REPUBLIC OF LIBERIA
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

Budget Call Circular One
FY2027

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

TO: ALL CENTRAL GOVERNMENT INSTITUTIONS

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SUBJECT: FIRST BUDGET CALL CIRCULAR (BCC) for FY2027-2029

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1. INTRODUCTION

This is the first Budget Call Circular (BCC-1) for FY2027, issued in accordance with Section 17 of the Amended and Restated Public Financial Management (PFM) Act of 2009, as well as Sections 15 and 16 of the Amended and Restated PFM Regulations of 2009. These provisions authorize the Minister of Finance and Development Planning (MFDP) to provide guidelines for the preparation of the Draft National Budget. These guidelines apply to all Spending Entities in the development of their strategic plans and programs, ensuring alignment with the ARREST Agenda for Inclusive Development (AAID).

The primary purpose of BCC-1 is to communicate the timetable and provide instructions for the preparation and submission of the Government's Budget Framework Paper (Macroeconomic Policy Statement) for the medium term FY2027–2029, as well as the FY2027 Draft National Budget. This is not a circular for issuance of budget ceilings, but rather guidance for information to facilitate proper planning and prioritization within the government. Information requests should be submitted by *August 15, 2026*.

These circulars outline the basis for revenue projections and provide guidance on calculating a budget baseline and for both recurrent and capital spending by entities. It also includes the FY2027 budget calendar and guidance on prioritization within expected resource constraints. These instructions are intended to support Spending Entities in preparing and submitting their preliminary budget proposals, which will inform the Budget Framework Paper for Cabinet approval and the subsequent issuance of BCC-2.

In line with Section 17 of the PFM Act, the budget preparation process is conducted in two phases: the Strategic Phase and the Operational Phase. The issuance of BCC-1 marks the beginning of the Strategic Phase, which focuses on sector consultations, the identification and articulation of key projects and programs, and the prioritization of interventions for the upcoming fiscal year.

Following the issuance of BCC-1, the following outputs are expected from all Spending Entities at the conclusion of the sector engagement process:

- Detailed Budget Policy Notes (BPNs)
- Detailed preliminary budget submissions
- Detailed budget baseline calculations (see templates)

Further instructions on the preparation of Budget Policy Notes and baseline costing are provided in subsequent sections.

2. ECONOMIC BACKGROUND FOR FY2027

Liberia's economic outlook for FY2027 remains broadly positive, supported by sustained growth across key sectors, stable macroeconomic conditions, and ongoing structural reforms. Real GDP growth is projected at 5.1 percent in 2027, following an estimated expansion of 5.5 percent in 2026, largely driven by continued strong performance in mining, a gradual recovery in agriculture, and steady expansion in services and manufacturing. Over the medium term, growth is expected to average about 5.3 percent, contingent on political stability, improved public financial management, and increased private sector participation. Strategic investments in infrastructure, particularly in roads and energy, alongside investments in agriculture and extractive industries, are expected to boost domestic production and support long-term economic transformation.

2.1. Macroeconomic Context

The macroeconomic environment is characterized by moderate growth, stable inflation, and a relatively stable exchange rate. Inflation declined significantly in 2026 to 5.9 percent, down from 8.3 percent in 2025, reflecting improved food supply conditions, easing global commodity prices, and coordinated monetary and fiscal policies. However, inflation is projected to increase slightly to 6.3 percent in 2027 before moderating over the medium term.

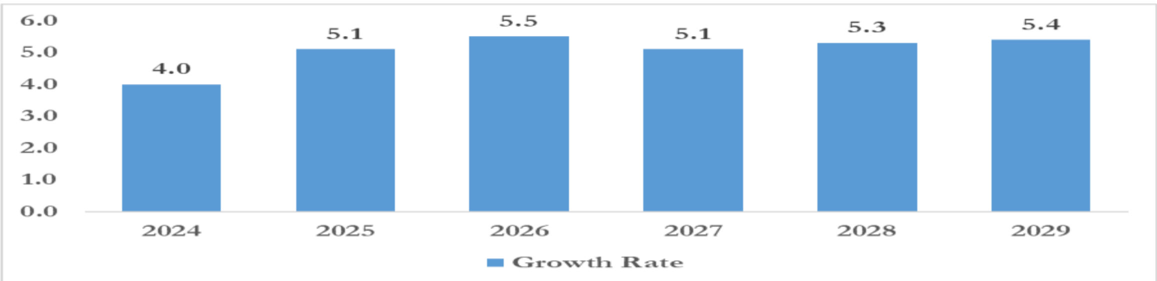
Growth continues to be driven by key sectors of the economy. The mining and panning sector remains a major contributor, supported by strong iron ore and mineral production, while agriculture is expected to recover modestly due to increased output of staple crops. The services sector continues to dominate economic activity, benefiting from expansion in infrastructure, trade, transport, and ICT services, while manufacturing is showing signs of strong recovery driven by increased domestic production. Exchange rate developments have remained relatively stable, with only modest depreciation reflecting steady demand for foreign exchange and improved macroeconomic management. Overall, the macroeconomic context provides a favorable environment for continued growth, although risks remain from global economic uncertainties and commodity price volatility.

