



REPUBLIC OF LIBERIA
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

Budget Call Circular One
FY2026

**Guidelines on the Processes and Procedures for the Strategic
Phase of the Preparation of the National Budget**

TO: ALL CENTRAL GOVERNMENT INSTITUTIONS

FROM: HON. TANNEH G. BRUNSON
DEPUTY MINISTER

DEPARTMENT OF BUDGET AND DEVELOPMENT PLANNING
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

DATE: July 15, 2025

SUBJECT: ISSUANCE OF FY2026 BUDGET CALL CIRCULAR ONE

1. INTRODUCTION

This is the first Budget Call Circular (BCC-1) for FY2026 budget preparation, in keeping with Section 17 of the Amendment and Restatement of the Public Financial Management Act of 2009, as well as Sections 15 & 16 of the Amendment and Restatement of the Public Financial Management Regulations of 2009. These provisions authorize the Minister of Finance and Development Planning (MFDP) to provide guidelines in preparing the Draft National Budget. The guidelines apply to all Spending Entities with respect to their strategic plans and programs that align with the ARREST Agenda for Inclusive Development (AAID).

The purpose of the BCC-1 is to communicate the timetable and instructions for the preparation and submission of the government's macroeconomic policy statement for FY2026-2028, and the draft budget for FY2026. It includes the basis for the projected revenue, and the indicative ceilings for entities' recurrent and capital expenditures. It also contains the FY2026 budget calendar, and guidelines on prioritization within projected resource constraints. These instructions are intended to guide entities in submitting their preliminary budgetary proposals, which will inform the Budget Framework Paper for the cabinet's approval and the issuance of BCC-2.

The issuance of the BCC-1 is part of the strategic phase of the budget preparation process, which is characterized by sector consultations, the articulation of projects and programs, and identification of priorities for the ensuing fiscal year. Immediately upon the issuance of BCC-1, the following outputs are expected at the end of the sector engagement process.

- Detailed Budget Policy Notes
- Detailed preliminary budget submission, using the baseline costing templates which is being introduced.
- Entities' medium-term programs and associated expenditure estimates

Detailed instructions on the baseline costing and the BPN are provided in Sections 7 below. **THE DEADLINE FOR SUBMISSION IS AUGUST 11, 2025.**

2. ECONOMIC BACKGROUND FOR FY2026

2.1. Macroeconomic Context

The macroeconomic projections are anchored on a set of realistic and internally consistent assumptions that reflect both domestic conditions and global economic trends. These assumptions are critical for framing fiscal policy, revenue forecasts, and expenditure planning. They incorporate current trends in commodity markets, monetary and exchange rate policy, as well as planned structural reforms in the public and private sectors. While the medium-term outlook remains positive, the assumptions are subject to revision in the event of significant external shocks or domestic policy slippage.

2.2. Macroeconomic Assumptions

Liberia's economy is expected to maintain a trajectory of moderate and resilient growth of xxx percent over the medium term (2026-2028). This growth will be influenced by mining & panning (8.6 percent), manufacturing

(5.3 percent), agriculture & fisheries (5.2 percent), and services (7.3 percent). Government reforms in public financial management, domestic revenue mobilization, and infrastructure development are expected to sustain investor confidence. However, the outlook remains sensitive to global commodity price volatility, trade relations, and climatic shocks, which may affect the country's trade balances.

3. POLICY PRIORITIES AND PROGRAM

The Government of Liberia has developed the ARREST Agenda for Inclusive Development (AAID), country's fourth postwar medium-term development framework (2025-2029). This framework seeks to build on previous efforts to transition Liberia from a low-income country to a lower-middle-income country. The AAID provides strategic direction for budget alignment and prioritization to sector and entity level programs and projects, and outcomes. Therefore, the resource allocation in the FY2026 budget will prioritize expenditures that supports the ARREST Agenda priorities: Agriculture, Roads, Rule of Law, Education, Sanitation and Tourism.

4. RECURRENT BUDGET CEILINGS

The indicative recurrent ceilings as presented in Annex 9 are the preliminary basis for spending entities to set their priorities consistent with their expected deliverables in the AAID. All programs and interventions for FY2026 must be lifted directly from the AAID. These should be reflected in the spending entities' BPNs. Attached as Annex 10 is list of programs under each policy area for ease of reference. The overall cost estimated by policy and programs must not exceed the preliminary ceilings. However, entities are allowed to shift allocations among programs.

