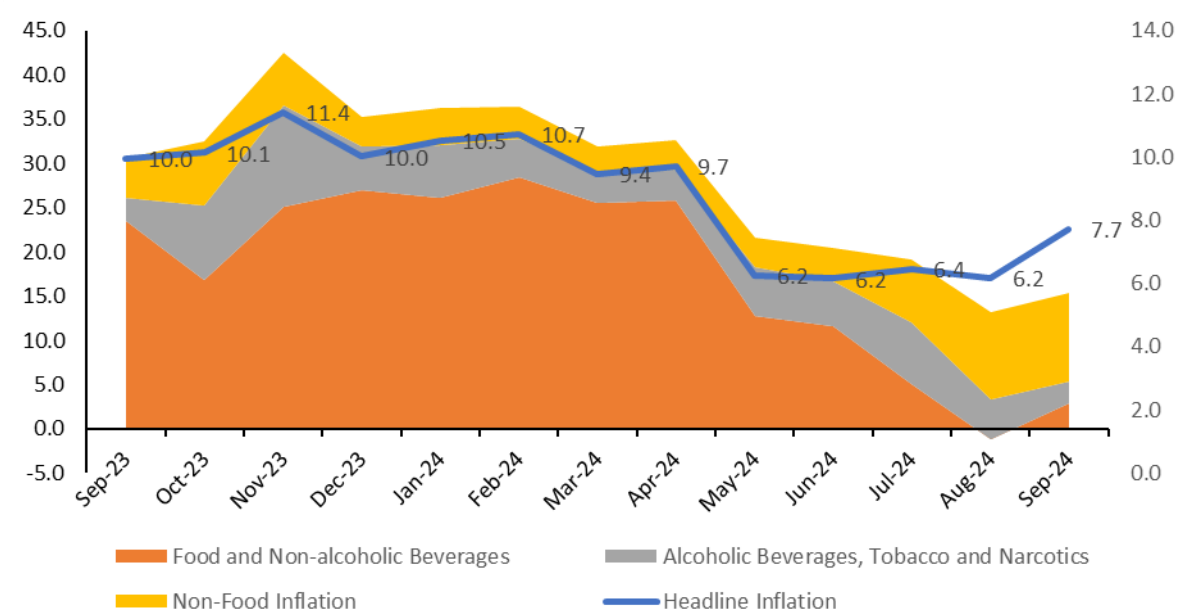
- 37 The Liberia dollar is projected to depreciate against the US dollar on average by 1.1 percent to L\$198.0/US\$1.00 in 2025 up from L\$195.8/US\$1.00 on average in 2024. This development is largely driven by the persistent high demand for foreign exchange to facilitate payments for imports, mainly to replenish depleted stocks and for transactions outside the banking system. As at October 31, 2024, the exchange rate was L\$191.1/US\$1.00 which represents 2.4 percent depreciation; compared with the same period in 2023, when the

exchange rate was L\$186.6/US\$1.00. Compared to end-January 2024, the Liberian Dollar has appreciated against the United States Dollars by 1.1 percent.

Inflation

38 Inflationary pressures are projected to slow down to 5.1 percent in 2025, down from a projected average of 6.3 percent in 2024. It is projected to further moderate marginally to 5.0 percent in the medium term (2025-27) on account of tight monetary policy measures. Headline inflation for the month of September 2024 is recorded at 7.7 percent, a 2.8 percentage point decline from the 10.5 percent of January 2024.

Figure 3: Month-on-Month Rate of Inflation (Sept. 2023 to Sept. 2024)



39 At end September 2024, food and non-alcoholic beverages inflationary pressures plummeted by 23.2 percentage point when compared with the 26.1 percent reported in January of this year. On the other hand, non-food inflation increased by 5.9 percentage point for the same period.

Interest Rate

40 As at end-June 2024, the lending, average savings, and time deposit rates were unchanged at 12.4 percent, 2.1 percent, and 3.5 percent respectively. These rates are unchanged with reference to the previous month. These rates also remain the same constant year-on-year.

Money markets instruments such as Swaps and placements were traded during the month. In the interbank operations, commercial banks continued to trade with non-interest-bearing swaps to ease the liquidity disparity among banks for their international and intra-country transactions.

- 41 The pattern of commercial banks' interest rates in 2023, on average, was largely unchanged compared to 2022. The average interest rates on lending, mortgage, and savings rose in the review period, while the interest rates on personal loans, time deposits, and certificate of deposits (CD) remained stable as in the previous year. Lending, mortgage, and savings rates rose by 83.2 basis points, 1.3 basis point, and 83.3 basis points in 2023 compared to increases of 16.4 basis points, 14.5 basis points, and 16.7 basis points, respectively, recorded in 2022. On the other hand, household loans, time deposits, and CD rates remained unchanged at 12.78 percent, 3.53 percent, and 3.25 percent, respectively, in 2023 compared to the levels in 2022.

External Sector Developments

- 42 Global economic developments amid disinflation and steady global growth would impact prospects of domestic economic growth in Liberia. Near-term developments with regards to the global prices of the country's primary export commodities as well as its major import goods would certainly influence growth prospects in 2024.
- 43 For the first five months in 2024, the trade deficit worsened by 34.3 percent to US\$372.8 million (8.2 percent of GDP) compared to the US\$277.6 million (6.4 percent of GDP) reported in the corresponding period in 2023. This development was mainly explained by growth in imports coupled with decline in exports.
- 44 In 2024, the current account deficit is projected to improve, mainly due to anticipated improvement in the trade deficit. Both merchandise exports and imports are expected to increase in 2024 and in the medium-term due largely to anticipated rise in FDI's. The projected growth in exports is expected to be led largely by gold, rubber, and diamond, whereas for imports, it is expected to be occasioned mainly by machinery & transport equipment, chemicals & related products, and animals & vegetable oil.
- 45 The current account deficit for 2023 widened by 38.9 percent to 10.7 percent of GDP compared to the deficit recorded in the preceding year, driven mainly by increase in the merchandise trade deficit, which outweighed the rise in secondary income inflows. Net financial account inflows declined by 19.1 percent to 9.3 percent of GDP during the review year against the net inflows reported in 2022, primarily driven by decrease in direct

investment inflows. Conversely, capital account inflows (net) increased by 13.0 percent to 6.9 percent of GDP relative to the inflows recorded in the preceding year, triggered by growth in capital transfers. Accordingly, the overall Balance of Payments (BoP) recorded a deficit of 0.9 percent of GDP compared to the surplus of 1.0 percent of GDP reported in 2022.

- 46 Prospects for foreign direct investment (**FDI**) in 2024 remain high. The peaceful transition to a new government in Liberia has implication to boast the country's investment profile as indicators are pointed to potential scale up of FDI in the country. Recently, the GoL and HPX discussed a multi- billion-dollar partnership and investment opportunities to build multiple user rails in Liberia.
- 47 Estimated direct investment (net) inflows fell by 38.5 percent to US\$366.7 million (8.5 percent of GDP) in 2023, from the US\$595.9 million (15.0 percent of GDP) net inflows reported in the preceding year, suggesting a reduction in investment liabilities.

Liberia's Main Export and Import Commodities

- 48 **Rubber** exports is anticipated to increase in 2024 as the global demand for the commodity is expected to rise which could potentially be a positive for Liberia's export earnings. Natural rubber (NR) market foresees a potential tight supply emerging globally by the end of the first quarter of 2024.
- 49 Considering recent and current domestic and global developments, **gold** exports is anticipated to rise in 2024. According to World Bank's forecasts, the global price of the commodity is anticipated to rise in 2024 and to continue in 2025, citing geopolitical uncertainty, a likely weaker U.S. dollar and possible interest rate cuts. Also, domestic production is expected to increase during the year mainly due to projected growth in industrial gold.
- 50 **Iron ore** prices are expected to slow in 2024 mainly driven by reduced global demand arising from steel production cuts in China and moderation global growth. However, the potential for new government measures in China relative to providing stimulus packages for the property sector could help boost demand for iron ore during the later stages of the year.

Main Import Commodities

- 51 The global price of **crude oil** is expected to fall in 2024 due to slowing demand and improved non-OPEC supplies anticipated to continue up to 2025. Thus, import payments

for petroleum products in Liberia is expected to potentially decline in 2024 due to anticipated fall in the global price.

- 52 Price for **rice** is anticipated to increase in 2024. The World Bank forecasts suggest the price of rice to increase by around 6 percent in 2024, underpinned by the threat of global temperature change, policy responses from significant exporters and importers, and the geographic and market concentrations of rice production and exports.
- 53 Downside risks include Russia's continuing invasion of Ukraine, an escalation of the Arab-Israeli conflict in the Middle East and deterioration of the terms of trade for gold and rubber. The key upside risk is an increase in the demand and/or prices of Liberia's exports. Mitigation measures could include fiscal consolidation and improved governance.

FISCAL PERFORMANCE FOR FY2024

- 54 The National Legislature of the Republic of Liberia approved a resource envelope of US\$738.8 million against a projected total revenue envelope of US\$696.4 million with a funding gap of US\$42.4 million to be financed with the acquisition of loans from external sources. Compared to the FY2023 approved national budget, the approved budget for 2024 decreased by 4.3 percent.
- 55 In addition, the Government of Liberia prepared a recast budget in the tone of US\$721.5 million, 2.3 percent less than the FY2024 approved resource envelope. The US\$17.3 million reduction in the approved resource envelope would only be collected under two scenarios- that US\$8.0 million would be raised through domestic borrowing (T-bills) and paid back in the course of the FY2024 budget year; and that US\$9.3 million would be mobilized through additional tax policy measures such as increase in the GST rate, increase in non-concessional mineral royalties, increase in withholding from gaming/betting, increase in the tax rate of surcharges on 17 special commodities and alcohol and tobacco products imported and locally produced among many tax policy measures.
- 56 Recurrent expenditure for the approved budget for fiscal year 2024 amounted to US\$663.6 million representing 89.8 percent of the resource envelope for FY2024 while capital expenditure amounted to US\$75.4 million representing 10.2 percent of the resource envelope. Of the budgeted recurrent spending, compensation of employees amounted to US\$301.9 million reflecting 45.5 percent of expenditure (recurrent) and 40.9 percent of the total expenditure ; expenditure for the use of goods and services was projected at US\$114.6 million, representing 17.3 percent of total budgeted recurrent expenditure and 15.5 percent of

the total expenditure; interest expenditures amount to US\$108.0 million representing 16.3 percent of recurrent expenditures and 14.6 percent of the total expenditure; expenditure for the provision of grants was budgeted at US\$116.2 million representing 17.5 percent of the recurrent expenditures and 15.7 percent of the resource envelope. Expenditure for the provision of social benefits amounted to US\$22.9 million representing 3.4 percent of the recurrent expenditure and 3.1 percent of the draft budget.

REVENUE AND GRANTS

- 57 Total revenue collected at the end of the third quarter of FY2024 amounted to US\$511.9 million, which represents 69.6 percent of the approved resource envelope. Compared to the same period of the previous fiscal year, domestic revenue mobilized accounts for 100.0 percent of collected revenue.
- 58 Of the total revenue collected at the end of the third quarter, tax revenue constituted US\$422.2 million, which accounted for 82.5 percent of the revenue outturn, which non tax revenue amounted to US\$81.9 million constituting 16.0 percent of the total collection. Revenue amount to US\$7.8 million, constituting 1.5 percent of the actual collection at the end of quarter three FY2024. The total revenue outturn at the end of quarter three FY2024 came from only domestic sources; no external funding (loans) had been disbursed to government.

EXPENDITURE

- 59 As at the end of the third quarter of FY2024, total allotment issued out to Ministries, Agencies and Commissions amounted to US\$530.2 million accounting for 71.8 percent of the budgetary appropriation. Of the cumulative allotment as at end-September 2024, US\$440.4 million was translated to actual cash expenditure, representing 83.1 percent of the allotment and 59.6 percent of the appropriation.
- 60 On the sector basis, Public Administration (40.2 percent), Education (15.3 percent), Security and Rule of Law (14.8 percent), Health (9.6 percent), Infrastructure & Basic Services (7.7 percent) and Transparency & Accountability (3.3 percent) account for the significant portions of the budget execution report at the end of the third quarters of FY2024.
- 61 On the basis of economic classification, compensation of employees accounted for 43.4 percent of the actual cash spent; use of goods and services accounted for 19.6 percent

Grants accounted for 16.3 percent, and interest Expenses/payment accounted for 12.4 percent.

- 62 Allotment for compensation of employees for the period under review amounted to US\$227.6 million, which constituted 75.4 percent of the total appropriation for compensation of employees for FY2024. Of this amount, cash expenditure accounted for 83.9 percent (US\$191.0) during the period under review. Compensation of employees' accounts for 43.4 percent of the total expenditure incurred at the end of the third quarter of FY2024.

Economic Classifications FY2024

Table 4: Budget Execution by Economic Classifications as At September 30, 2024

	Budget	Allotm.	Cash	Allotm. (% of Budget)	Cash. (% of Allotm.)	Cash. (% of Budget)
Compensation of Employees	301.9	227.6	191.0	75.4	83.9	63.3
Use of Goods and Services	114.6	92.6	86.5	80.8	93.4	75.5
Capital Spending	75.4	36.2	25.1	48.0	69.5	33.4
Interest	108.0	80.7	54.6	74.7	67.7	50.6
Grants	116.2	81.1	71.7	69.8	88.4	61.7
Social Benefits	22.9	12.0	11.4	52.5	94.9	49.9
Total	738.9	530.2	440.4	71.8	83.1	59.6

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

- 63 Allotment for the use of goods and services to facilitate GoL functions constitutes 75.4 percent of total appropriation at the end of the third quarter of FY2024. Cash expenditure on Goods and Services stood at US\$191.9 which constitutes 75.5 percent of the total appropriation for Goods and services for FY2024.
- 64 Allotment for Capital Spending including PSIPs accounted for 48.0 percent of the total appropriation for capital spending for the period January to September for FY2024 of which 69.5 percent was expended. 33.4 percent of the total appropriation for capital spending was expended at the end of the period under review (Q3). Capital spending accounted for 5.7 percent of the total expenditure incurred at the end of quarter three FY2024.
- 65 Allotment for the provision of grants accounts for 69.8 percent of total appropriation for grants for FY2024 out of which 88.8 percent was expended. Grant expenditure accounts for 16.3 percent of total expenditure at the end of the third quarter of FY2024.