2.2. Macroeconomic Assumptions

The FY2027 budget is anchored on a set of key macroeconomic assumptions reflecting expected economic trends and policy direction. Real GDP growth is projected at 5.1 percent, supported by expansion in mining activities, increased infrastructure investments, and continued growth in the services sector. Inflation is expected to average 6.3 percent in 2027, reflecting moderate price pressures arising from global fuel price developments and domestic demand conditions, but remaining within a manageable range due to prudent monetary and fiscal policies. Over the medium term, economic growth is projected to remain stable at an average of about 5.3 percent, supported by ongoing reforms and increased private sector participation.

The exchange rate is expected to remain broadly stable, with only marginal depreciation driven by demand for foreign exchange for imports and investment-related activities. Sectoral contributions to growth are expected to remain consistent, with services maintaining the largest share of GDP, followed by agriculture and mining, alongside gradual strengthening of the manufacturing sector. These assumptions are based on expectations of continued macroeconomic stability, improved revenue mobilization, sustained policy reforms, and increased investment. However, they remain subject to potential risks, including global economic shocks, fluctuations in commodity prices, and domestic structural challenges.

Figure 1: Real GDP Growth Rate



For calculating their budget baseline, Spending Entities are requested to use the following macroeconomic indicators (where applicable):

Table 1:

Indicator	2027	2028	2029
Inflations rate	6.3	5.4	5.0
Exchange rate USD:			
Commodity price for yyy			

3. POLICY PRIORITIES AND PROGRAMS

The Government of Liberia has adopted the ARREST Agenda for Inclusive Development (AAID) 2025–2029 as its medium-term development framework, aimed at accelerating the country's transition from a low-income to a lower-middle-income economy. The AAID provides a strategic basis for aligning national planning and budgeting processes with priority development outcomes.

In line with this framework, the FY2027 Budget will prioritize the efficient allocation of resources toward high-impact programs and projects that directly support inclusive growth, economic transformation, and improved service delivery. Accordingly, Ministries, Agencies, and Commissions (MACs) are required to align their budget submissions with these national priorities, ensuring that expenditures are targeted toward programs that deliver measurable results and value for money.

Emphasis will be placed on strengthening sectoral linkages, enhancing productivity, and promoting sustainable development across key priority areas, namely: Agriculture, Roads, Rule of Law, Education, Sanitation, and Tourism.

To this end, the FY2027 Budget will prioritize expenditures in the following areas:

1. **Strategic Expansion of Economic Infrastructure**

Budget allocations will prioritize the rehabilitation and development of roads, bridges, and other critical infrastructure to improve connectivity, facilitate trade, and unlock economic opportunities, particularly in underserved regions.

2. **Youth Skills Development and Economic Empowerment**

The FY2027 Budget will allocate resources to programs that enhance technical and vocational education, promote entrepreneurship, and create employment opportunities for youth.

3. **Strengthening and Modernization of Healthcare Delivery Systems**

Priority spending will support the improvement of healthcare infrastructure, availability of essential medicines, and capacity building for health workers to ensure equitable access to quality health services nationwide.

4. **Promotion of Private Sector Growth through SME Development**

The Budget will support initiatives that enhance access to finance, provide business development services, and improve the regulatory environment for SMEs, recognizing their critical role in job creation and economic diversification.

5. **Transformation of the Agricultural Sector**

Increased allocations will focus on enhancing agricultural productivity, supporting value chains, and improving rural infrastructure to ensure food security and boost export potential.

6. **Advancement of Quality and Inclusive Education**

The FY2027 Budget will prioritize expenditures aimed at improving education infrastructure, strengthening teacher capacity, and enhancing learning outcomes to build a skilled and competitive workforce.

7. **Strengthening Governance, Justice, and Rule of Law Institutions**

Resources will be directed toward enhancing the capacity and effectiveness of justice and security institutions to promote accountability, uphold the rule of law, and create a stable environment for investment and development.

4. DETERMINATION OF REVENUE ESTIMATES

Revenue estimates for the FY2027 Budget will be anchored on the approved macroeconomic framework, including key assumptions on economic growth, inflation, and exchange rate developments. These projections will also be informed by recent revenue performance trends and ongoing tax policy and administrative reforms aimed at improving revenue mobilization.

Ministries, Agencies, and Commissions (MACs) that generate non-tax revenues are required to submit realistic, evidence-based projections consistent with their mandates and past performance. Estimates for grants and external financing will be based strictly on confirmed commitments from development partners to ensure credibility. All revenue projections must be aligned with the Government's fiscal sustainability objectives and overall budget priorities. The Ministry of Finance and Development Planning will finalize revenue estimates in consultation with relevant institutions to ensure coherence and realism in the FY2027 Budget.

5. RECURRENT BUDGET CEILINGS

Budget ceilings for the FY2027 Budget will be determined within the context of the overall resource envelope and the Government's macro-fiscal framework. The Ministry of Finance and Development Planning will establish ceilings for each Ministry, Agency, and Commission (MAC) based on projected domestic revenues, confirmed external financing, and fiscal sustainability considerations.

In addition, the determination of ceilings will be informed by a comprehensive recurrent cost analysis, which assesses existing expenditure commitments such as personnel costs, goods and services, and other operational expenses. This ensures that essential government functions are adequately funded while creating fiscal space for priority investments.