Expenditure Ceilings

The preliminary ceilings are indicative, and were derived based on the macro-economic and fiscal performance of the FY2024 Budget and FY2025 year-to-date using the following methodology:

- a. Outer year one projections of the Approved Budget as baseline
- b. All one-off expenditures were removed
- c. Non-discretionary expenditure allocations were protected
- d. Allocations for compensation were adjusted to reflect current payroll levels and revenue performance

Particular attention should be given to compensation to ensure that personnel listing is consistent with the ceiling provided. Entities are required to include vacancies in their personnel listing. These ceilings could be revised based on cabinet recommendations.

5. INDICATIVE CAPITAL EXPENDITURE

Projects for FY2026 will prioritize Counterpart Funding, ongoing projects, and projects directly from the AAID as first claims. AAID projects have already been validated and the Public Investment Unit (PIU) of the MFDP will work with entities during the SWG engagements, after which an indicative list of projects will be submitted to the Project Investment Board for approval. Therefore, entities are required to use the new costing template and checklist (Annexes 1&2) when submitting their proposals.

EXTERNALLY FUNDED PROJECTS

In keeping with the National Aid Policy and as part of Government's commitment to enhance transparency and better resource allocation, all spending entities are required to include in their budget submissions a full disclosure of all donor funded capital investment projects over the medium term (2026-2028) for inclusion in the FY2026 national budget. This is intended to both avoid duplication and ensure that all donor financed projects are aligned with government priorities. This will also ensure efficiency in public planning, spending, monitoring and reporting on public investment. Submission should be in accordance with Annex 3.

6. COUNTERPART FUNDING

Counterpart funding will be consistent with Government's policy and priorities for FY2026 and will be directed to the following key sectors: Infrastructures & Basic Services and Energy & Environment sectors. Estimating the cost of projects and programs with cost-sharing implications for accountability on the National Budget demonstrates openness and credibility to the budget process. Below is the indicative list of CPF and associated cost.

FY2026 Indicative Counterpart Funding	
Project Name	FY2026
Energy and Environment	1,133,900
River Gee Hydropower project	200,000
Monrovia Metropolitan Climate Resilience Project (MMCRP)	800,000
Liberia Forest Sector Project	133,900
Infrastructure and Basic Service	12,180,027
RIA Runway project	714,957
Mano River Union II	1,331,549
Mano River Union II	543,122
Mano River Union	72,536
GBARNGA SALAYEA ROAD	1,271,609
Budget Support	4,276,254
SECRAMP	3,300,000
ECOWAS Bank for Investment and Development Barclayville - Klowne -Sasstown Road Construction Project	670,000
TOTAL	13,313,927

7. BASELINE COSTING

The Government is reintroducing baseline costing which is intended to serve as reference point and provide an indication of the spending pressure for FY2026 and the drivers, as well as the current fiscal space. The guidance provided here are intended to help spending entities **calculate the baseline for different expenditure categories, using the different templates, when preparing the detailed submission. MFDP will provide training in the coming days on how to calculate the baseline. There are two different costing techniques provided in the attached templates (Annexes 4-6)** which will help in estimating the most plausible forecast for expenditure and revenue.

a. Costing Technique 1: Quantity times Frequency times Unit Cost

This is the preferred costing technique to be used when calculating expenditure items. It supports transparency as it helps to best trace the assumptions of the calculation and its validity. Spending entities are required to use this technique when reliable data for quantities and prices is available.

b. Costing Technique 2: Trend

This technique which takes expenditure developments from most recent years to the future should be used as a second option if Costing Technique 1 is not applicable due to inadequate data for frequency and unit cost or complex calculation. Also, this technique is applicable if there is no indication available that future developments might substantially deviate from the past.

8. PROGRAM BASED BUDGETING

The Government in line with the AAID will begin the implementation of Program Based Budgeting (PBB) in FY2026 as part of the reintroduction of the Medium-Term Expenditure Framework (MTEF) program. This provides an opportunity to depart from Line-Item Budgeting to allocating resources based on specific programs and objectives, thereby linking expenditure to outcomes, improving the efficient use of resources over a multi-year period and aligning resources to policy goals and strategic objectives. Through this process, the Government is committed to ensuring that budget planning is consistent with the AAID goals and targets. It will also provide an opportunity set to improve budget credibility, and accountability in public spending.

It integrates Gender Responsive Planning and Budgeting, Climate Change Adaptation, and Performance Management and Compliance System (PMCS) interventions. This implementation will take into account the 52 programs of the AAID. The MFDP will work with all spending entities to ensure that their budgetary submissions are consistent with the PBB format.