- 66 Allotment for interest for the reviewed period stood at US\$80.7 million which accounts for 74.7 percent of the total budgeted appropriation for interest for FY2024. Out of this amount, 67.7 percent was expended. In addition, interest payment accounted for 12.4 percent of total expenditure at end-September FY2024.
- 67 Allotment for social benefits for the third quarters of FY2024 accounted for 52.5 percent of the total budgeted appropriation for social benefits for FY2024 out of which 94.9 percent was expended. Social benefits account for 2.6 percent of total expenditure incurred during the period under review.

Budget Sectors

- 68 Of the total approved appropriation of US\$738.9 million, US\$530.2 was issued as allotment from January 1 to September 30, 2024, representing 71.8 percent of the total appropriation. 83.1 percent of the amount allotted was expended during the period under review.
- 69 The agricultural sector accounted for 0.8 percent of total allotment issued (US\$4.3 million) at the end of quarter three of FY2024, of which 70.7 percent was expended during the period. The ratio of allotment to the approved appropriation at the end of quarter three stood at 64.1 percent.
- 70 Allotment for Education accounted for 76.6 percent of the total appropriation for the sector, out of which 81.0 percent was expended. The Education sector accounted for 15.3 percent of total expenditure incurred during the reviewed period of FY2024.
- 71 Energy and Environment sector reported a cumulative allotment which is 70.5 percent of the total appropriation for the sector at end-September FY2024. The sector was issued a total budgetary allotment of US\$14.4 million for the for the period under review. 72.4 percent was spent, accounting for 2.4 percent of the total expenditure at end-September FY2024.
- 72 Allotment for Health at the end the third quarter accounted for 72.3 percent of the total appropriation for the sector for FY2024 out of which 73.6 percent was expended. The sector accounts for 9.5 percent of total cash spent between January 1 and September 30 FY2024.
- 73 Industry and Commerce sector recorded an allotment which was 77.5 percent of the total appropriation for the sector for FY2024. Of this, 80.9 percent was expended for the period under review. The sector accounted for 1.2 percent of total spending during the period under review.
- 74 Allotment for the Infrastructure and Basic Services Sector during the first three quarters of FY2024 accounts for 60.7 percent of the total appropriation for the infrastructure and basic

services sector out of which 103.9 percent was expended during the period. The excess expenditure over allotment was due to the government's rehabilitation of major roads in the country during the first half of the year which created a huge spending pressure than was anticipated. The sector accounted for 7.7 percent of total expenditure incurred by government during the period under review FY2024.

Table 5: Execution by Budget Sectors, FY2024

Budget Sectors	Budget	Allotm.	Cash	Allotm. (% of Budget)	Cash. (% of Allotm)	Cash. (% of Budget)
Public Administration	277.5	207.1	176.9	74.6	85.5	63.8
Municipal Government	32.3	19.9	13.8	61.6	69.4	42.7
Transparency and Accountability	23.7	17.9	14.5	75.8	80.7	61.2
Security and Rule of Law	109.7	78.2	65.2	71.3	83.4	59.5
Health	79.1	57.2	42.1	72.3	73.6	53.2
Social Development Services	18.9	9.0	7.9	47.7	87.5	41.8
Education	108.4	83.1	67.2	76.6	81.0	62.0
Energy and Environment	20.5	14.4	10.5	70.5	72.4	51.0
Agriculture	6.7	4.3	3.0	64.1	70.7	45.3
Infrastructure and Basic Services	54.0	32.8	34.1	60.7	103.9	63.1
Industry and Commerce	8.2	6.4	5.2	77.5	80.9	62.7
Total	738.9	530.2	440.4	71.8	83.1	59.6

Source: Department of Budget and Fiscal Affairs, Ministry of Finance and Development Planning (MFDP)

- 75 Municipal government sector reported an allotment of 61.6 percent of the total appropriation for the sector for FY2024. Of this amount, 68.8 percent was expended from January 1 to September 30. The sector accounted for 3.1 percent of total expenditure incurred by government during the period.
- 76 Allotment for public administration for the period ended September 30 FY2024 accounted for 74.6 percent of the total appropriation for the sector, out of which 85.5 percent was expended. The sector accounted for 40.2 percent of total expenditure made during the reviewed period.
- 77 The security and Rule of Law sector reported an allotment which was 71.3 percent of the total budgetary appropriation for the sector at the end of the third quarter of FY2024. Of this amount, 83.4 percent was disbursed. This sector accounted for 14.8 percent of disbursement made during the period under review.

- 78 Allotment for social development services at the third quarter of FY2024 accounted for 47.7 percent of the total appropriation for the sector for FY2024, out of which 87.5 percent was expended. This sector accounts for 1.8 percent of total expenditure incurred from January 1 to September 30, 2024.
- 79 The Transparency and Accountability Sector reported a quarter three allotment which was 75.8 percent of the total budgetary appropriation (US\$23.7 million) for the sector for FY2024. Of the total allotment of US\$17.9 million at the end of the third quarter, 80.7 percent was disbursed. This sector accounted for 3.3 percent of total expenditure during period January 1 to September 30 FY2024.

END OF YEAR PROJECTIONS (OCTOBER – DECEMBER, 2024)

Revenue Projections (October – December, 2024)

Table 6: Projected Revenue (Oct. – Dec., 2024)

	Appropriation 2024	End of December 2024
Projected Revenue	690.9	182.4
Domestic Revenue	690.9	182.4
Tax	579.5	152.8
Non-Tax	111.4	29.6
Grants	0.0	0.0
Borrowing	48.0	48.0
Total Revenue	738.9	230.4

Source: Department of Fiscal Affairs, CAG Department, MFD

The below table shows projected revenue for the remaining three months (October –December, 2024), amounting to US\$230.4 million which accounts for 31.2 percent of FY2024 budget (US\$738.9million). Of the projected end-of-year revenue, tax revenue accounts for 66.3 percent while non-tax revenue accounts for 12.8 percent and borrowing accounts for 20.8 percent.

Expenditure Projections (October – December, 2024)

The projected expenditure for quarter four of FY2024 is US\$190.0 million representing 25.7 percent of the National Budget (US\$738.9 million). Compensation of Employees accounts for 39.7 percent, Interest payment accounts for 17.0 percent, Goods and Services accounts for 15.1

percent, Grants accounts 14.8 percent, Non-Financial Assets/Capital accounts 9.9 percent, Social Benefits account 3.0 percent, and Subsidy accounts for 0.5 present.

Table 7: Projected Expenditure (Oct. – Dec., 2024)

Projected Expenditure	Appropriation 2024	End of Dec. 2024
Compensation of Employees	301.9	75.5
Use of Goods and Services	114.6	28.7
Subsidy	-	0.9
Grants	116.2	28.2
Social Benefits	22.9	5.7
Non-Financial Assets/Capital	75.4	18.8
Interest	108.0	32.3
Total	738.9	190.0

Source: Department of Fiscal Affairs, CAG Department, MFDP

FINANCING FOR FY2024

Debt Stock

- 80 As of end September, 2024, the total public debt stock stood at US\$2.6 billion. Of this total, domestic debt stock amounts to US\$1.1 billion, representing 42.0 percent of the total debt stock, while external debt stock is US\$1.5 billion, making up 58.0 percent of the total debt stock. Debt-to-nominal GDP (4.8 billion) ratio at the end of September 2024 is 54.2 percent. Compared to the end of September 2023, the debt stock increased by 17.2 percent.
- 81 The MFDP originally forecasted a debt service of US\$217.8 million for FY2024, including domestic and external obligations. However, due to the GoL's fiscal constraints, US\$129.0 million was allocated in the draft national budget, accounting for 59.2 percent of the original debt service forecast. The National Legislature approved US\$86.0 million in the national budget, which represents 66.7 percent of the draft budget and 39.5 percent of the original debt service forecast. In its recast budget, after the first half of the fiscal year, US\$108.0 million was appropriated of which domestic debt accounts for 53.8 present while extended debt accounts for 46.2 percent.

Table 8: Summary Public Debt Profile at End-September 2024

		2022	2023	2024¹
Debt Stock	Billions of USD	2.0	2.4	2.6
Domestic		0.9	1.0	1.1
External		1.1	1.4	1.5
Debt Service		144.5	154.6	57.6
Domestic	Millions of USD	110.4	123.4	28.1
Principal		84.8	91.3	12.3
Interest		25.6	32.1	15.8
External		34.1	31.2	29.5
Principal		22.7	18.7	19.2
Interest		11.5	12.5	10.3

Source: Department of Economic Management, MFDP

82 At end September 2024, total debt service amounts to US\$57.6 million. Of this total, domestic debt service amount to US\$28.1 million, accounting for 48.8 percent. Principal repayment of the domestic debt account for 43.8 percent, while interest repayment account for 56.2 percent. External debt service payments amount to US\$29.5 million, or 51.2 percent of the total debt service. Interest repayment of the external debt service account for 34.9 percent, while principal repayment accounted for 65.1 percent. Total debt service represents 11.3 percent of the domestic revenue.

Development Assistance for FY2024

83 Total projected development assistance FY2024 through the ARREST Agenda for Inclusive Development Pillars for projects in different sectors is US\$398.2 million, with grants making up US\$255.0 million, or 64.0 percent, and loans accounting for US\$143.2 million, or 36.0 percent.

84 As of September 30, 2024, both bilateral and multilateral contributions from development partners total US\$328.0 million; of which grant amounts to US\$221.9 million accounting for 67.6 percent while loan amounts to US\$106.2 million percent accounting for 32.4 percent.

¹ At end September 2024

Table 9: Off-Budget Aid Projections and Disbursement by Sectors (Jan. – Sept., 2024)

Budget Sectors	Projection				Disbursement			
	Grants	Loan	Total	% Share of Proj.	Grants	Loan	Total	% Share of Disb.
Pillar 1: Economic Transformation	41.8	38.0	79.8	20.0	24.8	30.8	55.6	16.9
Industry and Commerce	3.6	10.5	14.0	3.5	8.1	3.5	11.6	3.5
Agriculture	38.2	27.5	65.7	16.5	16.7	27.3	44.0	13.4
Pillar 2: Infrastructural Development	5.3	39.7	45.0	11.3	34.0	25.0	59.0	18.0
Infrastructure and Basic Services	5.3	39.7	45.0	11.3	34.0	25.0	59.0	18.0
Pillar 3: Rule of Law	3.0	-	3.0	0.7	2.2	-	2.2	0.7
Security and Rule of Law	3.0	-	3.0	0.7	2.2	-	2.2	0.7
Pillar 4: Government and Anti-Corruption	32.2	13.4	45.6	11.5	21.5	6.9	28.4	8.7
Transparency and Accountability	2.9	-	2.9	0.7	9.0	-	9.0	2.7
Public Administration	9.7	13.4	23.1	5.8	5.5	4.0	9.6	2.9
Municipal Government	19.7	-	19.7	4.9	7.0	2.9	9.9	3.0
Pillar 5: Environmental Sustainability	16.1	19.7	35.8	9.0	22.4	25.7	48.1	14.7
Energy and Environment	16.1	19.7	35.8	9.0	22.4	25.7	48.1	14.7
Pillar 6: Human Capital Development	156.6	32.5	189.1	47.5	116.9	17.8	134.7	41.1
Education	38.9	-	38.9	9.8	31.8	-	31.8	9.7
Health	95.0	21.5	116.5		65.9	9.9	75.8	23.1
Social Development Services	22.8	11.0	33.8	8.5	19.3	7.8	27.1	8.3
Grand Total	255.0	143.2	398.2	150.7	221.9	106.2	328.0	183.1

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

Development Pillars

85 Projection to **Pillar 1: Economic Transformation** is budgeted at US\$79.8 million, which makes up 20.0 percent of the total aid projections. Out of this amount, grants make up US\$41.7 million (52.4 percent), while loans make up US\$38.0 million (47.6 percent). The disbursement to this pillar totals US\$55.6 million, accounting for 16.9 percent of the total aid disbursed. Of this disbursement, grants account for US\$24.7 million, representing 44.6 percent, and loans account for US\$30.8 million, representing 55.4 percent.

86 Projection to **Pillar 2: Infrastructure Development** is allocated US\$45.0 million, which represents 11.3 percent of the total aid projections. Grants make up US\$5.3 million (11.8 percent), while loans make up US\$39.6 million (88.1 percent). The disbursement to this pillar totals US\$59.0 million, representing 18.0 percent of the total aid disbursed. Of this disbursement, grants amount to US\$34.0 million, representing 57.7 percent, and loans amount to US\$25.0 million, representing 42.3 percent.

- 87 Projection to **Pillar 3: Rule of Law** is allocated US\$3.0 million, representing 0.7 percent of the total aid projections, which are entirely in grants. The disbursement to this pillar is US\$2.2 million, representing 0.7 percent of the total aid disbursed, all of which are in grants.
- 88 Projection to **Pillar 4: Government and Anti-Corruption** are allocated US\$45.6 million, representing 11.5 percent of the total aid projections. Of this amount, grants make up US\$32.2 million (70.6 percent), while loans make up US\$13.4 million (29.3 percent). The disbursement to this pillar totals US\$28.4 million, representing 8.7 percent of the total aid disbursed. Out of this disbursement, grants amount to US\$21.5 million, representing 75.6 percent, while loans amount to US\$6.9 million, representing 24.4 percent.
- 89 Projection to **Pillar 5: Environmental Sustainability** is budgeted at US\$35.8 million, accounting for 9.0 percent of the total aid projections. Of this amount, grants total US\$16.0 million (44.9 percent), while loans total US\$19.7 million (55.0 percent). The disbursement to this pillar totals US\$48.1 million (14.7 percent), with grants accounting for US\$22.4 million (46.6 percent) and loans accounting for US\$25.7million (53.4 percent).
- 90 Projection to **Pillar 6: Human Capital Development** is set at US\$189.1 million, representing 47.5 percent of the total aid projections. Grants make up US\$156.6 million, representing 82.8 percent, while loans make up US\$32.4 million, representing 17.2 percent. The disbursement to this pillar amounts to US\$134.7 million, representing 41.1 percent, with grants amounting to US\$116.9 million, representing 86.8 percent, and loans amounting to US\$17.8 million (13.2 percent).

