



PUBLIC FINANCIAL MANAGAMENT REFORM STRATEGY AND ACTION PLAN

2024-2027

**MINISTRY OF FINANCE AND DEVELOPMENT
PLANNING**

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Acronyms and Abbreviations

AFRITAC	African Regional Technical Assistance Center
AG	Auditor General
ASYCUDA	Automated System of Customs Data
AMCU	Aid Management Coordination Unit
ABP	Annual Budget Plan
ATAPS	Alternative Temporary Automated Payroll System
CAG	Comptroller and Accountant General
CAGD	Comptroller and Accountant General Department
CBL	Central Bank of Liberia
CNA	Capacity Needs Assessment
CSA	Civil Service Agency
CSP	Corporate Strategic Plan
COVID	Coronavirus Disease
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
DFP	Donor Funded Project
DMU	Debt Management Unit
ECOWAS	Economic Community of West African States
EDMS	Electronic Document Management System
EFT	Electronic Fund Transfer
EGP	Electronic Government Program
GAC	General Auditing Commission
GOL	Government of Liberia
HIPC	Heavily Indebted Poor Countries
IMF	International Monetary Fund
ICT	Information and Communications Technology
IFMIS	Integrated Financial Management Information System
IPFMRP	Integrated Public Financial Management Reform Project
IPSAS	International Public Sector Accounting Standards
IREDD	Institute for Research and Democratic Development
LACC	Liberia Anti-Corruption Commission
LBO	Legislative Budget Office
LIBTELCO	Liberia Telecommunications Corporation
LICPA	Liberia Institute of Certified Public Accountants
LIPA	Liberia Institute of Public Administration
LITAS	Liberia Integrated Tax Administration System
LRA	Liberia Revenue Authority
MACs	Ministries, Agencies and Commissions
M&E	Monitoring and Evaluation
MFDP	Ministry of Finance and Development Planning
MOJ	Ministry of Justice
MTDS	Medium Term Debt Strategy
MTEF	Medium Term Expenditure Framework
PAC	Public Accounts, Expenditure and Audit Committee
PE	Procuring Entities
PDB	Public Debt Bulletin
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFMRCU	Public Financial Management Reform Coordination Unit

PFMRS	Public Financial Management Reform Strategy
PFMRSAP	Public Financial Management Reform Strategy and Action Plan
PIM	Public Investment Management
PIMA	Public Investment Management Assessment
PIU	Public Investment Unit
PO	Purchase Order
PPCC	Public Procurement and Concessions Commission
PSIP	Public Sector Investment Plan
SIGTAS	Standard Integrated Government Tax Administration System
SLA	Service Level Agreement
SOE	State-Owned Enterprises
SOEMIS	State-Owned Enterprises Management Information System
SWG	Sector Working Group
TAS	Tax Administration System
TSA	Treasury Single Account
T-24	Terminal-24
UAT	User Accepted Test
USD	United States dollar
WiMAX	Worldwide Interoperability for Microwave Access

Foreword

The outbreak of the COVID-19 pandemic has had a devastating impact on economies around the world. This adverse impact has further been compounded by the Russian-Ukrainian crisis. Consequently, global supply-chains were disrupted, reflected in an increase in the prices of commodities on the global market. To ameliorate the impact of these challenges and restore sustainable growth, Governments around the world rolled out various stimulus packages, including liquidity support and fiscal support to firms and vulnerable populations. However, these measures have significantly strained public resources, worsening fiscal and external balances and increasing debts.

Despite the shocks, of which no Country was spared, the Liberian economy grew by an estimated 4.8 percent and 5.0 percent in 2021 and 2022, respectively, after two consecutive growth contractions in 2019 and 2020. Growth for 2023 is projected to further moderate by 4.2 percent when compared with 2022 due to moderation in sectors in forestry to 1.2 percent (from 1.6 percent), and mining & panning to 4.6 percent (from 14.0 percent). However, it is important to note that the agriculture and fisheries, manufacturing and services sectors are expected to record rising growth to 3.3 percent, 4.9 percent and 5.7 percent, from 1.2 percent, 2.2 percent and 4.8 percent, respectively. Growth over the medium term (2024-2027) is projected to average 5.6 percent, but is contingent upon favorable international prices of the Country's primary commodities exports and a stable macroeconomic environment. Reflecting sound policy coordination, Liberia's macroeconomic environment remains relatively stable compared to most countries within Sub-Saharan Africa; as average inflation remains in single digit—7.9 percent in 2021 and 7.6 percent in 2022. The fiscal balance is projected to remain relatively stable over the medium term, contingent on the adoption and implementation of a robust PFM Reform Strategy and Action Plan (PFMRSAP).