9. PERFORMANCE MANAGEMENT AND COMPLIANCE SYSTEM (PMCS)

The PMCS remains a core mechanism for ensuring **value for money**, enhancing accountability, and aligning institutional performance with national priorities as outlined in the AAID, all entities are required to align their FY2026 budget submissions with their Institutional Performance Targets across the five performance areas: A) Strategic Plan Development & Implementation, B) Service Delivery Charter (SDC) Implementation, C) Resource Mobilization, D) Systems Efficiency Improvement, and E) Institutional Capacity Building (PMCS). Entities are also required to budget for the implementation of their 2026 PMCS targets, which were developed in coordination with the Cabinet Office. Each institution must ensure that activities, programs, and reforms related to these five areas are adequately costed and reflected in their FY2026 budget submissions.

9.1. Key Integration Guidelines

- **Strategic Plan:** Budget must reflect core activities aligned with the institution's AAID-mapped strategic priorities.
- **SDC Implementation:** Include cost items tied to service improvement and client feedback mechanisms.
- **Resource Mobilization:** Co-financing, donor coordination, and revenue enhancement strategies should be costed and justified.
- **Efficiency Measures:** Identify and budget for digital tools, system upgrades, and reforms that reduce waste or delays.
- **Capacity Building:** Budget proposals should address training and institutional learning needs identified in the CNA or workforce plan.

9.2. Compliance Requirements and Performance Reporting

All entities must attach their **Q2 PMCS Progress Report** using the approved template, as non-compliance or lack of alignment with PMCS deliverables may affect funding prioritization. Entities are also required to submit **quarterly performance reports** to both the **Cabinet Office** and the **Ministry of Finance and Development Planning (MFDP)** outlining: a) Progress made toward their PMCS and AAID targets; b) implementation status of deliverables; and c) challenges and mitigation actions.

10. POLICY GUIDANCE ON EFFICIENT PUBLIC SPENDING

Ensuring fiscal prudence is critical to executing a credible budget. All public spending shall be consistent with the Amendment and Restatement of the PFM Law of 2009 and its regulations, the Public Procurement and Concession Act, as well as fiscal measures and rules which will be issued by the MFDP. These measures are intended to reduce wasteful spending and ensure allocative and operational efficiency. More specifically, the following measures will be strictly adhered to in FY2026:

- A) The cost of utilities continues to remain underbudgeted. The MFDP is working with the service providers and spending entities to determine entities' actual demand which will be included in their ceilings. While entities will continue **to directly negotiate their access to and cost of utilities with the relevant providers, preferably on prepaid basis, the amount for utility communicated in their ceilings will NOT BE DISCRETIONARY.**
- B) Revenue performance is not favorable, making the fiscal space very tight. Therefore, upward adjustments to compensation will not be allowed until the situation improves.
- C) **To ensure fiscal prudence, compensation and consultancy services will jointly be managed by the Ministry of Finance and Development Planning (MFDP) and the Civil Service Agency (CSA). The intent is to ensure the proper management of the fiscal impact of these services.**
- D) The General Services Agency (GSA) and the Public Procurement and Concession Commission (PPCC) will continue to review recurrent cost of rental and lease agreements for cost effectiveness and value for money.
- E) The Government will introduce as part of its vehicle and fleet management policy the purchasing of used vehicle. Entities will be allowed to purchase used vehicles up to 20 percent. This is intended to support local Liberian businesses.

11. GENDER STATEMENT FOR FY2026

For the ongoing Gender Responsive Planning & Budgeting (GRPB) pilot initiatives, all spending entities in the program are to consider the following guidelines when preparing their budget policy notes:

- A) Preparation and submission of work plan in line with the National Gender Responsive Planning & Budgeting Policy
- B) Budget proposals from Spending Entities should reflect the gender disaggregated data per sector and department by program using the below template:

Table 2: FY2026 Gender Disaggregated by Sector, Agency and Department

FTE BY SECTOR, AGENCY and DEPARTMENT	GRAND TOTAL FTEs	GENDER	
SECTOR	-	M	F
01 - Public Administration	-	-	-
101 - National Legislature	-	-	-
10101 - Office of the Pro Tempore		-	-
10102 - The Liberian Senate			
10103 - Office of the Speaker			
10104 - Office of the Deputy Speaker			
10105 - House of Representatives			

12. IMPLEMENTATION OF PUBLIC GRANTS & SUBSIDIES POLICY

The government's policy on the implementation of the approved Public Grants & Subsidy Policy shall remain unchanged until further decisions are reached by relevant authorities. **Hence, the Ministries of Health, Education, Youth & Sports, Information, Cultural Affairs & Tourism, Gender, Children & Social Protection** are urged to continue the implementation of this Policy. These institutions are to ensure that recipients of the Grant & Subsidy funds meet the necessary criteria, and must submit the list of those recipients to MFDP for prudent fiscal transparency and compliance in the management of public resources.