FY2025 FISCAL FRAMEWORK: JANUARY 1 – DECEMBER 31, 2025

- 91 The Fiscal Framework uses the latest economic, fiscal, and revenue data to establish the resource envelope and expenditure ceilings for the FY2025 budget (January 1, 2025 – December 31, 2025) and the outer years.
- 92 The Fiscal Framework also sets out the Government's fiscal rules related to government spending and government borrowing. These are designed to ensure that revenues are spent on activities and projects that have a high rate of return to the economy and that borrowing is done in a fiscally responsible and sustainable way.
- 93 Thus, for the FY2025 Budget, the government will seek to place priority on the following agenda: implement fiscal and structural reforms to make public services and public enterprises more efficient; secure more permanent fiscal space for adequate public

investment while preserving debt sustainability; and to boost existing domestic revenue mobilization efforts by streamlining tax exemptions.

RESOURCE ENVELOPE FOR FY2025 BUDGET

- 94 The total resource envelope for the FY2025 budget is projected at US\$851.8 million of which tax revenue accounts for US\$633.5 representing 74.4 percent of the projected resource envelope, while non-tax revenue is projected at US\$139.5 million accounting for 16.4 percent. External resources (loans) are projected at US\$60.0 million, accounting for 7.0 percent of the projected resource envelope. Contingent revenues are forecasted at US\$18.8 million, accounting for 2.2 percent of the total resource envelope projected.
- 95 Compared to the FY2024 approved budget of US\$738.9 million, the projected resource envelope for FY2025 represents an increase of about 15.3 percent. This increase is mainly driven mainly by a 13.6 percent increase in the projections for taxes on income and profits; 8.6 percent increase in the forecast for taxes on international trade; and 30.0 percent increase in projected revenue from property income tax for FY2025 compared to FY2024.
- 96 For the outer years, the resource envelopes for FY2026 and FY2027 are projected at US\$833.5 million and US\$840.7 million respectively. Of these amounts, tax revenues are projected at US\$643.0 million and US\$681.0 million respectively, constituting 77.1 percent and 81.0 percent of the total resource envelopes for the respective years. Non-tax revenues for the two years are projected at US\$150.6 million and US\$159.7 respectively, thereby constituting 18.1 percent and 19.0 percent of their respective resource envelopes.

FISCAL FRAMEWORK ASSUMPTIONS

- 97 The draft resource envelope for Fiscal Year 2025 is estimated at US\$851.8 million or LRD 169.2 billion. Of this total, 23.6 percent or LRD39.9 billion is projected to be mobilized in Liberian dollars, while the remaining 76.4 percent, or US\$650.8 million, will be sourced in United States dollars. The budget projection assumes an annual average exchange rate of US\$1 = LRD 197.95.
- 98 Revenue mobilization from domestic sources is expected to constitute 93.0 percent of the total resource envelope, amounting to US\$791.8 million. This reflects the government's focus on enhancing internal revenue generation through strengthened tax administration and broadening the tax base. Conversely, external resources, primarily in the form of grants and

concessional financing, are projected at US\$60.0 million, accounting **7.0** percent of the total resources.

99 Tax revenue for FY2025 is estimated at **US\$633.5 million** and constitutes the largest share of government income. Tax revenue is derived from compulsory transfers made to the general government sector, excluding specific transfers such as social security contributions. Tax revenue plays a crucial role in financing public expenditure and is categorized as follows:

- i. Taxes on Income & Profits
- ii. Real Property Taxes
- iii. Taxes on Goods and Services
- iv. International Trade Taxes
- v. Other Taxes

100 For Fiscal Year 2025, Income and Profit Taxes are projected to generate US\$312.4 million, representing:

- 36.7 percent of the total resource envelope,
- 39.4 percent of domestic revenue, and
- 49.3 percent of total tax revenue.

The growth in this revenue category is indicative of increased corporate activity and enhanced compliance measures in the withholding tax system.

104 Corporate Profits Taxes are projected using both an economic sector-based approach ensuring a comprehensive assessment of taxable corporate activities across various sectors of the economy. For Fiscal Year 2025, total corporate profits taxes are estimated at US\$76.8 million.

Corporate income tax (CIT) from the Service Sector constitutes a significant portion of total corporate tax revenue, contributing 24.0 percent of overall CIT collections. This sector is primarily driven by the following key industries:

- Banking Services: This sub-sector is the largest contributor, generating US\$15.3 million, which represents 38.0 percent of the total service sector's corporate tax contribution.
- Telecommunication Services: The second-largest contributor within the service sector, accounting for US\$11.3 million, or 28.0 percent of the sector's corporate tax revenue.
- The Forestry, Mining, and Agriculture sectors collectively contribute US\$19.9 million, or 25.9 percent of total corporate profit taxes. The relatively modest contribution from these sectors is primarily attributable to the fiscal provisions embedded within various

concession agreements and Mineral Development Agreements (MDAs). These provisions often include tax exemptions or deferred payment arrangements, which reduce the immediate taxable profits from these industries. Despite their significant role in the economy, the tax impact of these sectors remains limited due to the long-term fiscal incentives provided to promote investment and sectoral development.

105 The Forestry, Mining, and Agriculture sectors collectively contribute US\$22.9 million, or 27.1 percent of total corporate profit taxes. The relatively modest contribution from these sectors is primarily attributable to the fiscal provisions embedded within various concession agreements and Mineral Development Agreements (MDAs). These provisions often include tax exemptions or deferred payment arrangements, which reduce the immediate taxable profits from these industries. Despite their significant role in the economy, the tax impact of these sectors remains limited due to the long-term fiscal incentives provided to promote investment and sectoral development.

106 The revenue generated from corporate taxes within the trade and commerce sector is primarily driven by the importation of hardware, industrial products, food, essential goods, and petroleum. For the fiscal year 2025, there is cumulative revenue of US\$5.3 million, accounting for 6.9 percent of the total corporate income tax revenue. This projection reflects the critical significance of trade and commerce in sustaining the national economy and its vital contribution to government revenue streams.

107 Corporate income tax revenue from the manufacturing sector is projected to reach US\$6.6 million, representing 8.4 percent of total corporate income tax (CIT) revenue for the fiscal year 2025. Specifically, the manufacturing and sale of beverages and spirits are anticipated to generate US\$3.9 million, reflecting a modest increase from year-end estimates for 2024.

108 Corporate income tax (CIT) revenue from small and medium enterprises (SMEs) and individual businesses is projected to total US\$1.3 million, marking a substantial decrease of US\$1.6 million. This decline is primarily attributed to the strategic reclassification.

109 Withholding taxes from public sector salaries and wages, excluding public corporations, are projected to generate US\$54.5 million, representing 38.3 percent of total withholdings. Private sector withholding taxes on salaries and wages, including contributions from public corporations, are projected to total US\$87.8 million, representing 61.7 percent of total withholdings. When combined with public sector withholding taxes, the overall personal income tax (PIT) contribution is projected at US\$142.4 million, accounting for 13.9 percent of the draft revenue budget for fiscal year 2025. This combined contribution highlights the vital role of both sectors in bolstering national revenue efforts.

110 Real Property Taxes are projected to contribute US\$6.1 million in FY2025. Economic growth projections, combined with new enforcement interventions such as community involvement through revenue-sharing initiatives to be piloted in select districts are expected to significantly enhance revenue collection in the real property sector. Commercial properties are projected to account for 76.0 percent of the anticipated revenue. Whereas, residential properties, which hold substantial potential for tax collection, currently contribute only 7.0 percent of the projected revenue. This disparity highlights the need for targeted strategies to improve tax compliance and collection from residential properties.

111 Goods and services taxes (GST) are levied on the consumption of goods and services in Liberia. The following categories of GST are currently enforced:

- General Taxes on Domestic Goods and Services:
 - Sales Tax on Goods: 10.0 percent
 - Sales Tax on Services: 10.0 percent (with the exception of GSM services, which are taxed at 15.0 percent)

112. The cumulative effect of taxes on goods, including both domestic and imported goods, is projected at US\$75.2 million. This increase is largely attributed to international goods and services tax (GST) adjustments, reflecting higher revenue potential from both local and imported goods.

113. Projected domestic excise revenue for FY2025 is put at approximately US\$ 6.3 million, primarily to be generated from excise duties on beverages. Additionally, excise on petroleum is expected to generate about US\$6.3 million and excise on imported will generate US\$0.3 million, representing 48.8 percent, and 1.5 percent respectively.

114 Motor vehicle tax revenue is projected at US\$11.1 million, up from a year-end projection of US\$10.5 for FY2024. This projects a significant increase of 6.2 percent compared to FY2024 and the US\$6.5 million recorded in FY2023. The growth reflects improved compliance rates and the impact of these supportive policy measures on revenue mobilization.

115 The government's projected revenue share from the maritime program for FY2025 is US\$20.0 million, up from a year-end projection of US\$14.0 million. Of the total projection for FY2025, US\$6.0 million is on account of contingent revenue. Maritime revenue performance is closely tied to global trade dynamics and is sensitive to geopolitical and economic disruptions, such as a global pandemic and the ongoing Middle East and Ukraine-

Russia conflicts. Global peace is essential to optimizing revenue from this sector, which remains a critical contributor to the national budget.

116 Taxes on international trade are projected at US\$227.7 million, marking an increase of US\$17.9 million, or 8.6 percent over the FY2024 year-end forecast. This projected growth reflects anticipated enhancements in trade volume and customs administration, reinforcing international trade taxes as a vital component of the national revenue framework. Furthermore, there is a policy change from payment on lifting to payment on importation of Petroleum.

117 **Import Duties Assumptions:**

- The trade policies under the Economic Community of West African States (ECOWAS), facilitating the free movement of goods and services, remain in effect.
- An import duty of US\$ 0.25 per gallon for Petrol Motor Spirit (PMS) and US\$ 0.20 per gallon for Automotive Gas Oil (AGO).
- Duty-free policies and executive orders will remain unchanged but will be more effectively managed in 2025.
- Enhanced administrative and management systems, utilizing automation and digital technology, will be implemented to improve tax administration.

118 For FY2025, import duties are anticipated to generate US\$118.5 million, reflecting a strategic approach to optimize revenue while ensuring compliance with established trade frameworks.

119 **Road Fund** revenue projections for FY2025 are grounded in the following assumptions:

- a. A policy shift from payment on lifting to payment on importation.
- b. A charge of US\$0.30 will be applied to each gallon of petroleum product imported.

120 Additionally, Road Fund projections for FY2025 are anticipated at US\$42.4 million, indicating a significant increase from the US\$32.6 million estimated at the year-end 2024. Notably, US\$2.0 million of the current projection accounts for arrears, contributing to the overall growth in revenue expectations.

121 Royalties and rents are projected at US\$55.1 million for FY2025, with mining activities contributing US\$38.1 million, representing 4.5 percent of the overall revenue envelope and 4.7 percent of domestic revenue. The breakdown of projected royalties and rents for FY2025 is as follows:

- Royalties on Iron Ore: US\$7.9 million
- Royalties on Gold: US\$21.9 million
- GSM (General Service Mobile): US\$10.1 million for intangible produced non-assets
- Forestry: US\$5.6 million
- Surface Rent: US\$2.4 million

These contributions are essential for enhancing public revenue and supporting national development initiatives.

122 The revenue forecasted for Administrative Fees collected by various ministries and agencies is projected at US\$27.5 million, accounting for 3.6 percent of total domestic revenue. The four major contributors-**Ministry of Foreign Affairs, Liberia Immigration Service, Liberia Business Registry and the Ministry of Labor** are expected to generate US\$22.5 million. Of this total, US\$5.0 million is expected from NEC. Other ministries and agencies will together contribute US\$2.6 million.

FY2025 EXPENDITURE FRAMEWORK

123 The draft national budget for FY2025 projects expenditure at US\$851.8 million of which recurrent expenditures amounts to US\$745.7 million representing 87.5 percent while capital expenditures (PSIP) amount to US\$106.1 million representing 12.5 percent.

AAID Recurrent Priorities for FY2025

124 Of the total projected recurrent spending of **US\$745.7 million**:

- Compensation of employees amounts to US\$315.2 million representing 42.3 percent of the proposed recurrent spending and 37.0 percent of the total proposed expenditure;
- Use of goods and services amounts to US\$330.1 million representing 17.4 percent of the proposed recurrent spending and 15.3 percent of the total proposed expenditure;
- Provision of subsidies is projected at nearly US\$4.1 million representing 0.5 percent of the proposed recurrent spending and 0.5 percent of the total proposed expenditure;
- Provision of Grants amounts to US\$130.3 million representing about 17.5 percent of the proposed recurrent spending and 15.3 percent of the total proposed expenditure;

- Provision of social benefits amounts to about US\$23.9 million representing about 3.2 percent of the proposed recurrent spending and 2.8 percent of the total proposed expenditure;
- Non-financial assets amount to approximately US\$5.2 million representing 0.7 percent of the proposed recurrent spending and 0.6 percent of the total proposed expenditure;
- Payment of domestic liabilities amount to US\$61.9 million representing 8.3 percent of the proposed recurrent spending and 7.3 percent of the total proposed expenditure; and
- Payment of foreign liabilities amounts to US\$75.1 million representing 10.1 percent of the proposed recurrent spending and 8.8 percent of the total proposed expenditure.