6. INDICATIVE CAPITAL EXPENDITURE

Project selection for FY2027 will prioritize projects from the draft PSIP Plan of the AAID, counterpart funding obligations, and ongoing projects, which will constitute the first charge on available resources. Projects in the PSIP Plan of the AAID have already undergone initial validation and prioritization. The Public Investment Unit (PIU) of the Ministry of Finance and Development Planning (MFDP), during preliminary budget hearings, collaborated with selected spending entities to prioritize interventions that culminated in an indicative PSIP listing which will be further updated, verified and profiled following the Sector Working Group (SWG) engagements. Following these consultations, an indicative list of prioritized projects will be submitted to the Project Investment Board (PIB) for approval. Spending entities are therefore required to utilize the updated costing template and accompanying checklist (Annex 2) when preparing and submitting project proposals.

7. EXTERNALLY FUNDED PROJECTS

In line with the National Aid Policy and the Government's commitment to enhancing transparency and improving resource allocation, all spending entities are required to provide full disclosure of all donor-funded capital investment projects over the medium-term period (2027–2029) as part of their budget submissions for inclusion in the FY2027 National Budget. This requirement is intended to prevent duplication of efforts and ensure that all externally financed projects are aligned with national development priorities.

8. COUNTERPART FUNDING

Counterpart funding allocations will be guided by Government policy priorities for FY2027-2029, with a focus on key sectors, including Infrastructure & Basic Services, Energy & Environment, Agriculture, and Health. Accurate estimation and reporting of projects and programs involving cost-sharing arrangements are essential to ensuring accountability within the National Budget. This approach enhances transparency and strengthens the credibility of the budget process.

9. INTERNALLY GENERATED FUNDS (IGF)

Spending entities that generate Internally Generated Funds (IGF) are required to disclose and provide projections for all such revenues over the medium-term period (2027–2029) as part of their budget submissions, in accordance with the guidelines outlined in Annex 6. This requirement ensures that all revenue sources mobilized by institutions—such as fees, charges, licenses, and service-related income—are fully integrated into the national budget framework.

The comprehensive reporting of IGF enhances transparency and accountability by making all internally generated resources visible for policy review. It also strengthens fiscal planning and credibility, as government is able to assess the total resource envelope available for financing national priorities. By requiring detailed breakdowns and realistic projections, the process promotes better forecasting and efficiency in revenue mobilization.
Therefore, all spending entities are to work with the Revenue Modelling and Forecasting Unit at the MFDP and must ensure that their IGF submissions are complete, accurate, and compliant with Annex 6.

10. BASELINE COSTING

The baseline costing exercise forms the foundation of the budget preparation process for the FY2027 budget and the medium-term framework. It will be used to calculate expected existing expenditure (which includes ongoing and new approved spending) for the FYs 2027-2029. The costing results will be compared with affordable expenditure ceilings and quantify fiscal space. In case baseline costing results are above affordability (negative fiscal space), expenditure prioritization and rationalization will be required to reduce baseline expenditure to the level of the affordable expenditure ceilings. Baseline costing will include expenditure funded by

- Government of Liberia
- Internally generated revenue
- Donors

and will include verified arrears to ensure a complete picture of expected expenditure.

The Ministry of Finance and Development Planning (MFDP) has developed standardized costing templates and will provide training to ensure proper application.

Three costing techniques are provided to guide spending entities in producing realistic and credible budget proposals.

10.1. Costing Technique 1: Unit Quantity × Frequency × Unit Cost

This is the preferred method for estimating expenditure. It enhances transparency by clearly showing how costs are derived and allows for easy verification of assumptions. Spending entities are required to apply this method wherever reliable data on unit quantities, frequency, and unit costs are available. Spending entities are encouraged to establish databases for their main expenditure line items to document the estimations for unit quantities, frequency, and unit cost for each of the upcoming three FYs, respectively. Spending entities are required to improve data availability for unit quantities, frequency and unit costs wherever possible.

10.2. Costing Technique 2: Trend Analysis

This method should be used as an alternative when sufficient data for the first technique is not available or when calculations are too complex. It relies on analyzing historical expenditure patterns and projecting them into the future. This approach is appropriate where past trends are expected to continue, and there are no significant changes in spending patterns.

10.3. Costing Technique 3: Lump Sum

The lump sum costing technique should be used in situations where it is not feasible to disaggregate costs into unit quantities, frequency, and unit costs, or where trend analysis is not appropriate. This method involves assigning a total estimated cost to an activity or expenditure item based on the most recent budget actual. Spending entities should use this technique sparingly and only when justified. Clear explanations and supporting assumptions must be provided to ensure transparency and credibility of the estimates.

Spending entities are encouraged to apply the most appropriate technique based on data availability to ensure accurate and credible budget submissions.

The results of the baseline submissions will be applied as follows:

- Baseline results from spending entities will be vetted by MFDP and will require improvements, where necessary.
- Vetted baseline results will be aggregated to determine the total cost of existing government operations. This will allow MFDP to compare with affordable spending levels and assess the available fiscal space.
- If baseline results are above affordable spending levels, spending entities will be required to prioritize and rationalize expenditure to ensure compliance with set expenditure ceilings.

In this process, MFDP Budget and Planning Officers will utilize the Baseline Costing Results Checklist to systematically scrutinize the submissions from SEs, ensuring consistency, credibility, and adherence to established guidelines. The checklist, which is provided in Annex 4, serves as a key tool in validating the integrity of the baseline costing exercise. This promotes realistic and reliable budgeting based on verified estimates and serves as the basis for finalization of budget allocations.