13. BUDGET MANAGEMENT COMMITTEE (BMC)

Each head of government agency is required to establish a Budget Management Committee, which will be responsible for budget formulation, implementation, monitoring and evaluation. The MFDP will hold BMC responsible for the exercise of this mandate. Budget Committees are composed of:

- (a) The Head of Government Agency (Chairperson)
- (b) Heads of Budget Management Centers or Cost Centers
- (c) Assigned Budget and Planning Analysts as forum facilitators, and
- (d) Finance and Procurement Officers and other such officers as may be deemed necessary for broad participation which assures budget credibility, comprehensiveness and realistic estimates.

The BMC is to produce realistic and comprehensive budgets within budgetary ceilings with the involvement of key stakeholders across the entity. It must approve all submissions and ensure that all required information and templates are filled out correctly. It must also be prepared to defend the entity's proposal at the Executive Budget Hearings.

14. FISCAL DECENTRALIZATION

The Government of Liberia has made a significant progress on fiscal decentralization, especially with the passage of the Local Government Law. For FY2026, six new county treasurers will be added to the existing four and the expenditures for at least twenty (20) spending entities will be geographically disaggregated. This is intended to increase disbursement at the subnational level. Implementation of the County Development Funds, Social Development Funds, Revenue Sharing Agreements with Forestry, and other types of revenue-sharing agreements, as well as special funds agreement will continue to be administered by provisions of the Local Government Act of 2018.

15. FISCAL TRANSPARENCY INITIATIVE

The Government of Liberia remains committed to continued improvements of its fiscal transparency and public participation indices, as well as PFM ratings. As part of the effort in this regard, FY2026 will focus on the development of a dedicated online platform, expanding public participation mechanisms to all counties, timely publication of fiscal information, including Budget Performance Reports and strengthening of the Fiscal Transparency Advisory Group (FTAG). Therefore, all entities are required to ensure the submission of quarterly budget performance reports, as well as the comprehensive and timely availability of budgetary information in keeping with Section 48.2 of the Amendment and Restatement of the PFM Law of 2009.

16. STATE-OWNED ENTERPRISES (SOEs)

Section 18.1(f) of the Amendment and Restatement of the PFM Act of 2009, requires the Minister to present along with the budget an “annex summarizing the annual financial plans (budget) and operations of each SOE or financial institutions’ specific format for such annex will be prescribed in regulation issued under this act.” In addition, Section 58.1 of the Amendment and Restatement of the PFM Act states that “the strategic and annual financial plans of each State-Owned Enterprise shall be approved by the board and copies thereof submitted to the Sector Minister and the Minister.” Therefore, SOEs are required to submit their Board-approved Financial Plans for the FY2026 National Budget, utilizing the format of the National Budget, within the timetable outlined in this Call Circular. The financial plans should include:

- A) Actual Budget Performance for FY2024
- B) Approved FY2025 Budget
- C) Estimated Outturn for FY2025 Budget
- D) FY2026 Budget Estimates
- E) FY2027 Budget Projections
- F) FY2028 Budget Projections

Additionally, all SOEs undertaking Social Corporate Responsibilities projects or programs must ensure that they align with the AAID. This is intended to ensure coherent, efficient, and impactful progress toward a country's long-term development objectives.

17. BUDGET POLICY NOTES AND CHECKLIST

The preparation of budgetary proposals by Spending Entities will be guided by the following:

- A) The environments, time and budgetary constraints within which Spending Entities operate.
- B) Allocations for projects should consider the medium-term budget planning implications, and the underlying assumptions should reasonably consider the prevailing global economic pressures.

Project interventions or activities in sector planning should come directly from the AAID. The following templates are required for submission of the budget proposals for FY2026:

- (a) Budget Preparation Checklist signed by the Head of the Entity (Annex 12)
- (b) Budget Policy Note (Annex 13)

18. BUDGET CALENDAR

Below is the revised budget preparation calendar. The timetable for budget hearings will be communicated with the final ceilings in August. Given the introduction of baseline costing, entities are advised to begin budget preparation now and work closely with their budget counterparts at the Department of Budget and Development Planning in order to be ready to make final adjustments to their budget submissions after receiving these final ceilings.