AAID Development Priorities for FY2025

125 Of the projected capital spending (PSIP) of **US\$101.6 million**:

Pillar One: Economic Transformation

126 For the FY2025 budget, the government has appropriated US\$8.5 million for projects under this pillar. This amount constitutes 8.0 percent of the total allocation for PSIP's and 1.0 percent of the total expenditure budget for FY2025. Of the US\$8.5 appropriated under this sector, 5.9 percent is appropriated for projects under the industry and commerce sector, while 94.1 percent is appropriated under the Agriculture Sector.

The Industry and Commerce Sector

Table 10: PSIPs Profile for the Industry and Commerce Sector

Industry and Commerce Sector	Millions of US\$
CPF-Support to expand Domestic Private sector-led Economic growth and development via SMEs development	0.5
Total	0.5

Source: Department of Budget and Development Planning, MFDP

127 The Industry and Commerce Sector accounts for US\$ 0.5 million, which constitutes 0.5 percent of the projected PSIP and 0.1 percent of the total expenditure budget. This entire allocation is earmarked to be used as CPF Support to Expand Domestic private Sector-led Economic Growth and Development via SME Development.

The Agriculture Sector

128 **Agriculture Sector** accounts for US\$8.0 million, which constitutes 8.0 percent of the total projected PSIPs and around 1.0 percent of the total proposed expenditure. This entire amount is earmarked for the Agriculture Value Chain Project.

Table 11: PSIPs Profile for the Agriculture Sector

Agriculture	Millions of US\$
Agriculture Value Chain Project	8.0
Total	8.0

Source: Department of Budget and Development Planning, MFDP

Pillar Two: Infrastructural Development

Table 12: PSIPs Profile for the Infrastructure and Basic Services Sector

Infrastructure and Basic Services	Millions of US\$
Road Financing-NRF	37.6
CPF: Shyikimpa to Loguatu Road Corridor (Mano River Union II)-NRF	0.5
CPF: Gbarnga Salayea Road (Beyan Town to Salayea Road Corridor)-NRF	1.3
Tappita to Toe's Town Road Corridor	1.5
CPF: ECOWAS Bank for Development Barclaville-Klowne-Sasstown Road	0.7
CPF: Ministerial Complex Bye Pass (Allison Street)-NRF	0.2
CPF: RAP for the Gabriel Tucker Bridge to Freeport Road Rehabilitation	0.1
CPF: Labor Based Public Works-PR	0.9
CPF: Southeast Corridor Road Asset Management Project (SECRAMP)-PR	7.9
CPF: Construction of Loguatu Joint Border Post (Mano River-II)-PR	1.3
Community Road Maintenance & Zoning Intervention (CRMZI)400k-PR	0.4
Expansion of Liberia Broadcasting System	0.3
Ministerial Complex & SKD Boulevard Bye-Pass	0.6
Robert International Airport Up-Grade	2.0
Purchase of Spare Parts	0.2
National Postal Address System	0.5
CPF-RIA Runway Project	0.3
Office Equipment including vehicle	0.5
Total	56.8

Source: Department of Budget and Development Planning, MFDP

The Infrastructure and Basic Services Sector

129 Allocation to this sector amounts to US\$56.8 million which constitutes 53.1 percent of the total projection for PSIPs and 6.7 percent of the total proposed expenditure. Of the US\$56.8 proposed allocation, US\$37.6 million is budgeted under the Road Financing-NRF, constituting 66.3 percent of the total allocation to the sector, and 35.5 percent of the total budgeted PSIP and 4.4 percent of the total projected expenditure; US\$7.9 is appropriated for the Southeastern Corridor Asset Management Project-SECRAMP. This amount constitutes 14.0 percent of the budgeted allocation under this sector, 7.5 percent of the projected PSIP and 0.9 percent of the overall budgeted expenditure. US\$2.0 million is appropriated for Roberts International Airport Upgrade, constituting 3.5 percent of the allocation for this sector, 1.9 percent of the PSIP budget and 0.2 percent of the overall appropriation for PSIP for FY2025. The rest of the projects under this pillar can be seen in the table below.

Pillar Three: Rule of Law

Security and Rule of Law Sector

Table 13: PSIPs Profile for the Security and Rule of law Sector

Security and Rule of Law	Millions of US\$
Renovation and Rehabilitation	0.3
Construct Justice Complex	0.2
Construct Modern Prison facilities in Cheesemanburg	0.2
Renovation and Rehabilitation of Prison	0.6
Renovation of AFL Barracks	0.9
Renovation of LNP Barracks	0.5
Construction of Memorials on Mass Grave Across the Country	0.1
Judiciary Project	1.0
KUSH must go Project” (Fight against illicit drugs)	1.0
Total	4.7

Source: Department of Budget and Development Planning, MFDP

130 Project budget under this sector is projected at US\$4.7 million which constitutes about 4.4 percent of the total projected PSIPs and 0.6 percent of the total proposed expenditure. Of this amount, US\$1.0 million each is earmarked for Judiciary Project and the Fight Against

Illicit Drugs (Kush Must Go); US\$0.9 million for the renovation of AFL Barracks; US\$0.6 million is appropriated for the Renovation and Rehabilitation of prisons; US\$0.5 million is budgeted for the Rehabilitation of LNP Barracks; US\$0.2 million is allocated for the construction of the Justice Complex; and US\$0.15 million is appropriated for the Construction of a Modern Prison Facility in Cheesemanburg.

Pillar Four: Governance and Anti-Corruption

131 Of the US\$12.1 million appropriated for PSIP's under this pillar, appropriated to the Transparency and Accountability Sector constitutes US\$0.9 million; US\$6.5 million is budgeted under the Public Administration Sector, constituting 58.2 percent of the appropriation for the pillar and 6.2 percent of the total appropriation for PSIP. In addition, US\$4.7 million is allocated to the Municipal Government Sector, accounting for 41.8 percent of the pillar appropriation.

Transparency and Accountability Sector

Table 14: PSIPs Profile for the Transparency and Accountability Sector

Transparency and Accountability	Millions of US\$
Delimitation	0.5
Electoral Legal Reform	0.4
Total	0.9

Source: Department of Budget and Development Planning, MFDP

132 The projected Investment for the **Transparency and Accountability Sector** is US\$0.9 million. Constitutes 0.9 percent of the total appropriated PSIPs and 0.1 percent of the total proposed expenditure. Of this amount, US\$0.5 million is appropriated Delimitation, and US\$0.42 million is appropriated for Electoral Legal Reforms.

Public Administration

133 PSIP allocation to this sector for FY2025 is projected at US\$6.5 million, which constitutes 6.2 percent of the total projected PSIPs and 0.8 percent of the total proposed expenditure. Of the US\$6.5 million, US\$1.0 million is budgeted for the Executive mansion Renovation; US\$1.0 million as budgeted as CPF Support to Improve Liberia's Shareholdings in the

AfDB; US\$1.0 million as CPF for Accelerated Community development Project; US\$0.98 million is budgeted for the construction of MFDP new headquarter; Construction of National Conference Center is appropriated for at US\$0.6 million; US\$0.5 million is earmarked for Tourism Development and Marketing; US\$0.5 million is budgeted for Digitizing Revenue Transaction Systems Across Government (DRTS); US\$0.3 million is budgeted for the Development of Sector Strategic Plans and US\$0.26 and US\$0.25 are allocated for Special Presidential Back-to-School Program and renovation and Rehabilitation of MICAT Building respectively.

Table 15: PSIPs Profile for the **Public Administration Sector**

Public Administration	Millions of US\$
Renovation of the Executive Mansion	1.0
Renovation and Rehabilitation	0.3
Construction of National Conference Center	0.6
Tourism Development and Marketing	0.5
Development of Sector Strategic Plans	0.3
Construction of MFDP New Headquarter	1.0
Upgrading Existing Conference Center	0.2
CFP: Support to improve Liberia shareholding within the AfDB	1.0
Special Presidential Back-to-School Program	0.3
Digitizing Revenue Transaction Systems Across Government (DRTS)	0.5
CPF: Accelerated Community Development Project	1.0
Total	6.5

Source: Department of Budget and Development Planning, MFDP

The Municipal and Local Government Sector

Table 16: PSIP Profile for the **Municipal and Local Government Sector**

Municipal Government	Millions of US\$
County Development Agenda Projects	1.5
National Decentralization Program	0.8
Clean Cities Campaign	1.9
Landfill and Urban Sanitation Project	0.5
Total	4.7

Source: Department of Budget and Development Planning, MFDP

134 Appropriation to this sector is forecasted at US\$4.7 million constituting 4.4 percent of the total PSIP allocation. Of this amount, US\$1.9 is appropriated for Clean Cities campaign; US\$1.5 million is appropriated for County Development Agenda projects; US\$0.8 million is appropriated as CPF: National Decentralization Support Program; and US\$0.5 million for Landfill and Urban Sanitation Program

Pillar Five: Environmental Sustainability

Table 17: PSIP Profile for the Energy and Environment Sector

Energy and Environment	Millions of US\$
Expansion and Modernization of Water Facilities	1.2
CPF: Enhancing Climate Information System for Resilient Development	0.4
CPF: CLSG Allocation	3.0
CPF: Monrovia Metropolitan Climate Resilience Project	0.5
CPF-River Gee Hydropower Project	1.0
Total	6.1

Source: Department of Budget and Development Planning, MFDP

Energy and Environment Sector

135 The projected Investment for the **Energy & Environment Sector** is US\$6.1 million, constituting 5.8 percent of the total appropriated PSIPs and 0.7 percent of the total proposed expenditure. Of this amount, US\$3.0 million is appropriated as CPF: CLSG Allocation; US\$1.2 is earmarked for the Expansion and Modernization of Water Facilities; US\$1.0 million as CPF: River-Gee Hydro Power Project; US\$0.5 million is allocated as CPF: Monrovia Metropolitan Climate Resilience Project; and US\$0.4 million for Enhancing Climate Information System for Resilient Development.

Pillar Six: Human Capital Development

136 The Human Capital Development Sector has a planned PSIP allocation of US\$17.9 million which constitutes 16.8 percent of FY2025 PSIP budget and 2.1 percent of the planned expenditure. Of the US\$17.9 million, 36.4 percent is budgeted under the Education Sector; 29.9 percent under the Health Sector and 33.7 percent under the Social Community Services Sector.

Education Sector

137 This sector has an appropriation of 6.5 million, which constitutes 6.1 percent of the total projected PSIPs and 0.8 percent of the total proposed expenditure. Of this amount, US\$3.0 is budgeted to Expand and Improve Education Infrastructure; US\$1.0 million each is allocated to the National Digital Transformation Project and to Expand and Strengthen the National School Feeding Program; US\$0.7 million is budgeted for Renovation and Rehabilitation; US\$0.5 million is earmarked for Scholarship Arrear Payments for Local and Foreign Students; and US\$0.3 is allocated to Strengthen National School Monitoring and Supervision Program.

Table 18: PSIP Profile for the Education Sector

Education	Millions of US\$
Renovation and Rehabilitation	0.7
National Digital Transformation Project	1.0
Expand and Improve Education infrastructure	3.0
Strengthen National School Monitoring and Supervision Program	0.3
Expand and Strengthen the National School Feeding Program	1.0
Scholarships Arrears Payment (Local and Foreign students)	0.5
Total	6.5

Source: Department of Budget and Development Planning, MFDP

Health Sector

138 The Health Sector accounts for US\$5.4 million which constitutes 5.0 percent of the total projected PSIPs and 0.6 percent of the total proposed expenditure. Of this appropriation, US\$1.6 million is earmarked for a National Drug Revolving Program; US\$1.5 million is budgeted to Strengthen and Expand JFK Hospital's Capacity; US\$0.5 million each is allocated for National Mental Health Project; US\$0.5 million to Upgrade Jackson F. Doe Hospital to second national Referral Hospital; US\$0.4 million is appropriated to for JFK Hospital Power Project; US\$0.25 million is allocated for Establishing regional Diagnostics Center; and US\$0.1 million for Housing Facilities for Rural Health Workers.

Table 19: PSIP Profile for the Health Sector

Health	Millions of US\$
Rural Housing for Health Workers	0.1
Upgrade Jackson F. Doe Hospital to second national referral Hospital	0.5
JFK Power Project	0.4
Strengthen and expand JFK Hospital's Capacities	1.5
National Drugs Revolving Program	1.6
Renovation of Public Health Facilities-C.H. Rennie Hospital	0.5
Establishing Regional Diagnostic Center	0.3
National Mental Health project	0.5
Total	5.4

Source: Department of Budget and Development Planning, MFDP

Social Development Services Sector

139 Budgetary appropriation for PSIP's for FY2025 under this sector is forecasted at US\$6.0, million which constitute 5.7 percent of the total projected PSIPs and 0.7 percent of the total proposed expenditure. Projected support to the sector is mainly appropriated for District Development projects (US\$2.4 million); National Service Program-NSP (US\$1.5); US\$0.52 for Renovation and Rehabilitation; CPF: Contribution to At-Risk Youth rehabilitation program (US\$0.5 million); Street Child Project (US\$0.5 million); Support to National Commission on Disabilities (US\$0.4 million).