11. PERFORMANCE MANAGEMENT AND COMPLIANCE SYSTEM (PMCS)

The PMCS remains a central mechanism for promoting value for money, strengthening accountability, and aligning institutional performance with national priorities under the AAID. All spending entities are required to align their FY2027 budget submissions with their Institutional Performance Targets across the following five performance areas:

a. Strategic Plan Development and Implementation
b. Service Delivery Charter (SDC) Implementation
c. Resource Mobilization
d. Systems Efficiency Improvement
e. Institutional Capacity Building

Entities must also allocate adequate resources for the implementation of their 2027 PMCS targets, which were developed in collaboration with the Cabinet Office. All relevant activities, programs, and reforms under these five areas must be clearly costed and reflected in budget submissions.

11.1. Key Integration Guidelines

Strategic Plans: Budget proposals must reflect core activities aligned with AAID-linked institutional priorities.

SDC Implementation: Include expenditures related to service delivery improvements and mechanisms for client feedback.

Resource Mobilization: Cost and justify activities related to co-financing, donor coordination, and revenue enhancement.

Efficiency Measures: Identify and budget for digital solutions, system upgrades, and reforms that improve efficiency and reduce waste.

Capacity Building: Include provisions for training and institutional development based on identified needs (e.g., Capacity Needs Assessment or workforce plans).

11.2. Compliance Requirements and Performance Reporting

All entities are required to attach their Q2 PMCS Progress Report using the approved template as part of their budget submission. Non-compliance or weak alignment with PMCS targets may affect funding prioritization.

In addition, entities must submit quarterly performance reports to both the Cabinet Office and the MFDP. These reports should include:

a. Progress toward PMCS and AAID targets;
b. Status of implementation of planned deliverables; and
c. Key challenges encountered and proposed mitigation measures.

12. POLICY GUIDANCE ON EFFICIENT PUBLIC SPENDING

Ensuring fiscal discipline is critical for the credibility and sustainability of the budget. All public spending must comply with the Amended and Restated Public Financial Management (PFM) Law of 2009 and its regulations, the Public Procurement and Concessions Act, and any additional fiscal rules issued by the MFDP. These measures are aimed at minimizing waste and improving both allocative and operational efficiency.

The following policy measures will be strictly enforced in FY2027:

a. **Utilities:** Utility costs remain under-budgeted. The MFDP is working with service providers and entities to determine actual demand, which will be reflected in expenditure ceilings. Allocations for utilities, once communicated, will be non-discretionary. Entities are encouraged to negotiate service arrangements, preferably on a prepaid basis.

b. **Compensation:** In light of prevailing fiscal constraints and the need to maintain macroeconomic stability, no upward adjustments to compensation will be permitted for FY2027. This measure is intended to contain the wage bill and create fiscal space for priority investments under the ARREST Agenda for Inclusive Development (AAID). All Ministries, Agencies, and Commissions (MACs) are therefore required to maintain compensation levels within the approved ceilings and avoid any commitments that would increase personnel-related expenditures. Any exceptions will be subject to strict scrutiny and prior approval by the Ministry of Finance and Development Planning and the Civil Service Agency. This policy will remain in effect until fiscal conditions improve and sufficient space is created to support sustainable adjustments in public sector compensation.

c. **Management of Compensation and Consultancy**: Compensation and consultancy expenditures will be jointly managed by the MFDP and the Civil Service Agency (CSA) to ensure fiscal sustainability and proper oversight.

d. **Rental and Lease Costs**: The General Services Agency (GSA) and the Public Procurement and Concessions Commission (PPCC) will continue to review rental and lease agreements to ensure value for money and cost-effectiveness.

12.1. Budget Planning Module

The Government has successfully decommissioned the Budget Management System (BMS), which previously operated as a stand-alone platform separate from the Integrated Financial Management Information System (IFMIS). This legacy system was primarily used for budget planning and later served as the foundation for migrating financial data into IFMIS, ensuring continuity in fiscal management processes. The move away from BMS reflects a broader effort to modernize and unify financial systems across government institutions.

Therefore, in keeping with Ministerial Circular of January 13, 2026, on the Full Transition to the IFMIS Budget Module and Decommissioning of the Legacy Budget Management System (BMS), all spending entities are instructed to use the system for FY2027 budget planning and execution. The Departments of Budget and Development Planning and Comptroller and Accountant General will continue to provide technical support, particularly to entities that are new to the system.

13. GENDER STATEMENT FOR FY2027

About

Gender Responsive Planning and Budgeting (GRPB) is a governance and accountability framework that integrates gender perspectives into national and sectoral planning, resource allocation, and budget execution. It ensures that public policies, programs, and budgets are designed, implemented, and monitored in ways that promote gender equality and address the specific needs of women, men, girls, boys, and persons living with disabilities. GRPB goes beyond merely allocating funds for gender-related activities; it requires systematic analysis of gender disparities, the integration of gender priorities into planning and budgeting processes, the establishment of tracking and monitoring mechanisms to assess progress, and strong institutional accountability to ensure commitments are met. Key features of GRPB include gender-responsive planning, budgeting, monitoring, tracking, and reporting, all of which work together to ensure that government interventions are inclusive, equitable, and effective.