Accordingly, I would like to acknowledge the efforts of the Technical Team at the Ministry of Finance and Development Planning, led by the Public Financial Management Reforms Coordination Unit (PFMRCU), for aptly working with our development partners to develop the 2024-2027 PFMRSAP. As mentioned earlier, the PFMRSAP is expected to play a pivotal role in managing public resources and enhancing the delivery of basic social services over the medium term. The 2024-2027 PFM Reform Strategy and Action Plan has eight (7) thematic areas: *Strengthening Budget Preparation and Execution, Enactment, Approval, and implementation of legal instruments, Strengthening Budget Preparation and Execution, Sustaining Reforms to Support Domestic Resource Mobilization, Better Integration of PFM Systems and Processes, Improving Financial Reporting, Strengthening Internal and External Oversight and Cross-Cutting Capacity Development*

On behalf of the Government of Liberia, I would like to thank our Partners for their continuous support as we look forward to renewed Partnership in implementing the new PFMRSAP over the medium term.



Anthony G. Myers

Acting Minister of Finance and Development Planning

Acknowledgement

The preparation of the PFM Reform Strategy and Action Plan 2024-2027 has been an extensive bottom-up participatory and consultative engagement with stakeholders and thematic managers. In this light, I would like to acknowledge the pivotal role played by our various PFM institutions, including the Public Financial Management Reform Coordination Unit (PFMRCU), the Department of Budget and Development Planning (BDPD), the Comptroller and Accountant General Department (CAGD), the Public Procurement and Concession Commission, Non-State Actor Secretariat, Revenue Tax Policy Division, Debt Management Unit, Macroeconomic Policy and Financial Sector Unit, Fiscal Decentralization Unit at the MFDP, Bureau of State Enterprises, Liberia Revenue Authority, General Auditing Commission, Joint Public Accounts, Expenditure and Audit Committee Secretariat and the Legislative Budget Office. Also, I would like to appreciate the Project Management Unit of the MFDP for the exceptional role played in facilitating the drafting of the Strategy.

Special thanks and appreciation also go to the International Monetary Fund (IMF), the World Bank, the Swedish International Development Agency, the African Development Bank, the European Union, and other Development Partners for their continuous support to the Government and for their respective inputs into the development of the Strategy.

Finally, my heartfelt thanks and appreciation goes to the Team from the Public Financial Management Reform Coordination Unit of the MFDP for the level of work done and the initiatives taken in consolidating the inputs of stakeholders and drafting of the Strategy.

I remain grateful.



Mr. Joseph K. Fahnbulleh

Coordinator

Public Financial Management Reform Coordination Unit

EXECUTIVE SUMMARY

An Improved economic environment for fiscal and monetary policy management to promote economic growth; as well as macro-fiscal and Budget Policies for the public financial management [PFM] Reform Strategy.

Prudent macro-fiscal and budget policies underpin effective use of domestic fiscal revenue and donor aid. Similarly, the need to improve the linkage between macro-fiscal reforms and the achievement of the goals of the various development agendas including the Sustainable Development (SDGs), African Union Agenda 2063, ECOWAS Vision 2050 cannot be underestimated.

On the other hand, improving the efficiency of spending will require further strengthening of Liberia's fiscal institutions, including its PFM systems. Consequently, by promoting transparency and enhancing fiscal governance, a more effective PFM system not only reduces fiscal wastes, but promotes shared prosperity, sustainable development, enhances value for money, and makes all stakeholders more assured that; public expenditure is used for its intended purposes.

Accordingly, a PFM reform strategy and action plan has been formulated that identifies the priorities for reform, provide a more structured and sequenced framework in which to carry out specific reform activities, guide the mobilization of resources (including attracting external funding), and improve coordination as well as the sustainability of reforms aimed at strengthening the PFM systems.