Table 20: PSIP Profile for the Social Development Services Sector

Social Development Services	Millions of US\$
Renovation and Rehabilitation	0.5
Street Child Project	0.5
Support to national Commission on Disability	0.4
National Service Program (NSP)	1.5
Albino Society Headquarters Project	0.2
SGBV Roadmap Implementation Program	0.1
CFP: Contribution to At Risk Youth Rehabilitation Program	0.5
District Development Projects	2.4
Total	6.0

Source: Department of Budget and Development Planning, MFDP

FINANCING FOR FY2025

Public Debt Projection for FY2025

Table 21: Public Debt Stock Projection

		Projections				
		2025	2026	2027	2028	2029
Debt Stock	Billions of USD	2.5	2.3	2.2	2.1	2.0
Domestic		1.1	1.0	0.9	0.9	0.8
External		1.4	1.3	1.2	1.2	1.1
Debt Service	Millions of USD	312.8	154.0	136.8	153.2	134.3
Domestic		248.0	78.2	70.7	76.3	67.7
Principal		207.4	56.7	49.4	54.8	47.3
Interest		40.6	21.5	21.3	21.5	20.4
External		64.8	75.8	66.1	76.9	66.6
Principal		44.9	60.4	54.7	62.3	54.0
Interest		19.9	15.4	11.4	14.6	12.6

Source: Department of Economic Management, MFDP

140 Total public debt stock projection for FY2025 is US\$2.5 billion, of which US\$1.1 billion or 44.0 percent constitutes domestic debt while US\$1.4 billion or 56.0 percent represents external debt. Compared to FY2024 debt stock at end September 2024, public debt stock for FY2025 is projected decrease by 3.8 percent. On average over the medium term (2025 – 2027), public debt stock is projected to decrease by 11.5 percent when compared with FY2024 end-of-September debt stock.

Table 22: Projected Debt Service for FY2025

	Principal	Interest	Total
Total Debt Service Projection (USD)	88.8	48.2	137.0
Domestic Debt	36.3	25.1	61.4
Central Bank of Liberia	22.2	4.6	26.8
Commercial Banks	-	20.5	20.5
Other Institutions	9.1	-	9.1
Claims and Arrears	5.1	-	5.1
External	52.5	23.1	75.6
Multilateral	44.9	19.9	64.9
Bilateral	6.4	1.7	8.1
Commercial Debt	1.2	1.5	2.6

Source: Department of Economic Management, MFDP

141 The Government of Liberia cumulative debt obligations for FY2025 is projected at US\$312.8 million. Given a tight fiscal space, the government has appropriated the amount of US\$137.0 million (which is 43.8 percent of the cumulative obligations and 16.1 percent of the proposed resource envelop for FY2025 in the tone of US\$851.8) for the settlement of both domestic and external obligations in its FY2025 draft national budget. Domestic obligations account for 44.8 percent of the projected debt service while external obligations account for 55.2 percent. Principal repayment accounts for 64.8 percent while interest payment accounts for 35.2 percent.

142 The key drivers of domestic debt are obligation to the Central Bank of Liberia (CBL) in amount of US\$26.8 million (43.6 percent), commercial banks represent US\$20.5 million (32.9 percent), while domestic loans from other sources constitute US\$14.2 million (23.1 percent).

Development Assistance for FY2025

Table 23: Summary Off-Budget Development Assistance Profile for FY2025

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		FY2025 Projection Total
	Grant	Loan	
Pillar 1: Economic Transformation	29.9	35.8	65.7
Agriculture	26.6	25.3	51.9
Industry and Commerce	3.3	10.5	13.8
Pillar 2: Infrastructural Development	1.8	40.1	41.9
Infrastructure and Basic Services	1.8	40.1	41.9
Pillar 3: Rule of Law	2.3	-	2.3
Security and Rule of Law	2.3	-	2.3
Pillar 4: Governance and Anti-Corruption	21.2	13.7	34.9
Transparency and Accountability	4.9	-	4.9
Public Administration	4.9	13.7	18.6
Municipal Government	11.4	-	11.4
Pillar 5: Environmental Sustainability	12.9	19.3	32.2
Energy and Environment	12.9	19.3	32.2
Pillar 6: Human Capital Development	113.7	30.6	144.4
Education	36.5	-	36.5
Health	62.4	16.3	78.8
Social Development Services	14.8	14.3	29.1
Grand Total	181.9	139.7	321.5

Source: Department of Economic Management, MFD

143 The Liberian Government is actively combining funding both on- and off-budget to support Public Sector Investment Programs (PSIP) in all sectors of the country to tackle the

infrastructure gap. Aid and loans from development partners are in line with the Government's medium-term development plan, known as the ARREST Agenda for Inclusive Development.

144 For the fiscal year, FY2025; the European Union is providing a grant of US\$20.3 million as a budget support to the Government of Liberia which account for 5.9 percent of the total development assistance projected. On the other hand, US\$321.5 million is projected by Development Partners as off-budget support to finance projects/activities in various sectors as cardinal to the country's development agenda. The projected off-budget support by DPs accounts for 94.1 percent of the total ODA.

Pillar One: Economic Transformation

145 FY2025; Development Partners are providing US\$65.7 million as off-budget support for the execution of projects/activities that are aligned to the Economic Transformation Pillar of the GoL's development agenda. Of this amount, grants account for 45.5 percent (US\$29.9 million) while loans account for 54.5 percent (US\$35.8 million). The US\$65.7 million off-budget support, accounts for 19.2 percent of the total development assistance for FY2025. The Economic Transformation Pillar has two sectors: the Commerce and Industry Sector, and the Agriculture Sector.

Commerce and Industry Sector

Table 24: Development Assistance Profile for the Commerce and Industry Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
INDUSTRY AND COMMERCE	3.3	10.5	13.8
African Development Bank	2.7	4.0	6.7
Ministry of Commerce and Industry	-	3.2	3.2
Liberia - Program for Advancing Youth Entrepreneurship Investment	-	3.2	3.2
National Investment Commission	2.7	0.8	3.5
Liberia - Special Agro Industrial Processing Zone Project	-	0.8	0.8
Special Agro Industrial Processing Zone Project	2.7	-	2.7
Germany	0.6	-	0.6
Ministry of Commerce and Industry	0.6	-	0.6
Resource Governance	0.6	-	0.6
International Development Association	-	6.5	6.5
Ministry of Commerce and Industry	-	6.5	6.5
Liberia Investment, Finance and Trade (LIFT) Project	-	6.5	6.5

Source: Department of Economic Management, MFDP

146 Of the US\$65.7 million off-budget support to Pillar One, US\$13.8 million accounting for 21.1 percent will be contributed to the Commerce and Industry Sector by our Development Partners (DPs). Of this amount, 24.0 percent is in grant while 76.0 percent is in loan. Compared to FY2024 Development Assistance projections (US\$2.5 million), appropriation for the sector increase by US\$11.3 million.

Table 25: Development Assistance Profile for the Agriculture Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
AGRICULTURE	26.6	25.3	51.9
African Development Bank	3.9	-	3.9
Ministry of Agriculture	3.9	-	3.9
Smallholder Agriculture Development for Food and Nutrition Security (SADFONS)	3.9	-	3.9
European Union	4.0	-	4.0
Ministry of Agriculture	4.0	-	4.0
Resilient seed for rice, cassava, cocoa, coffee, and fish value chains	1.2	-	1.2
Creating skilled, capable and effective community co-management associations to secure legal and sustainable fisheries in Liberia	0.3	-	0.3
Liberia Fisheries Governance Project	0.3	-	0.3
Liberian Food Safety Initiative - Enhancing food safety practices and compliance across selected value chains	1.4	-	1.4
Talking agri-business in Liberia	0.0	-	0.0
Technical assistance "Food systems governance"	0.8	-	0.8
IFAD	5.9	7.6	13.4
Ministry of Agriculture	5.9	7.6	13.4
Building Climate Resilience in Liberia Cocoa and Rice Sectors	1.1	-	1.1
Smallholder Agriculture Transformation and Agribusiness Revitalization Project	4.8	-	4.8
Tree Crop Extension Project (TCEP) I	-	2.8	2.8
Tree Crop Extension Project (TCEP) II	-	4.7	4.7
International Development Association	-	17.8	17.8
Bureau of National Fisheries	-	5.8	5.8
Liberia Sustainable Management of Fisheries Project (LSMFP)	-	5.8	5.8
Ministry of Agriculture	-	11.9	11.9
Rural Economic Transformation Project (RETRAP)	-	11.9	11.9
Norway	0.4	-	0.4
Ministry of Agriculture	0.4	-	0.4
IDH-NICFI partnership program - Liberia	0.4	-	0.4
Sweden	1.2	-	1.2
Ministry of Agriculture	1.2	-	1.2
Increasing income and employment opportunities in agro-industry	0.3	-	0.3
VOSIEDA Climate Smart Agriculture for Resilience and Livelihood Support	0.9	-	0.9
USAID	11.2	-	11.2
Ministry of Agriculture	11.2	-	11.2
Agribusiness Development & Incubator Activity (ABDI)	6.3	-	6.3
Construction of a Research and Conservation Center	0.8	-	0.8
Food Security, Nutrition and Resilience Activity (FSNR)	4.1	-	4.1

Source: Department of Economic Management, MFDP

Agriculture Sector

147 Projected off-budget support by Development Partners for agricultural development amounts to US\$51.9 million accounting for 78.9 percent of the Economic Transformation Pillar. Of the amount, 51.2 percent accounts for grant while loan accounts for 48.8 percent. Appropriation for the Agriculture Sector increase by US\$36.7 million when compared with FY2024 appropriation (US\$15.2 million) for the sector.

Pillar Two: Infrastructural Development

148 Projected off-budget support by Development Partners (DPs) for the Infrastructural Development Pillar amount to US\$41.9 million with grant accounting for 4.3 percent while loan accounts for 95.7 percent. Development assistance to the sector accounts for 12.3 percent of the total foreign aid for FY2025 and a US\$32.0 million increase compare to FY2024 (US\$9.9 million) development assistance projection for the sector. The Infrastructural Development Pillar has one sector: the **Infrastructure and Basic Services Sector**.

Table 26: Development Assistance Profile for Infrastructure and Basic Services Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
INFRASTRUCTURE AND BASIC SERVICES	1.8	40.1	41.9
African Development Bank	1.8	30.4	32.3
Ministry of Public Works	1.8	30.4	32.3
Mano River Union Road Development & Transport Facilitation Programme: Paving of the Harper Junction-Cavalla (16 km) and Karloken-Fish Town (80 km) road segments	-	6.0	6.0
Fish Town Harper Road Project-Phase I: Paving of Harper to Karloken (50 km)	1.8	-	1.8
Mano River Union Road Development & Transport Facilitation Programme: Paving of the Harper Junction-Cavalla (16 km) and Karloken-Fish Town (80 km) Phase I road segments -Additional Loan	-	3.3	3.3
Mano River Union Road Development and Transport Facilitation Programme - Phase III	-	13.5	13.5
Mano River Union Road Development and Transport Facility Programme (MRU/RDTEP) II	-	7.7	7.7
International Development Association	-	9.7	9.7
Ministry of Public Works	-	9.7	9.7
South Eastern Corridor Road Asset Management Project (SECRAMP)	-	9.7	9.7
Total	1.8	40.1	41.9

Source: Department of Economic Management, MFDP

Pillar Three: Rule of Law

149 Off-budget DPs support to the Rule of Law Pillar for this year draft national budget is US\$2.3 million grant for the execution of priority projects as outline in our development agenda, the ARREST Agenda for Inclusive Development (AAID). This amount accounts for 0.7 percent of the total draft national budget and US\$1.7 million increase compare to FY2024 projections (US\$0.6 million). The Rule of Law Pillar has one sector: the **Security and Rule of Law Sector**.

Table 27: Development Assistance Profile for the Security and Rule of Law Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
SECURITY AND RULE OF LAW	2.3	0.0	2.3
European Union	0.3	0.0	0.3
Human Rights Commission	0.3	0.0	0.3
Strengthening Democracy and Respect for Fundamental Human Rights of Prisoners in Liberia, Phase II	0.2	0.0	0.2
Strengthening resilience of key population groups and Human Rights Defenders in Liberia	0.1	0.0	0.1
Norway	0.1	0.0	0.1
Ministry of Justice	0.1	0.0	0.1
Integrity Watch Liberia - Scaling Up Tax Justice Mobilising CSOs media, and parliamentarians	0.1	0.0	0.1
Sweden	2.0	0.0	2.0
Ministry of Justice	2.0	0.0	2.0
NAYMOTE	0.3	0.0	0.3
Rule of law assessment Liberia	1.0	0.0	1.0
SRHR Support, RFSU	0.2	0.0	0.2
The Carter Center Access to Justice 2	0.4	0.0	0.4
Total	2.3	0.0	2.3

Source: Department of Economic Management, MFD

Pillar Four: Governance and Anti-Corruption

150 Development Partners are providing US\$34.9 million as off-budget support for the execution of projects/activities that are aligned to the Governance and Anti-Corruption Pillar of the GoL's development agenda. Of this amount, grants account for 60.7 percent (US\$21.2 million) while loans account for 39.3 percent (US\$13.7 million). The US\$34.9 million off-budget support, accounts for 10.2 percent of the total development assistance for FY2025. The Governance and Anti-Corruption Pillar has three sectors: the Transparency and Accountability Sector, the Public Administration Sector, and the Municipal Government Sector.

Transparency & Accountability Sector

151 Development assistance appreciation to the sector amount to a grant of US\$4.9 million (off-budget) for the execution of priority projects as outline in our development agenda, the AAID. This amount accounts for 14.1 percent of the total development assistance for the Governance and Anti-Corruption Pillar and US\$13.7 million increase compared to FY2024 aid projection.