As part of the ongoing Gender Responsive Planning and Budgeting (GRPB) pilot initiatives, all participating spending entities are required to integrate gender considerations into their budget preparation processes. In preparing their Budget Policy Notes, entities must adhere to the following guidelines:

a. Spending entities must prepare and submit a detailed work plan that aligns with the National Gender Responsive Planning and Budgeting Policy.
b. Budget proposals must incorporate gender-disaggregated data across sectors, departments, and programs. All data and budget information must be presented using the prescribed template provided.

Table 2: FY2027 Gender Disaggregated by Sector, Agency and Department

FTE BY SECTOR, AGENCY and DEPARTMENT	GRAND TOTAL FTEs	GENDER		
SECTOR	**-**	**M**	**F**	**PWD**
01 - 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				

14. IMPLEMENTATION OF PUBLIC GRANTS & SUBSIDIES POLICY

The Government's approved Public Grants and Subsidy Policy remains in effect and shall continue to be implemented without change until further guidance is issued by the relevant authorities. Accordingly, the Ministries of Health; Education; Youth & Sports; Information, Cultural Affairs & Tourism; and Gender, Children & Social Protection are required to continue implementing this policy.

All implementing institutions must:

- Ensure that all beneficiaries meet the established eligibility criteria for grants and subsidies; and
- Submit a comprehensive and up-to-date list of beneficiaries to the Ministry of Finance and Development Planning (MFDP).

This is necessary to promote fiscal transparency, accountability, and proper oversight in the use of public resources.

15. EXECUTIVE BUDGET HEARING

As part of the FY2027 Budget preparation process, the Ministry of Finance and Development Planning will convene Executive Budget Hearings with Spending Entities. The hearings will serve as a critical platform to review budget proposals, assess alignment with national priorities under the ARREST Agenda for Inclusive Development (AAID), and ensure that resource allocations are consistent with the Government's fiscal framework.

During these hearings, SEs will be required to present and justify their budget submissions, with particular emphasis on key programs, projects, and expenditure priorities for FY2027. The hearings will also provide an opportunity to review past budget performance for FY2026, including execution rates and outcomes achieved, to ensure that future allocations are informed by results and lessons learned.

Spending Entities are required to ensure that their presentations are fully aligned with the guidance provided in this Budget Call Circular.

Composition of the Executive Budget Hearing Panel

The Executive Budget Hearings will be conducted by a panel comprising the following institutions:

1. Ministry of Finance and Development Planning – **Chair**
2. Ministry of State for Presidential Affairs – **Member**
3. Civil Service Agency – **Member**
4. Liberia Revenue Authority – **Member**
5. General Services Agency – **Member**
6. Public Procurement and Concessions Commission – **Member**

16. BUDGET MANAGEMENT COMMITTEE (BMC)

Every Government Agency must establish a Budget Management Committee (BMC). The BMC is responsible for overseeing the entire budget process, including formulation, implementation, monitoring, and evaluation. The MFDP will hold each BMC accountable for fulfilling this mandate.

Composition of the BMC:

- Head of Government Agency (Chairperson)
- Heads of Budget Management Centers or Cost Centers
- Assigned Budget and Planning Analysts (Facilitators)
- Finance and Procurement Officers, and any other relevant staff required to ensure broad participation

Key Responsibilities:

- Prepare realistic, comprehensive, and credible budgets within approved ceilings
- Ensure active participation of key stakeholders across the entity

- Review and approve all budget submissions before submission to MFDP
- Ensure all required templates and supporting information are accurately completed
- Defend the entity's budget proposal during Executive Budget Hearings

17. SECTOR WORKING GROUP STRATEGY

This strategy strictly Adheres to the Medium-Term Expenditure Framework (MTEF) Budgeting Manual, and Part III, Sections 12 & 13 of the Restated Public Financial Management (PFM) Regulation of 2009, mandating that the preparation of the National Budget shall be in the context of a Medium-Term Fiscal Framework (MTFF), and Medium-Term Expenditure Framework (MTEF) for the purpose of achieving macroeconomic stability and objectives. The purpose of this Sector Working Group Strategy (SWGS), amongst others, is to provide clear guidelines, innovative processes, and thinking based on experiential learning to inform the preparation of the 2027 National Budget, consistent with best practice and in alignment with Liberia's new National Development Plan- The ARREST Agenda for Inclusive Development (AAID- 2025-2029).

Objectives

The strategic objectives of the Strategy focus on strengthening collaboration, coordination, planning, reporting, and implementation of development initiatives across the budget planning and budget execution processes.

Composition of the Sector Working Group

The SWGs are composed of the following positions and representatives.

Table 3: Composition of SWG

Position	Representative
Chair/lead	Minister of Lead Ministry or his/her designee, preferably a Deputy Minister
Vice-Chair (selected by SWG	Head of Spending Entity within Sector
Second Vice-Chair	Lead Development Partner in the sector (Partner with sector oversight)
Secretariat	Technicians from the sector lead institution and Vice Chair institution + MFDP
Spending Entities Leads	- Deputy Minister for Administration/Deputy Minister for Planning/Asst. Minister for Planning or equivalent + - selected technical staffers (focal points); - Member of the Budget Management Committee (BMC); - Senior Representation from PDU
Other key stakeholders	- Private sector representatives - Other Donors/DPs - CSO Representatives

Proposed Technical Engagement Workplan (SWG)

No	Daily task	Work timeframe	Output(s)

1	Day one	**August 3 to August 7th**	Introduction of working tools and provision of general overview for the budget sector (background) | Start working session
2	Day two		Brief recap of day one | Two hours Working session | Lunch | Working session continues for two hours
3	Day three		BPN 100% completed by all MAC | PPT 100% completed by selected MACs
4	Day four		General review of all documents and submission
5	Day five		BPN signed by head of entity and submitted to MFDP

18. FISCAL DECENTRALIZATION

18.1. County Budget Preparation & Execution Process

The preparation of the County Budget shall be informed by the County Development Agenda, conducted in conformity with the Public Financial Management Act and national budget guidelines. It shall be consistent with the Local Government Act and be aligned with revenue allocations and transfers under the Revenue Sharing Law. The formulation of the county budget shall be undertaken within the national budget calendar issued by MFDP through the call circulars.