Building on Current Successes:

The Government has made tremendous headways in building and rebranding its PFM systems and processes, for which there are several notable areas of recognition;

- a) A new legal, regulatory framework for public expenditure management, reforming and decentralization of public service at the subnational level;
- b) A stable macroeconomic framework and macro-fiscal targets being met;
- c) New tax laws and policies enacted and implemented by the Liberia Revenue Authority (LRA); domestic revenue collections have greatly improved, in some cases exceeding forecasts;
- d) The Office of the Auditor General has been reformed and transformed into a Commission that has greater autonomy relative to scrutiny and oversight presently;
- e) A budget oversight mechanism has been instituted through the establishment of the Legislative Budget Office and a Public Accounts Committee among others for increased participation in the budget formulation strategy and process, passage of the annual budget /laws on time, and holding the executive accountable on budget execution reports and government audited financial statements as part of the legislative oversight of the PFM; and
- f) The PFM Act has been amended that gives greater autonomy to the Comptroller & Accounting General over Comptrollers at the various MACs, etc.

Even though many reforms have been undertaken, achieving the desired end results are yet far-fetched as evidenced by the 2020 PEFA Report, the IMF Article IV Review and other supplemented reports and internal analytical engagements carried out through several technical support missions through workshops and technical consultations, all of which confirmed the need to scale-up reforms.

Sadly, all the above studies have indicated a pervasive lack of human resource capacity to support PFM reforms in up-stream and down-stream dimensions of public expenditure management, a result of the long-term effects of the protracted civil war, though minimal inroads have been made in this direction.

PFM Reform Strategy (A Comprehensive Approach)

The new PFM Reform Strategy is required to harness the government's capacity and systems to prudently utilize public funds towards meeting targets of its national development agenda, Vision 2030 and any other subsequent agendas. It will also require not just building more capable and critical human resource capacity, but ensuring that additional modern and critical PFM infrastructures are in place for effective financial management and reporting; strengthening the institutional framework for the PFM consistent with international best practices for a more efficient and transparent PFM system. It will also require catalyzation of all areas of the PFM system in a holistic manner to become efficient, responsive and transparent. Similarly, the interoperability of different PFM subsystems will be required including those mainly at the subnational level and not just in isolation. Thus, a "Whole of Government Approach " or a "Comprehensive Approach " has been adopted for the successful implementation of this new Strategy rather than relying solely on annual action plans other than the strategic issues.

Vision of the Reform Strategy

The vision of the Strategy is to accelerate PFM reforms in order to have in place an "A Well-Improved Public Financial Management System by 2027" that is responsive, transparent and accountable in the use of public resources. An enhanced PFM system is a system that is efficient, effective, transparent and closes loopholes to opportunity for corruption, with the ultimate goal of ensuring effective, economic and productive utilization of public resources in accordance with predetermined standards as a basis for economic development and poverty eradication through improved service delivery. Therefore, such a system will require strengthening of the budget execution process as well as strengthening internal and external scrutiny as well as audit.

The Nature of PFM reforms

Public financial management process covers a whole range of activities including planning and budgeting, budget execution and expenditure control, audit and inspection (internal and external), reporting and accountability, and oversight arrangements. Some of these are managed or implemented by line ministries, agencies and commissions of government. Among such institutions are the Ministry of Finance and Development Planning (MFDP), Ministry of Internal Affairs (MIA) General Services Agency (CSA) and Liberia Revenue Authority [LRA], the Public Procurement and Concession Commission (PPCC), the Auditor General Auditing Commission (GAC) and Legislature.

The PFM Reform Strategy is to be implemented under eight thematic areas and reinforced by different but matching components. The reforms are to be financed under a multi donor trust fund – a PFM Basket Fund to be coordinated by the PFM Reform Steering Committee

Reform Thematic Areas and the Components

In summary, the following are the eight Thematic Areas:

Thematic Area 1: Enactment, Approval, and implementation of legal instruments

The following are the components under Thematic Area 1, which shall be led by the responsible and relevant government entities:

- Full implementation of the Amended and Restated PFM Act of 2009
- Sensitization and awareness of the New PFM Regulations
- Sensitization and awareness of the Revenue Sharing Law of Liberia of 2021
- Amendment of the PPCC Act of 2010

- Operationalization of the newly Amended LACC Act of 2022
- Amendment and Restatement of the Amended and Restated PFM Act of 2009
- Amendment to the Liberia Revenue Code of 2011
- Repeal of Decree 8 creating BSE in 1985

Formulation of a Corporate Governance Code.