Table 28: Development Assistance Profile for Transparency and Accountability

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
TRANSPARENCY AND ACCOUNTABILITY	4.9	0.0	4.9
European Union	4.3	0.0	4.3
National Elections Commission	4.3	0.0	4.3
AHEAD LIBERIA	0.1	0.0	0.1
Promoting a More Inclusive and Accountable Democracy in Liberia	4.2	0.0	4.2
Sweden	0.7	0.0	0.7
	0.2	0.0	0.2
Support to UNICEF Liberia country programme	0.2	0.0	0.2
Ministry of Commerce and Industry	0.5	0.0	0.5
IFC/WBG Private Sector and Trade Advisory Programs in Liberia	0.5	0.0	0.5

Source: Department of Economic Management, MFDP

Public Administration Sector

Table 29: Development Assistance Profile for the Public Administration Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
PUBLIC ADMINISTRATION	4.9	13.7	18.6
European Union	0.3	0.0	0.3
Ministry of Information, Culture & Tourism	0.3	0.0	0.3
Liberia Media Empowerment Project (LMEP)	0.3	0.0	0.3
International Development Association	1.2	13.7	15.0
Liberia Institute of Statistics and Geo-Information Services	0.0	6.9	6.9
Harmonizing and Improving Statistics in West Africa (HISWA)	0.0	6.9	6.9
Ministry of Finance and Development Planning	1.2	6.8	8.1
Governance Reform and Accountability Transformation (GREAT)	0.0	6.8	6.8
Public Financial Management Reforms For Institutional Strengthening (PFMRIS) Project	1.2	0.0	1.2
Sweden	3.4	0.0	3.4
Liberia Land Authority	0.3	0.0	0.3
Forum Civ II	0.3	0.0	0.3
Liberia Revenue Authority	1.4	0.0	1.4
Support to the Liberia Revenue Authority	1.4	0.0	1.4
Ministry of Finance and Development Planning	1.6	0.0	1.6
Budget Strengthening Initiative	1.6	0.0	1.6

Source: Department of Economic Management, MFDP

152 Total appreciation to the Public Administration Sector for FY2025 inclusive of both on and off budget supports from Development Partners (DPs) amount to US\$38.9 million for the execution of priority projects. On-budget grant accounts for 52.1 percent (US\$20.3 million from the European Union) while off-budget support accounts for 47.9 percent (US\$18.6 million). Of the off-budget support, 26.4 percent (US\$4.9 million) comes in as a grant while 73.6 percent (US\$13.7 million) is loans. Compared to FY2024, DPs support appropriation for the sector increased by US\$38.4 million.

Municipal Governance Sector

153 Projected off-budget grant by Development Partners for the Municipal Governance Sector amounts to US\$11.4 million accounting for 32.6 percent of the Governance and Anti-Corruption Pillar. Appropriation for the Municipal Governance Sector increase by US\$2.1 million when compared with FY2024 appropriation (US\$9.3 million) for the sector.

Table 30: Development Assistance Profile for the Municipal Government Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
MUNICIPAL GOVERNMENT	11.4	0.0	11.4
European Union	1.3	0.0	1.3
Land Commission	1.3	0.0	1.3
"Land knowledge" (tbc)	1.3	0.0	1.3
International Development Association	6.1	0.0	6.1
Ministry of Public Works	6.1	0.0	6.1
Liberia Urban Resilience Project (LURP)	6.1	0.0	6.1
USAID	4.0	0.0	4.0
Ministry of Internal Affairs	4.0	0.0	4.0
Good Governance Activity (GGA)	4.0	0.0	4.0

Source: Department of Economic Management, MFDP

Pillar Five: Environmental Sustainability

154 Projected off-budget support by Development Partners (DPs) for the Environmental Sustainability Pillar amount to US\$32.2 million with grant accounting for 40.0 percent (US\$12.9 million) while loan accounts for 60.0 percent (US\$19.3 million). Development assistance to the sector accounts for 9.4 percent of the total foreign aid for FY2025 and a US\$28.0 million increase when compared to FY2024 (US\$4.2 million) development assistance projection for the sector. The Environmental Sustainability Pillar has one sector: the **Energy and Environment Sector**.

Table 31: Development Assistance Profile for the Energy and Environment

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
ENERGY AND ENVIRONMENT	12.9	19.3	32.2
African Development Bank	3.5	3.6	7.2
Environmental Protection Agency	2.3	-	2.3
Enhancing Climate Information Systems for Resilient Development in Liberia	2.3	-	2.3
Liberia Electricity Corporation	1.2	3.6	4.9
CLSG-RURAL ELECTRIFICATION	-	1.8	1.8
Liberia Energy Efficiency and Access Project (LEEAP)	-	1.9	1.9
Renewable Energy for Electrification in Liberia (REEL)	1.2	-	1.2
European Union	2.6	-	2.6
Environmental Protection Agency	0.3	-	0.3
PROBIO - Protecting biodiversity through law enforcement and community-led initiatives	0.3	-	0.3
Forestry Development Authority	2.1	-	2.1
GKS protection - WCF (tbc)	0.5	-	0.5
LEH GO GREEN (LET'S GO GREEN)	0.6	-	0.6
NaturAfrica Phase 1 - Liberia Gola-Foya and Kpo (working title)	0.6	-	0.6
One Landscape: One Vision - Enabling all stakeholders to achieve sustainability for people, forest and wildlife in the Wologizi-Wonegizi-Ziama landscape	0.2	-	0.2
Support to CS for VPA FLEGT - FERN (working title)	0.3	-	0.3
Rural Renewable Energy Agency	0.2	-	0.2
Feasibility Studies for the distribution networks in Buchanan and Greenville towns, Liberia	0.2	-	0.2
Germany	4.0	-	4.0
Forestry Development Authority	2.0	-	2.0
Conservation of the biodiversity in the Tai-Sapo-Cprodor: Grebo- Sapo-Park	2.0	-	2.0
Liberia Electricity Corporation	0.5	-	0.5
WAPP 4 Countries Transmission Line (CLSG), Liberia II	0.5	-	0.5
Ministry of Lands, Mines & Energy	1.5	-	1.5
Energizing Development (EnDev)	1.5	-	1.5
International Development Association	-	15.7	15.7
Liberia Electricity Corporation	-	4.3	4.3
Liberia Electricity Sector Strengthening and Access Expansion Project (LESSAP II) Second Phase	-	4.3	4.3
Ministry of Lands, Mines & Energy	-	11.4	11.4
Liberia Electricity Sector Strengthening and Access Project (LESSAP) I	-	11.4	11.4
Norway	0.5	-	0.5
Environmental Protection Agency	0.5	-	0.5
Building legal foundations for sustainable forests and livelihoods	0.4	-	0.4
Improving local livelihoods and enhance the security of Indigenous People and Local Communities in Liberia	0.1	-	0.1
Sweden	2.3	-	2.3
Environmental Protection Agency	1.1	-	1.1
Supporting A Green/Blue Economy: Liberia Blue Ocean Program	1.1	-	1.1
Ministry of Internal Affairs	1.2	-	1.2
Decentralisation Liberia II	1.2	-	1.2
Total	12.9	19.3	32.2

Source: Department of Economic Management, MFDP

Pillar Six: Human Capital Development

155 Development Partners are providing US\$144.4 million as off-budget support for the execution of projects/activities that are aligned to the Human Capital Development Pillar of the GoL's development agenda. Of this amount, grants account for 78.8 percent (US\$113.7

million) while loans account for 21.2 percent (US\$30.6 million). The US\$144.4 million off-budget support, accounts for 42.2 percent of the total development assistance for FY2025. The Human Capital Development Pillar has three sectors: the Education Sector, the Health Sector, and the Social Development Services Sector.

Education Sector

Table 32: Development Assistance Profile for the Educational Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
EDUCATION	36.5	0.0	36.5
France	0.8	0	0.8
Ministry of Education	0.8	0.0	0.8
Strengthening Integration through Vocational Education	0.8	0.0	0.8
Sweden	0.9	0.0	0.9
Ministry of Education	0.9	0.0	0.9
UN Women: Strategic Note and SGBV Joint Programme 2020-2024	0.9	0.0	0.9
USAID	34.8	0.0	34.8
Ministry of Education	34.8	0.0	34.8
Education Systems Strengthening Activity (ESSA)	5.3	0.0	5.3
Liberia Foundational Skills Activity	15.0	0.0	15.0
The Incentivize Learning Activity	4.4	0.0	4.4
Transforming the Education System for Teachers and Students (TESTS)	6.0	0.0	6.0
Youth Advance Activity	4.0	0.0	4.0
YOUTH EXCEL: OUR KNOWLEDGE, LEADING , CHANGE	0.1	0.0	0.1

Source: Department of Economic Management, MFDP

156 Development assistance appreciation to the sector amount to a grant of US\$36.5 million (off-budget) for the execution of priority projects as outline in our development agenda, the AAID. This amount accounts for 25.3 percent of the total development assistance for the Human Capital Development Pillar and US\$33.2 million increase compared to FY2024 aid projection.

Health Sector

157 Projected off-budget Development Partners assistance for the Health Sector amounts to US\$78.8 million accounting for 54.5 percent of the Human Capital Development Pillar. Of this amount, grant accounts for 79.2 percent (US\$62.4 million) while loan accounts for 20.8 percent (US\$16.3 million). Appropriation for the Health Sector increased by US\$70.1 million when compared with FY2024 appropriation (US\$8.1 million) for the sector.

Table 33: Development Assistance Profile for the Health Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
HEALTH	62.4	16.3	78.8
Germany	3.3	0.0	3.3
Ministry of Health and Social Welfare	3.3	0.0	3.3
Health System Strengthening Project (BMZ-No. 2015 68 567)	3.3	0.0	3.3
Global Fund	32.2	0.0	32.2
Ministry of Health and Social Welfare	32.2	0.0	32.2
HIV/AIDS Response for Key Population and Community TB Programme in High Burden Areas in	21.0	0.0	21.0
Scaling up Malaria Prevention, Treatment and Control Intervention in Liberia for Sustained Impact	11.2	0.0	11.2
International Development Association	0.7	16.3	17.0
Ministry of Health and Social Welfare	0.7	16.3	17.0
Institutional Foundations to Improve Services For Health (IFISH)	0.0	16.3	16.3
Liberia COVID-19 Emergency Response Project	0.7	0.0	0.7
Sweden	2.4	0.0	2.4
Ministry of Health and Social Welfare	2.4	0.0	2.4
AIFO: Coordinated Action on Disability in Liberia (CAD-L) Inception Phase	1.5	0.0	1.5
UNFPA Liberia Country Program	0.9	0.0	0.9
USAID	23.9	0.0	23.9
Ministry of Health and Social Welfare	23.9	0.0	23.9
CENTRAL MEDICAL STORES (CMS) MANAGEMENT IN LIBERIA	1.4	0.0	1.4
Countywide Sanitation Activity (CWSA)	6.6	0.0	6.6
G2G Partnership for Improved Health Outcomes	11.1	0.0	11.1
Improved Access to Safe Drinking Water in Liberia	4.0	0.0	4.0
WASH Construction Contracts Oversight	0.8	0.0	0.8

Source: Department of Economic Management, MFDP

Social Development Services Sector

Table 34: Development Assistance Profile for the Social Development Sector

SECTORS, PARTNERS AND ALIGNED MINISTRIES & AGENCIES	FY2025 Projection		
	Grant	Loan	Total
SOCIAL DEVELOPMENT SERVICES	14.8	14.3	29.1
European Union	3.4	0.0	3.4
Human Rights Commission	0.1	0.0	0.1
Civil Society Empowerment for Human Rights and Democracy	0.1	0.0	0.1
Ministry of Gender & Development	3.3	0.0	3.3
Liberia Spotlight initiative 2.0	3.3	0.0	3.3
International Development Association	9.0	14.3	23.3
Ministry of Gender & Development	0.0	14.3	14.3
Liberia Women Empowerment Project (LWEP)	0.0	14.3	14.3
Ministry of Youth & Sport	9.0	0.0	9.0
Recovery of Economic Activity for Liberian Informal Sector Employment Project (REALISE)	9.0	0.0	9.0
Norway	0.2	0.0	0.2
Digni - Together for Just, Inclusive and Sustainable Development 2023-2027	0.2	0.0	0.2
LBR Together for Just, Inclusive and Sustainable Development	0.1	0.0	0.1
Ministry of Gender & Development	0.1	0.0	0.1
LBR Together for Just, Inclusive and Sustainable Development	0.1	0.0	0.1
Sweden	2.2	0.0	2.2
Environmental Protection Agency	1.2	0.0	1.2
UNDP/FAO Community-Based Forestry and Protected Area Management (CBFM)	1.2	0.0	1.2
Ministry of Information, Culture & Tourism	0.9	0.0	0.9
Media-based Support to Social Norms	0.9	0.0	0.9

Source: Department of Economic Management, MFDP

158 Projected off-budget support by Development Partners for social development services amounts to US\$29.1 million accounting for 20.1 percent of the Human Capital Development Pillar. Of the amount, 50.8 percent (US\$14.8 million) accounts for grant while loan accounts for 49.2 percent (US\$14.3 million). Appropriation for the Social Development Services Sector increase by US\$23.7 million when compared with FY2024 appropriation (US\$5.4 million) for the sector.

FISCAL RISKS

159 Fiscal risks are essentially deviations from fiscal outcomes expected at the time of budget formulation. These deviations might create a significant impact on government finances and impair the capacity of governments to use fiscal policy to stabilize economic activity and support long-term growth.

160 These risks can originate from inside the government (e.g. as a result of issuing a government guarantee) or from outside the government (e.g. as a result of an economic downturn). Risks can materialize either as a result of a discrete event (e.g. a financial crisis) or the gradual accumulation of pressure (e.g. the aging of the population).

161 Thus, a comprehensive understanding of the sources, scale, and likelihood of fiscal risks is critical to ensuring that governments meet their fiscal objectives with confidence. A failure to appreciate and address these risks can leave governments vulnerable to fiscal shocks and obliged to take sudden and disruptive policy actions to restore credibility and long-term fiscal sustainability.

162 These risks could arise from macroeconomic shocks and the realization of contingent liabilities that originate from banking crises, natural disasters, state-owned enterprises, subnational government bailouts, legal claims, the issuance of guarantees, and public-private partnerships.

163 The Government – through the Ministry of Finance and Development Planning – is responsible for tracking, managing, and mitigating fiscal risks which are essentially events that pose a threat, or opportunity in the case of “upside” risks, to the Government’s fiscal position and as a consequence, to the Liberian economy. These risks could affect revenue generation potentials, expenditure outlays, incurring and managing debts, and the execution/operation of the budget.