Structure of the County Budget

The overall County Budget shall consider activities of spending units representing Ministries, Agencies and Commissions (MACs) operating in the county; and County Government operations under the Office of the Superintendent. The MACs representatives and the county government budget shall be prepared separately but coordinated and consolidated. Upon approval, both components shall be consolidated to form the county budget.

County Budget Preparation

a. **Preparation of MACs Representative Budgets (County-Level)**

At the county level, each Ministry, Agency, or Commission (MAC) prepares a draft budget for its activities within the county through a coordinated process involving the senior MAC representative, the County Budget Officer, the County Planning Unit, and the County Finance Officer. This budget is designed to reflect sector priorities within the county, align with the County Development Agenda, and comply with national budget ceilings, formats, and the Public Financial Management Law.

b. **Preparation of Local Government Budget**

The Local Government Budget shall be prepared separately. The preparation of the County Local Government budget shall be led by the County Budget Officer with coordination from the County administration. The preparation process shall be based on projected transfers under the Revenue Sharing Law/ regulations and other lawful revenues.

Consolidation of the County Budget

Once prepared, the draft MACs representative county-level budget and the draft Local Government budget shall be consolidated into a single County Budget document. The consolidated document shall provide a comprehensive picture of all public sector activities within the county; distinguish between national MAC-approved expenditures and County Government appropriations; and follow national budget classification standards.

Approval Process

- National Approval

The MACs representative budgets shall be incorporated into the budgets of their respective ministries or agencies and be approved under the National Budget enacted by the Legislature.

- County Level Approval

In accordance with the Local Government Act, the consolidated County Budget shall be submitted by the Superintendent to the County Council. The County Council shall review and approve the County Government component of the budget.

The approval of the County Budget by the County Council shall formalize the County Government's fiscal plan for the year. The County Council shall approve the County and Social Development Funds but not the national MAC representatives' budgets but shall acknowledge their inclusion within the consolidated county planning framework.

18.2. Budget Execution and Financial Management

Budget execution at the county level shall follow the county treasury framework and comply with all relevant laws, including the PFM Act, PPCC Act, and Internal Audit procedures.

- Spending and Procurement Plans: All spending units must prepare annual and periodic spending plans, including monthly and quarterly updates, cash flow adjustments, and transfer or extra-budgetary requests.
- Allotment and Spending Control: Expenditures are subject to approved budgets, spending plans, and cash availability. No commitments shall be made outside these controls.

Cash Management and Forecasting

County Treasury Officers shall prepare quarterly cash forecasts based on expected transfers, revenues, commitments, and obligations. This supports effective cash flow management, expenditure control, and budget credibility, while preventing arrears and enhancing transparency.

Allotment Management and Reporting

Allotments are issued based on available cash resources and approved budgets, specifying spending limits by unit and period. Quarterly reports—including allotment utilization, cash flow, and expenditure performance—shall be prepared and submitted to the Superintendent and MFDP/CAG to ensure accountability and oversight.

19. FISCAL TRANSPARENCY INITIATIVE

The Government remains committed to strengthening fiscal transparency, public participation, and Public Financial Management (PFM) performance.

Key priorities for FY2027 include:

- Development of a dedicated online fiscal transparency platform
- Expansion of public participation mechanisms to all counties

- Timely publication of fiscal reports, including Budget Performance Reports
- Strengthening of the Fiscal Transparency Advisory Group (FTAG)

Requirements for all Spending Entities:

- Submit quarterly Budget Performance Reports on time
- Ensure timely, accurate, and comprehensive disclosure of budget information

All actions must comply with Section 48.2 of the Amended and Restated PFM Act of 2009.

20. SOCIAL SPENDING

Social spending refers to government expenditures that are directed toward improving the welfare, human capital, and quality of life of the population. These expenditures finance programs and services that enhance access to education, healthcare, social protection, food security, water and sanitation, gender equality, employment opportunities, and other essential public services that contribute to inclusive and sustainable development.

In addition to the definition provided, all programs and expenditures classified as social spending by the Government of Liberia will be identified and captured separately within the national budget. This means that Ministries, Agencies, and Commissions (MACs) must clearly tag and report expenditures that fall under social sectors such as education, health, social protection, agriculture (food security), water and sanitation, gender programs, and youth employment initiatives.
The separate capture of social spending serves several important purposes.
First, it enhances transparency and accountability by allowing policymakers, oversight institutions, and development partners to clearly track how much public funding is being allocated to improving citizens' welfare. Second, it supports evidence-based decision-making, as disaggregated data enables the government to assess the adequacy, efficiency, and impact of investments in human capital and social services. Third, it facilitates monitoring of national and international commitments, including alignment with Liberia's development agenda and the Sustainable Development Goals (SDGs). Finally, it improves resource prioritization, ensuring that critical social sectors receive appropriate attention during budget formulation and execution.