Thematic Area 2: Strengthening Budget Preparation and Execution

The following are the components under Thematic Area 2, which shall be led by the responsible and relevant government's entities:

- Realistic Budget Calendar to adequately facilitate the budget preparation process
- Budget Call Circular to guide budget preparation
- Strict enforcement of budget classification during budget preparation
- Provision of effective platform for reconciliation of expenditure needs and priorities amongst MACs
- Strengthening Commitment Control
- Reactivation of the Ministerial Working Group
- Debt Sustainability Analysis (DSA)
- Medium Term Debt Management Strategy
- Timely Availability and Accessibility of Key Budget Documents
- Expanding Institutionalization of Public Participation in the Budget Process
- Improving Liberia Fiscal Transparency and Public Participation Indices
- Completion of successor Medium Term Development Plan framework
- Completion of Budget Policy Notes
- Completion of Project Profile Templates
- Completed National M&E Plans
- Completion of Sector Strategic Plans
- National and sub-national development coordination engagements
- Monitoring and evaluation of National Development interventions
- PIM Policy and Framework to improve appraisal, selection, and execution of public investments
- Procedural Manual for the implementation of the PIM Policy
- Review and update of current project proposal templates

Thematic Area 3: Sustaining Reforms to Support Domestic Resource Mobilization

The following are the components under Thematic Area 5, which shall be led by the responsible and relevant government's entities:

- Introduction of VAT
- Monitoring and evaluation of the status of ECOWAS CET
- Establishing a fully functional Tax expenditure section at the LRA
- Benchmarking best practices of PEF law to include tax policy processes
- Capacitating the LRA to implement VAT
- Automation of tax collection and reporting processes

- Implementation of the MOU between LRA and LEC for settling real property tax liability before connection to the grid
- Establishment of the LRA Tax Academy for capacity development
- Full implementation of LITAS nationwide

Thematic Area 4: Better Integration of PFM Systems and Processes

The following are the components under Thematic Area 6, which shall be led by the responsible and relevant government's entities:

- IFMIS Free Balance rollout
- EDMS rollout to 82 SEs and 7 SEs on the CTs
- IFMIS is operational and secured with maximum uptime and issues resolution is guaranteed
- Establishment of a Disaster Recovery Site
- Stabilization of the IFMIS
- All major PFM systems integrating and interfacing with the Free Balance IFMIS
- Revision of MFDP ICT Policy
- Activation and reactivation of inactive modules on the IFMIS
- Capacity Building

Thematic Area 5: Improving Financial Reporting

The following are the components under Thematic Area 7, which shall be led by the responsible and relevant government's entities:

- Timely and comprehensive reporting by MACs
- Improving the capacity of the accounting cadres across Government
- Support to Aid Management Coordination Unit

Thematic Area 6: Strengthened External and Internal Oversight

The following are the components under Thematic Area 8, which shall be led by the responsible and relevant government's entities:

- Timely and Accurate Submission of Financial Statements by MAC's
- Strengthen Compliance with Financial laws and Regulation
- Adequate Automated Processes and Platforms
- Follow up on all Audit Recommendation
- Timely Public Hearings of Public Accounts Committee
- Capacity Building

Thematic Area :7 Cross-Cutting Capacity Development

The following are the components under Thematic Area 9, which shall be led by the responsible and relevant government's entities:

- Passage of a National Capacity Building Fund into Law.

- Completion, validation and publication of National Capacity Building Policy.
- Conduct of National Capacity Needs Assessment Across Government.
- Creation of a PFM Professionals' National Database.
- Strengthening PFM Training Institutions.

Legislative Oversight

The legislature plays a strategic and important role of exercising oversight over public funds, which should be strengthened in the medium term. However, in order to maintain legislative independence from the executive and through close consultations, strengthening legislative oversight will be better via support to the Legislative Budget Office and Public Accounts Committee within the broader framework of enhancing public financial management outside the current PFM Reform Strategy.

Governance Arrangements

PFM reforms cut across the government involving many stakeholders, private sector, civil society and development partners. To ensure full engagement and sufficient coordination of all government stakeholders and development partners, provide adequate oversight on the reform process, The PFM Reform Steering Committee chaired by the Minister should lead the process. The Steering Committee will be supported by PFM Reform Technical Committee, and a lean PFM Reform Secretariat in the office of the Minister. The Steering Committee will report to the Minister.

Implementation at Thematic Levels

Thematic areas' objectives, outputs, strategies, activities and action plans have been defined and included in the PFM reform strategy as Annexes. The matrix tables are supported by budget estimates. Strategies and activities are sequenced in a coordinated manner to reflect government priorities over the medium-term period. For the purposes of ownership, implementation will be mainstreamed with government activities, and for that reason, Thematic Leads will be government officials at director level or at equivalent who will be coordinated by the Component Leads under the overall supervision of the Minister of Finance.