164 Macroeconomic shocks could manifest themselves via the following channels:

- a. The Country's real GDP grew by 4.6 percent in 2023 down from 4.8 percent in 2022 and projected to edge to 5.1 percent in 2024 before averaging 5.6 percent in the medium term. Thus, over the course of the budget year, a worsening of the growth rate due to the resurgence of the pandemic and/or an increase in global prices of the Country's key import commodities could constrain revenue collection. With lower revenue, expenditures will have to be adjusted downwards to match available revenues to avoid an increase in public debts. However, a rise in the global prices of the Country's key export commodities could mitigate said adverse impact on the Government's fiscal space.
- b. Depreciation in the exchange rate could increase the prices of commodities traded on the domestic market thereby reducing demand and adversely affecting the welfare of the people. As demand falls, sales plummet thereby leading to a fall in government revenue. Moreover, the pass-through effect of an exchange rate depreciation to prices will increase government expenditures. To avoid an increase in debts, expenditures will have to be adjusted downwards to match available revenues.
- c. Changes in global commodity prices could have an ambiguous impact on the Government's public finances. An increase in the nation's key export commodities could generate an increase in domestic economic activities thereby improving the Government's public finances. Conversely, an increase in the global prices of the nation's key import commodities, such as petroleum and rice, could constrain public finances.
- d. Volatility in aid flows could affect the implementation of projects that are financed using aid funds. A reduction in aid flows could interrupt the implementation of said projects. To avoid said interruptions, the Government would have to assume the responsibility to finance said projects thereby putting added pressure on the Government's fiscal space.

165 In addition to macroeconomic shocks, fiscal risks could emerge from contingent liabilities via the following channels: the financial sector, legal claims, subnational government, state-owned enterprises (SOEs), private non-financial companies, public-private partnerships (PPPs) and natural disasters (flood and the pandemic). The occurrence of any of the abovementioned could potentially constrain the Government's fiscal space.

SUMMARY: FY2025 National Budget and Off-Budget Development Assistance

A total of US\$1.2 billion is projected by the Liberian Government and its development partners for investment in Liberia for the period 2025. Of this amount, the FY2025 Draft National Budget accounts for 72.6 percent while off-budget development assistance accounts for 27.4 percent. Compared to FY2024, the National Budget which includes 87.5 percent recurrent expenditure and 12.5 percent expenditure for Public Sectors Investment Projects increased by 15.3 percent while Development Assistance which includes 56.6 percent grant and 43.4 percent loan increased by 20.7 percent.

Table 35: FY2025 Budget and Off-Budget Development Assistance

AAID Pillar and Budget Sectors	FY2025 National Budget			Development Assistance			Grand Total
	Recurrent	PSIPs	Total	Grant	Loan	Total	
Pillar 1: Economic Transformation	15.9	8.5	24.4	29.9	35.8	65.7	90.1
Agriculture	7.2	8.0	15.2	26.6	25.3	51.9	67.1
Industry and Commerce	8.7	0.5	9.2	3.3	10.5	13.8	23.0
Pillar 2: Infrastructural Development	14.3	56.8	71.0	1.8	40.1	41.9	112.9
Infrastructure and Basic Services	14.3	56.8	71.0	1.8	40.1	41.9	112.9
Pillar 3: Rule of Law	116.2	4.7	120.9	2.3	-	2.3	123.2
Security and Rule of Law	116.2	4.7	120.9	2.3	-	2.3	123.2
Pillar 4: Governance and Anti-Corruption	385.1	12.1	397.3	21.2	13.7	34.9	432.2
Transparency and Accountability	26.2	0.9	27.1	4.9	-	4.9	32.0
Public Administration	330.1	6.5	336.7	4.9	13.7	18.6	355.3
Municipal Government	28.8	4.7	33.5	11.4	-	11.4	44.9
Pillar 5: Environmental Sustainability	16.9	6.1	23.0	12.9	19.3	32.2	55.2
Energy and Environment	16.9	6.1	23.0	12.9	19.3	32.2	55.2
Pillar 6: Human Capital Development	197.3	17.9	215.2	113.7	30.6	144.3	359.5
Education	108.3	6.5	114.8	36.5	-	36.5	151.3
Health	80.5	5.4	85.8	62.4	16.3	78.7	164.5
Social Development Services	8.5	6.0	14.6	14.8	14.3	29.1	43.7
Grand Total	745.7	106.1	851.8	181.8	139.5	321.3	1,173.1

Source: Department of Budget and Department of Economic Management, MFDP

APPENDIX

Table 36: Recurrent Expenditure Table

Economic Classifications by Entities and by Sectors	FY2025 DRAFT BUDGET
01 - Public Administration	330.1
101 - National Legislature	39.9
21-COMPENSATION OF EMPLOYEES	25.8
22-USE OF GOODS AND SERVICES	10.3
26-GRANTS	3.8
102 - Ministry of State for Presidential Affairs	14.7
21-COMPENSATION OF EMPLOYEES	4.7
22-USE OF GOODS AND SERVICES	6.6
26-GRANTS	1.9
27 - SOCIAL BENEFITS	0.1
31-NON-FINANCIAL ASSETS	1.4
103 - Office of the Vice President	3.8
21-COMPENSATION OF EMPLOYEES	1.8
22-USE OF GOODS AND SERVICES	1.6
31-NON-FINANCIAL ASSETS	0.4
107 - Civil Service Agency	32.3
21-COMPENSATION OF EMPLOYEES	3.0
22-USE OF GOODS AND SERVICES	1.9
26-GRANTS	15.3
27 - SOCIAL BENEFITS	12.1
31-NON-FINANCIAL ASSETS	0.0
108 - General Services Agency	2.0
21-COMPENSATION OF EMPLOYEES	1.4
22-USE OF GOODS AND SERVICES	0.6
109 - Ministry of Information, Culture, and Tourism	3.5
21-COMPENSATION OF EMPLOYEES	2.1
22-USE OF GOODS AND SERVICES	0.8
26-GRANTS	0.4
31-NON-FINANCIAL ASSETS	0.2
111 - Ministry of Foreign Affairs	22.0
21-COMPENSATION OF EMPLOYEES	12.9
22-USE OF GOODS AND SERVICES	8.7
26-GRANTS	0.2
31-NON-FINANCIAL ASSETS	0.2
112 - Liberia Inst. of Public Administration	1.2
21-COMPENSATION OF EMPLOYEES	0.8
22-USE OF GOODS AND SERVICES	0.4
114 - Liberia Inst. of Statistics and Geo-Information Services	1.8

21-COMPENSATION OF EMPLOYEES	1.7
22-USE OF GOODS AND SERVICES	0.1
26-GRANTS	0.0
115 - Bureau of State Enterprises	0.7
21-COMPENSATION OF EMPLOYEES	0.5
22-USE OF GOODS AND SERVICES	0.2
31-NON-FINANCIAL ASSETS	0.1
130 - Ministry of Finance and Dev Planning	188.7
21-COMPENSATION OF EMPLOYEES	11.4
22-USE OF GOODS AND SERVICES	9.7
25-SUBSIDY	0.4
26-GRANTS	29.0
31-NON-FINANCIAL ASSETS	1.1
41-DOMESTIC LIABILITIES	61.9
42-FOREIGN LIABILITIES	75.1
140 - Liberia Revenue Authority	18.4
21-COMPENSATION OF EMPLOYEES	11.7
22-USE OF GOODS AND SERVICES	6.3
26-GRANTS	0.4
141 - Tax Appeal Board	0.7
21-COMPENSATION OF EMPLOYEES	0.4
22-USE OF GOODS AND SERVICES	0.2
31-NON-FINANCIAL ASSETS	0.1
315 - National Food Assistance Agency	0.5
21-COMPENSATION OF EMPLOYEES	0.3
22-USE OF GOODS AND SERVICES	0.1
31-NON-FINANCIAL ASSETS	0.1
02 - Municipal Government	28.8
105 - Ministry of Internal Affairs	23.6
21-COMPENSATION OF EMPLOYEES	12.1
22-USE OF GOODS AND SERVICES	0.4
26-GRANTS	11.1
142 - National Identification Registry	0.8
21-COMPENSATION OF EMPLOYEES	0.7
22-USE OF GOODS AND SERVICES	0.1
143 - National Disaster Management Agency	0.7
21-COMPENSATION OF EMPLOYEES	0.6
22-USE OF GOODS AND SERVICES	0.2
318 - Monrovia City Corporation	3.1
21-COMPENSATION OF EMPLOYEES	2.8
22-USE OF GOODS AND SERVICES	0.2
325 - Paynesville City Corporation	0.6
21-COMPENSATION OF EMPLOYEES	0.5
22-USE OF GOODS AND SERVICES	0.1

03 - Transparency and Accountability	26.2
110 - General Auditing Commission	5.9
21-COMPENSATION OF EMPLOYEES	4.3
22-USE OF GOODS AND SERVICES	1.6
113 - National Elections Commission	4.2
21-COMPENSATION OF EMPLOYEES	3.3
22-USE OF GOODS AND SERVICES	0.9
117 - Governance Commission	2.3
21-COMPENSATION OF EMPLOYEES	2.0
22-USE OF GOODS AND SERVICES	0.2
26-GRANTS	0.0
118 - Public Procurement and Concession Commission	1.5
21-COMPENSATION OF EMPLOYEES	1.0
22-USE OF GOODS AND SERVICES	0.4
31-NON-FINANCIAL ASSETS	0.1
119 - Center for National Documents and Archives	0.9
21-COMPENSATION OF EMPLOYEES	0.7
22-USE OF GOODS AND SERVICES	0.1
123 - Liberia Anti-Corruption Commission	2.2
21-COMPENSATION OF EMPLOYEES	1.2
22-USE OF GOODS AND SERVICES	1.0
128 - Independent Information Commission	0.4
21-COMPENSATION OF EMPLOYEES	0.2
22-USE OF GOODS AND SERVICES	0.1
31-NON-FINANCIAL ASSETS	0.0
129 - Liberia Land Authority	2.0
21-COMPENSATION OF EMPLOYEES	1.7
22-USE OF GOODS AND SERVICES	0.3
31-NON-FINANCIAL ASSETS	0.0
132 - Internal Audit Agency	3.9
21-COMPENSATION OF EMPLOYEES	3.2
22-USE OF GOODS AND SERVICES	0.7
345 - Office of the Ombudsman	0.7
21-COMPENSATION OF EMPLOYEES	0.5
22-USE OF GOODS AND SERVICES	0.2
31-NON-FINANCIAL ASSETS	0.0
431 - Liberia Extractive Industry Initiative	0.7
21-COMPENSATION OF EMPLOYEES	0.2
22-USE OF GOODS AND SERVICES	0.5
31-NON-FINANCIAL ASSETS	0.0
451 - Financial Intelligence Agency	1.6
21-COMPENSATION OF EMPLOYEES	0.9
22-USE OF GOODS AND SERVICES	0.7
31-NON-FINANCIAL ASSETS	0.1

04 - Security and Rule of Law	116.2
124 - Law Reform Commission	0.8
21-COMPENSATION OF EMPLOYEES	0.5
22-USE OF GOODS AND SERVICES	0.2
31-NON-FINANCIAL ASSETS	0.0
201 - Judiciary	23.6
21-COMPENSATION OF EMPLOYEES	7.6
22-USE OF GOODS AND SERVICES	4.3
27 - SOCIAL BENEFITS	11.7
202 - Ministry of Justice	45.4
21-COMPENSATION OF EMPLOYEES	32.5
22-USE OF GOODS AND SERVICES	11.9
26-GRANTS	0.9
31-NON-FINANCIAL ASSETS	0.1
203 - Ministry of National Defence	19.6
21-COMPENSATION OF EMPLOYEES	12.4
22-USE OF GOODS AND SERVICES	5.7
26-GRANTS	1.3
27 - SOCIAL BENEFITS	0.1
31-NON-FINANCIAL ASSETS	0.1
204 - National Security Agency	15.0
21-COMPENSATION OF EMPLOYEES	1.0
22-USE OF GOODS AND SERVICES	14.0
205 - Executive Protection Services	8.9
21-COMPENSATION OF EMPLOYEES	6.4
22-USE OF GOODS AND SERVICES	2.3
31-NON-FINANCIAL ASSETS	0.2
208 - Human Rights Commission	1.2
21-COMPENSATION OF EMPLOYEES	1.1
22-USE OF GOODS AND SERVICES	0.1
26-GRANTS	0.0
448 - Liberia National Commission on Arms	1.0
21-COMPENSATION OF EMPLOYEES	0.6
22-USE OF GOODS AND SERVICES	0.3
26-GRANTS	0.0
31-NON-FINANCIAL ASSETS	0.1
452 - National Center for Coordination of Response Mechanism	0.6
21-COMPENSATION OF EMPLOYEES	0.5
22-USE OF GOODS AND SERVICES	0.2
05 - Health	80.5
310 - Ministry of Health	61.1
21-COMPENSATION OF EMPLOYEES	43.3
22-USE OF GOODS AND SERVICES	10.1
25-SUBSIDY	0.7