21. STATE-OWNED ENTERPRISES (SOEs)

In line with Sections 18.1(f) and 58.1 of the Amended and Restated PFM Act of 2009, all State-Owned Enterprises (SOEs) are required to submit Board-approved financial plans as part of the National Budget process.
Submission Requirements:
SOEs must submit their FY2027 Financial Plans using the national budget format and within the timeline specified in this Call Circular. Each submission must include:

- FY2025 Actual Budget Performance
- Approved FY2026 Budget
- Estimated FY2026 Outturn
- FY2027 Budget Estimates
- FY2028 Projections
- FY2029 Projections

Additionally, all SOEs undertaking Corporate Social Responsibility (CSR) programs must ensure alignment with the AAID to support national development priorities.

22. BUDGET POLICY NOTES AND CHECKLIST

All Spending Entities must prepare their budget proposals in accordance with the following principles:

a. Take into account the operating environment, time constraints, and available fiscal space within set expenditure ceilings; if baseline results are above set expenditure ceilings, prioritize expenditure to strictly comply with the ceilings.
b. Ensure project allocations reflect medium-term planning considerations.
c. Base assumptions on prevailing global and domestic economic conditions
d. Align all programs and projects directly with the AAID

Required Submission Documents:

- Completed Budget Preparation Checklist, signed by the Head of the Entity (Annex 7)
- Budget Policy Note (Annex 5)

23. BUDGET CALENDAR

The revised Budget Calendar provides guidance for the FY2027 budget preparation process. The schedule for Budget Hearings will be communicated following the issuance of final budget ceilings in August.

In preparation:

- All Spending Entities must begin budget preparation immediately
- Entities must work closely with the Department of Budget and Development Planning
- Entities should be prepared to revise and finalize submissions once ceilings are issued

Table 3: Revised Budget Calendar

Ministry of Finance and Development Planning		
FY2027 Budget Preparation Calendar Summary		
No	**Key Activities**	**Deadline**
1	Issuance of Budget Call Circular 1	July 23, 2026
2	Conduct of Sector Working Group Engagement	August 7, 2026
3	Conduct of Baseline Costing Training	August 3, 2026
4	Submission of Budget Policy Notes and the Baseline Costing Templates	August 15, 2026
5	Revision of BPN and Baseline Costing Templates	August 20, 2026
7	Submission of Budget Framework Paper to Legislature	August 30, 2026
8	Issuance of Budget Call Circular 2	August 31, 2026
9	Submission of Final Budgetary Proposals	September 10, 2026
10	Conduct of Executive Budget Hearings (Revenue & Expenditures)	September 30, 2026
11	Cabinet Review and Approval of Draft National Budget	October 15, 2026
12	Submission of Draft National Budget to the Legislature	October 31, 2026

ANNEXURES

Annex 1: PSIP Proposal Template
Annex 2: PSIP Checklist
Annex 3: Externally Funded Project Templates
Annex 4: Baseline Costing Results Checklist
Annex 5: Budget Policy Note Template
Annex 6: IGF Template
Annex 7: Budget Proposals Preparation Checklist

Annex 1: Project Proposal Template

INSTRUCTIONS: The Project Proposal Template should be fully completed. Please provide specific information as requested.

ARREST Agenda Details

INSTRUCTIONS: Complete the following session providing detailed information of the spending entity's project alignment with the ARREST Agenda

AAID Pillar	**<Insert>**		
AAID Strategic Policy	<Insert>		
AAID Program	<Insert>		
Project Type		Project Number	
AAID Driver (s)	<Insert>		
AAID Filters	<Insert>		
NKI/National Target	<Insert>		
Project Focal Person/s	Name: <Insert> Position: <Insert> Mobile phone: <Insert> Email: <Insert>		

Project Summary

INSTRUCTIONS: Insert a 1-4 paragraph summary of the project description; highlighting the problem(s), proposed solution(s), project location(s), targeted beneficiaries, implementation strategy and expected results. (Write this section after you have completed all other sections of the proposal).

<Insert summary here>

Project Objectives

< State the overall and specific objectives of the project. The objectives should clearly describe what the project intends to achieve and should be written in clear, measurable, and results-oriented language>

Project Components

<Identify and describe the major components or workstreams of the project. Each component should represent a distinct area of intervention.>

Problem/Situation Analysis

<Describe the problem in detail. Provide the cause-and-effect relationship of the problem(s). Moreover, expand on the problems and provide scenarios that make it essential for project/program intervention. Provide detailed source data, with citation, supporting the problems outlined>

PART ONE- Technical Completeness

This part assesses whether or not the proposal is fully developed with all relevant attachments attached.

Annex 2: Appraisal/Evaluation Checklist

Item	Status		
	Fully	Partially	Not Available
GENERAL REQUIREMENTS			
Project Proposal or Concept Note developed	x		
Approved Procurement Plan Attached	X		
PPCC's No Objection Attached	X		
Detailed Budget Attached	X		
Spending/ Cash Plan Attached	X		

Annex 4. Baseline Costing Results Checklist

Topic	Vetting result[1]		Briefly describe revealed issues, if any
	ok	Not ok	
Is the costed item part of existing spending (ongoing or new approved)? *If not, reject the inclusion of this item in the baseline calculation.*			
In case the preferred costing technique unit quantity times frequency times unit cost has been applied: Have the assumptions for unit quantity and unit cost been included in a MAC costing database? *If not, require this.*			
In case the preferred costing technique unit quantity times frequency times unit cost has not been used: Has the MAC provided a convincing justification why this costing technique cannot be applied? *If not, reject the costing result and require the MAC to use the preferred costing technique.*			

[1] For each topic, tick the respective column (either ok or not ok).