Table 3: Revised Budget Calendar

Ministry of Finance and Development Planning			
FY2026 Budget Preparation Revised Timelines			
No	Key Activity	Start Date	End Date
1	Issuance of Budget Call Circular 1		15-Jul
2	Conduct of Baseline Costing Training	21-Jul	11-Aug
3	Conduct of Sector Working Group Engagement	21-Jul	11-Aug
4	Submission of Budget Policy Notes and Preliminary Budget Proposals		11-Aug
5	Cabinet Review and Approval of Preliminary Budget Proposals		13-Aug
6	Cabinet Approval of Budget Framework Paper		20-Aug
7	Submission of Budget Framework Paper to Legislature		22-Aug
8	Issuance of Budget Call Circular 2		31-Aug
9	Submission of Final Budgetary Proposals	1-Sep	16-Sep
10	Conduct of Executive Budget Hearings (Revenue & Expenditures)	1-Sep	16-Sep
11	Cabinet Review and Approval of Draft National Budget		15-Oct
12	Submission of Draft National Budget to the Legislature		31-Oct

19. ANNEXURES

- Annex 1: PSIP Proposal Template
- Annex 2: PSIP Checklist
- Annex 3: Externally Funded Project Templates
- Annex 4: Baseline Costing (Compensation)
- Annex 5: Baseline Costing (Goods and Services)
- Annex 6: Baseline Costing (PSIP)
- Annex 7: Budget Policy Note Template
- Annex 8: Personnel Listing Template
- Annex 9: Indicative Ceilings
- Annex 10: AAID Interventions by Entities

Annex 11: Budget Proposals Preparation Checklist

Does your entity have a Budget Management Committee ?	
If so, did your Budget Management Committee meet to review the budget policy notes in order to formulate a detailed budget estimates during Budget Preparation for FY2026?	
Is there a gender focal point on the Budget Management Committee as member?	

Performance Management and Compliance System (For Cabinet Members Only)

Is your institution a Cabinet Level Institution? If no, write “n/a” in succeeding columns	
Have you completed the PMCS Template (template xxx)?	
Have you completed Draft Performance Contract with the Cabinet Secretariat?	
Have you completed negotiations and signed your Performance Contract for FY2026?	

Sector Strategic Plan

Are there any counterpart funding requirements for FY2026?	
<ul style="list-style-type: none"> • Are the requirements specified in terms of cash value or in-kind value? 	
If so, have you completed and attached the requirements (template xxx)?	
Have you been awarded funding for ongoing projects in the PSIP?	
<ul style="list-style-type: none"> • Do all ongoing projects have updated work plans, spending plans and procurement plans? 	
Are there new projects recommended for the FY2026?	
<ul style="list-style-type: none"> • Is the project in the AAID? • Have you provided a concept note of each new project? • Has the concept note been approval by your sector or Steering Committee of the ARREST Agenda for Inclusive Development (AAID)? 	

Budget Policy Note

Have you completed and attached your institution’s Budget Policy Note ?	
Are the policy areas consistent with the AAID?	
Are the strategic objectives in the BPN aligned to the National Development Plan (AAID)?	
Are the activities consistent with your entity’s routine function and in line with planned objectives?	

Are your planned intervention/programs consistent with the AAID?	
--	--

Gender Responsive Planning and Budgeting (For Pilot Institutions Only)

Have you updated your responses to the questions regarding gender-sensitive analysis on institutional assessment/appraisal in the BPN ?	
--	--

Have you updated your responses to the specific questions regarding gender-sensitive analysis on budgeting or resource allocations, including utilizing “Conditional Transfer” allocations in the BPN ?	
---	--

Supporting Legal Document

Have you attached copy (soft or hard) of the Act of Legislature creating your entity as supporting legal document to this BPN?	
---	--

SIGNED (head of spending entity): _____

DATE: _____

The Checklist for preparing Budgetary Proposals and signed by the Head of the Spending Entity must accompany the detailed entity’s submissions. This checklist is designed to assist and guide the Spending Entity in ensuring that all the requirements are met and formalized the ownership of their submission as final prior to submission to the MFDP.

Checklists “NOT” signed by the appropriate authority before submission will not be considered.