26-GRANTS	6.9
31-NON-FINANCIAL ASSETS	0.1
311 - John F. Kennedy Medical Center	7.2
21-COMPENSATION OF EMPLOYEES	6.5
22-USE OF GOODS AND SERVICES	0.6
31-NON-FINANCIAL ASSETS	0.1
312 - Phebe Hospital and School of Nursing	1.3
21-COMPENSATION OF EMPLOYEES	0.9
22-USE OF GOODS AND SERVICES	0.4
26-GRANTS	0.0
336 - Lib Board for Nursing and Midwifery	0.2
21-COMPENSATION OF EMPLOYEES	0.2
22-USE OF GOODS AND SERVICES	0.0
337 - Liberia Pharmacy Board	0.3
21-COMPENSATION OF EMPLOYEES	0.2
22-USE OF GOODS AND SERVICES	0.0
31-NON-FINANCIAL ASSETS	0.0
338 - Liberia Medical Dental Council	0.6
21-COMPENSATION OF EMPLOYEES	0.4
22-USE OF GOODS AND SERVICES	0.2
339 - Liberia College of Physicians	1.3
21-COMPENSATION OF EMPLOYEES	1.1
22-USE OF GOODS AND SERVICES	0.2
31-NON-FINANCIAL ASSETS	0.0
434 - Liberia Medical and Health Products Regulatory Authority	1.5
21-COMPENSATION OF EMPLOYEES	1.3
22-USE OF GOODS AND SERVICES	0.2
435 - National Aids Commission	0.7
21-COMPENSATION OF EMPLOYEES	0.6
22-USE OF GOODS AND SERVICES	0.0
436 - Jackson F Doe Hospital	2.5
21-COMPENSATION OF EMPLOYEES	1.7
22-USE OF GOODS AND SERVICES	0.7
439 - National Public Health Institute of Liberia	3.9
21-COMPENSATION OF EMPLOYEES	2.7
22-USE OF GOODS AND SERVICES	0.9
26-GRANTS	0.4
06 - Social Development Services	8.5
314 - Ministry of Youth and Sports	4.0
21-COMPENSATION OF EMPLOYEES	1.6
22-USE OF GOODS AND SERVICES	0.6
26-GRANTS	1.8
319 - Liberia Refugee Repatriation Resettlement Commission	0.7
21-COMPENSATION OF EMPLOYEES	0.6

22-USE OF GOODS AND SERVICES	0.1
321 - National Comm. on Disabilities	0.3
21-COMPENSATION OF EMPLOYEES	0.2
22-USE OF GOODS AND SERVICES	0.1
26-GRANTS	0.1
322 - National Veterans Bureau	0.5
21-COMPENSATION OF EMPLOYEES	0.4
22-USE OF GOODS AND SERVICES	0.0
323 - Liberia Agency for Community Empowerment	0.6
21-COMPENSATION OF EMPLOYEES	0.6
22-USE OF GOODS AND SERVICES	0.1
340 - Ministry of Gender, Children and Social Protection	2.4
21-COMPENSATION OF EMPLOYEES	1.7
22-USE OF GOODS AND SERVICES	0.2
25-SUBSIDY	0.3
26-GRANTS	0.1
31-NON-FINANCIAL ASSETS	0.1
07 - Education	108.3
301 - Ministry of Education	44.0
21-COMPENSATION OF EMPLOYEES	38.0
22-USE OF GOODS AND SERVICES	3.7
25-SUBSIDY	1.2
26-GRANTS	1.1
302 - University of Liberia	33.5
26-GRANTS	33.5
303 - Monrovia Consolidated School System	4.3
21-COMPENSATION OF EMPLOYEES	3.9
22-USE OF GOODS AND SERVICES	0.4
304 - Booker Washington Institute	1.8
21-COMPENSATION OF EMPLOYEES	1.2
22-USE OF GOODS AND SERVICES	0.6
306 - Cuttington University College	0.2
22-USE OF GOODS AND SERVICES	0.2
307 - National Commission on Higher	0.4
21-COMPENSATION OF EMPLOYEES	0.3
22-USE OF GOODS AND SERVICES	0.1
25-SUBSIDY	0.1
308 - William V.S. Tubman University	5.8
26-GRANTS	5.8
309 - West African Examinations Council	5.4
21-COMPENSATION OF EMPLOYEES	0.4
22-USE OF GOODS AND SERVICES	5.0
316 - Agricultural and Industrial Training Bureau	0.5
21-COMPENSATION OF EMPLOYEES	0.3

22-USE OF GOODS AND SERVICES	0.2
31-NON-FINANCIAL ASSETS	0.0
326 - Zorzor Rural Teacher Training	0.8
26-GRANTS	0.8
327 - Webbo Rural Teacher Training Institute	0.7
26-GRANTS	0.7
328 - Kakata Rural Teacher Training	1.1
26-GRANTS	1.1
329 - Bassa County Community College	0.9
26-GRANTS	0.9
330 - Bomi County Community College	0.9
26-GRANTS	0.9
333 - Nimba Community College	1.6
26-GRANTS	1.6
334 - Lofa Community College	1.9
26-GRANTS	1.6
31-NON-FINANCIAL ASSETS	0.3
335 - Bong Community College	1.5
26-GRANTS	1.5
341 - Grand Gedeh Community College	0.9
26-GRANTS	0.9
342 - Harbel College	0.6
26-GRANTS	0.6
343 - Sinoe Community College	0.6
26-GRANTS	0.6
444 - Grand Kru Technical College	0.6
26-GRANTS	0.6
449 - River Gee Technical College	0.3
26-GRANTS	0.3
346- Maryland Vocational Training Institute	0.2
26-GRANTS	0.2
08 - Energy and Environment	16.9
120 - Environmental Protection Agency	1.5
21-COMPENSATION OF EMPLOYEES	1.3
22-USE OF GOODS AND SERVICES	0.3
134 - National water sanitation and Hygiene Commission	0.8
21-COMPENSATION OF EMPLOYEES	0.6
22-USE OF GOODS AND SERVICES	0.3
305 - Forestry Training Institute	0.5
21-COMPENSATION OF EMPLOYEES	0.1
22-USE OF GOODS AND SERVICES	0.3
407 - Forestry Development Authority	4.2
21-COMPENSATION OF EMPLOYEES	2.8
22-USE OF GOODS AND SERVICES	0.1

25-SUBSIDY	0.5
26-GRANTS	0.7
413 - Liberia Water and Sewer Corporation	5.0
22-USE OF GOODS AND SERVICES	4.0
26-GRANTS	1.0
416 - Liberia Electricity Corporation	0.8
22-USE OF GOODS AND SERVICES	0.8
438 - Rural Renewable Energy Agency	0.4
21-COMPENSATION OF EMPLOYEES	0.3
22-USE OF GOODS AND SERVICES	0.1
443 - Ministry of Mines & Energy	3.7
21-COMPENSATION OF EMPLOYEES	2.2
22-USE OF GOODS AND SERVICES	0.5
26-GRANTS	0.9
31-NON-FINANCIAL ASSETS	0.1
09 - Agriculture	7.2
131 - Liberia Agriculture Commodity Regulatory Authority	0.6
21-COMPENSATION OF EMPLOYEES	0.5
22-USE OF GOODS AND SERVICES	0.1
401 - Ministry of Agriculture	4.0
21-COMPENSATION OF EMPLOYEES	3.5
22-USE OF GOODS AND SERVICES	0.4
26-GRANTS	0.1
405 - Cooperative Development Agency	0.8
21-COMPENSATION OF EMPLOYEES	0.5
22-USE OF GOODS AND SERVICES	0.3
26-GRANTS	0.0
31-NON-FINANCIAL ASSETS	0.1
426 - Central Agriculture Research Institute	1.8
21-COMPENSATION OF EMPLOYEES	1.4
22-USE OF GOODS AND SERVICES	0.4
441 - Rubber Development Fund Incorporated	0.1
21-COMPENSATION OF EMPLOYEES	0.1
22-USE OF GOODS AND SERVICES	0.0
10 - Infrastructure and Basic Services	14.3
121 - Liberia Broadcasting System	1.6
21-COMPENSATION OF EMPLOYEES	0.8
22-USE OF GOODS AND SERVICES	0.7
324 - National Housing Authority	0.7
21-COMPENSATION OF EMPLOYEES	0.7
22-USE OF GOODS AND SERVICES	0.0
31-NON-FINANCIAL ASSETS	0.0
404 - Ministry of Post and Telecommunications	1.9
21-COMPENSATION OF EMPLOYEES	1.6

22-USE OF GOODS AND SERVICES	0.2
26-GRANTS	0.0
31-NON-FINANCIAL ASSETS	0.1
406 - Ministry of Transport	3.4
21-COMPENSATION OF EMPLOYEES	2.1
22-USE OF GOODS AND SERVICES	0.2
26-GRANTS	1.1
409 - Ministry of Public Works	3.2
21-COMPENSATION OF EMPLOYEES	2.8
22-USE OF GOODS AND SERVICES	0.3
415 - National Transit Authority	1.8
21-COMPENSATION OF EMPLOYEES	1.5
22-USE OF GOODS AND SERVICES	0.4
419 - National Housing and Savings Banks	0.1
21-COMPENSATION OF EMPLOYEES	0.1
429 - Liberia Airport Authority	1.0
21-COMPENSATION OF EMPLOYEES	0.6
22-USE OF GOODS AND SERVICES	0.1
25-SUBSIDY	0.4
31-NON-FINANCIAL ASSETS	0.0
455 - AIRCRAFT ACCIDENT INVESTIGATION BUREAU	0.5
21-COMPENSATION OF EMPLOYEES	0.5
11 - Industry and Commerce	8.7
116 - National Investment Commission	1.1
21-COMPENSATION OF EMPLOYEES	0.7
22-USE OF GOODS AND SERVICES	0.3
31-NON-FINANCIAL ASSETS	0.1
403 - Ministry of Commerce and Industry	2.8
21-COMPENSATION OF EMPLOYEES	1.9
22-USE OF GOODS AND SERVICES	0.7
26-GRANTS	0.2
31-NON-FINANCIAL ASSETS	0.0
408 - Ministry of Labour	2.2
21-COMPENSATION OF EMPLOYEES	1.5
22-USE OF GOODS AND SERVICES	0.2
26-GRANTS	0.4
31-NON-FINANCIAL ASSETS	0.1
422 - National Insurance Corporation of Liberia	0.3
21-COMPENSATION OF EMPLOYEES	0.2
22-USE OF GOODS AND SERVICES	0.0
425 - National Lottery	0.3
21-COMPENSATION OF EMPLOYEES	0.2
22-USE OF GOODS AND SERVICES	0.0
432 - National Bureau of Concessions	1.2

21-COMPENSATION OF EMPLOYEES	0.9
22-USE OF GOODS AND SERVICES	0.2
31-NON-FINANCIAL ASSETS	0.0
440 - Liberia Intellectual Property Office	0.3
21-COMPENSATION OF EMPLOYEES	0.3
22-USE OF GOODS AND SERVICES	0.0
453 - LIBERIA STANDARDS AUTHORITY	0.5
21-COMPENSATION OF EMPLOYEES	0.4
22-USE OF GOODS AND SERVICES	0.1
26-GRANTS	0.0
31-NON-FINANCIAL ASSETS	0.0
454 - SPECIAL ECONOMIC ZONE MISSION STATEMENT	0.0
21-COMPENSATION OF EMPLOYEES	0.0
Grand Total	745.7

Source: Department of Budget, MFDP

Table 37: FY2025 Fiscal Table

USD '000	FY2023 ACTUAL	FY2024 APPROVED RECAST BUDGET	FY2024 EST. OUTTURN	FY2025 BUDGET	FY2026 PROJECTION	FY2027 PROJECTION
TOTAL DOMESTIC REVENUE	606,301	690,860	690,860	791,684	793,549	840,718
CURRENT REVENUE	606,301	686,472	690,860	772,884	793,549	840,718
Tax Revenue	523,521	575,265	571,539	633,374	642,993	681,018
Non-Tax Revenue	82,780	111,206	119,321	139,510	150,556	159,700
OTHER REVENUE	-	-	-	-	-	-
Carried Forward	-	-	-	-	-	-
Unclassified Revenue	-	4,388	-	-	-	-
<i>o/w Unprocessed Revenue in Transit to LRA system FY2022</i>	-	4,388			-	
CONTINGENT REVENUE	-	-	-	18,800	-	-
Tax Revenue				6,000		
Non-Tax Revenue				12,800		
TOTAL EXPENDITURE	747,746	738,860	530,923	851,762	833,549	840,718
CORE EXPENDITURE	747,746	738,860	530,923	832,962	833,549	840,718
CORE RECURRENT	733,469	671,424	530,923	734,996	718,688	714,720
COMPENSATION	314,737	302,161	253,397	315,175	315,175	315,175
USE OF GOODS AND SERVICES	209,027	121,699	86,175	125,135	100,771	95,704
SUBSIDIES	3,450	3,638	2,336	3,051	4,051	4,051
GRANTS	86,942	111,956	78,238	125,985	130,254	130,254
SOCIAL BENEFITS	17,034	20,188	13,483	23,837	23,937	23,937
NON-FINANCIAL ASSETS (RECURRENT)	24,798	4,889	21,756	4,813	7,500	8,600
DOMESTIC LIABILITIES: INTEREST PMT	28,229	51,750	23,588	61,869	61,869	61,869
FOREIGN LIABILITIES	49,252	55,142	51,951	75,131	75,131	75,131
CORE PUBLIC SECTOR INVESTMENT PLAN (PSIP)	14,277	67,436	24,837	97,966	114,861	125,997
CONTINGENT EXPENDITURE	-	-	-	18,800	-	-
CONTINGENT RECURRENT	-	-	-	11,012	-	-

USE OF GOODS AND SERVICES	-	-	-	4,973	-	-
SUBSIDIES	-	-	-	500	-	-
GRANTS	-	-	-	4,769	-	-
SOCIAL BENEFITS	-	-	-	100	-	-
NON-FINANCIAL ASSETS (RECURRENT)	-	-	-	671	-	-
CONTINGENT PUBLIC SECTOR INVESTMENT PLAN (PSIP)	-	-	-	7,788	-	-
FUNDING GAP (REVENUE MINUS EXPENDITURE)	-141,445	-48,000	159,936	-60,078	-40,000	-
FINANCING	187,015	48,000	48,000	60,000	40,000	-
DOMESTIC FINANCING	83,050	8,000	8,000	-	-	-
CORE	83,050	8,000	8,000	-	-	-
Grants			-			
Loans	83,050	8,000	8,000	-	-	-
EXTERNAL FINANCING	103,965	40,000	40,000	60,000	40,000	-
CORE	103,965	40,000	40,000	60,000	40,000	-
Grants	38,965	-	-	20,000	-	-
Loans	65,000	40,000	40,000	40,000	40,000	-
BALANCE CASH (+/-)	45,570	0	207,936	-78	0	-

Source: Department of Budget and Development Planning, MFDP