In case the preferred costing technique unit quantity times frequency times unit cost has not been used due to lack of reliable data: Have you requested the MAC to explore options to make such data available for next year's budget baseline exercise and report to DoBDP on the results of this check in due time?			
In case the costing technique trend was used: Are the numbers used for the trend calculation valid? Which means: Are the used budget actuals correct? Is the appropriation in the current budget plausible or substantially under- or overestimating expected expenditure? Have circumstances changed substantially since previous years which makes past expenditure trends not applicable for the future. *In case of implausible data, reject the calculation and require improvement of the trend calculation, if doable, or require the MAC to use a different costing technique.*			
In case the costing technique lump sum was used: Is it plausible that the other two costing techniques are not applicable and therefore, lump sum should be used? *If not plausible, require the MAC to use a doable different costing technique.*			
Are the formulas correct, which have been used in the baseline calculation? *If not, require correction.*			
Have one-off effects been excluded for FYs for which they do not apply? *If not, require this.*			
Has the costing been done for all three upcoming FYs? *If not, require this.*			
For multiannual projects and contractual commitments: Have the total project costs been allocated to the different FYs in a plausible manner? *If not, require correction.*			
In case verified arrears do exist: Have they been included in the baseline calculation and are the amounts plausible? *If not, require correction.*			
In case of internally generated revenue: Have the expenditures funded by the revenues been included in the baseline calculations and are the amounts plausible? *If not, require correction.*			
In case of donor funding: Has it been included in the baseline calculations and are the amounts plausible? *If not, require correction.*			

Annex 5: FY2027 BUDGET POLICY NOTE

Name of SE:

1. Purpose and Mandate:

2. Medium Term Strategic Overview

2a) Strategic objectives, linkages to sector strategy[2] and key services (outputs) delivered:

[GUIDANCE: Refer to the BCC annex containing the policy area mappings for each spending entity.]

Strategic Objectives (in spending entity Strategic Plan)	**Link to Sector Strategy**	**Link to National Medium-Term Priorities (AAID Goal, Strategy Policies, programs, Drivers and Filters) Goals)**
Policy Area 2:		
Policy Area 3:		
Policy Area 4:		
Policy Area 5:		

2b) Past Budget Performance
Discuss the extent to which routine activities or project(s) funded in FY2024 and FY205 has (have) been implemented

Program, intervention or Project Title:	**Extent of Implementation**
[Activity 2 or Project Component 2]	[Progress report/status – Max. 500 words]

Annex 6: Internally Generated Funds (IGF) Template

(To be completed by all revenue-generated MACs)

Section 1: Entity Information

Field	Details
Name of Entity (MAC)	
Sector	
Department/Unit Responsible for IGF	
Contact Person	
Position	
Contact Details	

Section 2: Summary of IGF projections (FY2027 – FY2029)

Revenue Source	FY2025 Actual	FY2026 Approved	FY2026 Estimated Outturn	FY2027 Projection	FY2028 Projection	FY2029 Projection
Fees & Charges	-	-				
Licenses & Permits						
Service Charges						
Fines & Penalties						
Sale of Goods/Services						
Other (Specify)						
Total IGF	-	-	-	-	-	-

Section 3: Detailed Revenue Breakdown (FY2027)

Revenue Stream	Legal Basis (Act/Policy)	Collection Method	Cost/Price	Estimated Volume	Total Projection
Example: Licensing Fees	Entity's Act	Manual	20	50	$ 1,000
Fees & Charges		Online	-		$ -
Licenses & Permits					$ -
Service Charges					$ -
Fines & Penalties					$ -
Sale of Goods/Services					$ -
Other (Specify)					$ -

Section 4: Challenges and Risks

Identify key risks to revenue generation:	
Highlight operational or legal constraints:	
Note any historical underperformance issues:	

Section 5: Recommendation to address challenges (not more than 75 words)

Section 6: Certification

Field	Details
Prepared By	
Reviewed By	
Approved By (Head of Entity)	
Signature	
Date	

Annex 7: 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 detailed budget estimates during Budget Preparation for FY2027?	
Is there a gender focal point on the Budget Management Committee as a 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 FY2027?	

Sector Strategic Plan

Are there any counterpart funding requirements for FY2027?	
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?	
Do all ongoing projects have updated work plans, spending plans and procurement plans?	
Are there new projects recommended for the FY2027?	
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: ________________________

All Spending Entities are required to submit a completed Budget Preparation Checklist, duly signed by the Head of the Entity, along with their detailed budget proposals.
The Checklist serves as a control and guidance tool to ensure that all submission requirements are fully met. It also formalizes the Entity's ownership and confirmation that the budget submission is complete, accurate, and final prior to submission to the Ministry of Finance and Development Planning (MFDP).

Any submission that is not accompanied by a properly completed and signed Checklist will be considered incomplete and will not be accepted or processed.