Each Component Lead will constitute a Component Working Group with Thematic Leader as its head, and is expected to bring on board all stakeholders that are likely to be affected by the reforms, will submit regular feedback to the PFM Reform Technical Committee, and subsequently to the PFM Reform Steering Committee. In order to increase the reforms' effort and to coordinate effectively, the PFM Reform Secretariat, the PFM Reform Coordinator, along with Monitoring and Evaluation Officer, Information and Communication Officer, and some skeletal support staff will lead on this process.

Introduction

The Public Financial Management Reform Strategy and Action Plan 2024-2027 is a four (4) year strategic plan that is aligned to Liberia's National Development Plan. It aims to strengthen public financial management governance across the public sector by building on improvements made over the previous years. The Minister of Finance and Development Planning considers ownership and leadership of the government's PFM Strategy as one of his major priorities. Along these lines, the Public Financial Management Reform Coordination Unit led consultations with internal and external stakeholders in the preparation of this PFMR SAP, which focused on intervention in critical PFM reform strategic priorities rather than offering a detailed and centrally planned set of actions to be followed.

The ultimate objective of the PFMR SAP is to enable the Government of Liberia institute a robust Public Financial Management system by 2027, *inter alia* strengthening the processes and tools for formulating and executing the budget; incorporating a strategic focus in the budget; continuation of reforms to support domestic resource mobilization; integrating PFM systems and processes, improving accounting and financial reporting; strengthening internal and external oversight; improving public investment management; and strengthening capacity building across the Government of Liberia.

Liberia's last Public Financial Management Reform (PFMR) Strategy and Action Plan was developed for the period 2017-2020 and contained 132 actions across six (6) thematic areas and a cross-cutting theme to develop capacity in the public space. Thirty-seven (37) of those actions were achieved. The Strategy expired in 2020 and wasn't fully implemented, owing to several constraints. That said, achievements were made in technical areas such as on the Domestic Resource Mobilization Strategy. At the same time, some landmark reforms occurred that were not anticipated in the 2017-2020 PFMR Strategy and Action Plan, specifically in the case of the wage and cash management reforms. The next generation reforms, embedded in a new PFMR SAP are premised on Seven (7) Thematic Areas as outlined below:

- Enactment, Approval, and implementation of legal instruments,
- Strengthening Budget Preparation and Execution,
- Sustaining Reforms to Support Domestic Resource Mobilization,
- Better Integration of PFM Systems and Processes,
- Improving Financial Reporting,
- Strengthening Internal and External Oversight and
- Cross-Cutting Capacity Development

The Public Expenditure and Financial Accountability (PEFA) 2020 report on Liberia highlighted strong performance, under the thematic areas of Budget Reliability and the Management of Assets and Liabilities, when compared to other Sub-Saharan African Countries. Conversely, performance was suboptimal in External Scrutiny and Audit, Accounting and Reporting, and Transparency pillars. Against this backdrop, the new Strategy is focused on building on those key successes, while strengthening areas where shortfalls were noted.

At a one-week strategic review under the auspices of the Public Financial Management Reform Coordination Unit, that brought together major stakeholders at a participatory and interactive forum for the formulation of this new Strategy, PFM reform priorities were sourced from participants and critically assessed rather than being imposed from the center. Therefore, this new Strategy is expected to be country-driven, very concise, and easily accessible, and will include high-level information with easily identifiable key performance indicators to monitor and evaluate performance.

The new Strategy will be anchored on the result of the 2020 Public Expenditure and Financial Accountability assessment and other diagnostic report results; the IMF recent technical assistance recommendations; previous PFMR strategies; and inputs from government officials. The Reform Coordination Unit played a central role in preparing the PFM Reform Strategy and will monitor implementation of the new Strategy.

PFM in Context

Subsection 4(33) of the Amended and Restated Public Financial Management Act of 2009, under Definition, Public Financial Management (PFM) refers to the legal and administrative systems and processes which will ensure the effective, economic and productive utilization of public resources in accordance with predetermined standards. It encapsulates the supervision of all phases of the budget cycle such as the formulation and preparation of the budget, budget execution and expenditure management, internal controls and audit, procurement, monitoring and reporting arrangements, as well as internal and external scrutiny and audit. The broad objectives of public financial management are to achieve overall fiscal discipline, allocation of resources to priority needs, and efficient and effective delivery of public services. A solid and strong PFM system is, thus, a tool to prudently manage fiscal waste and to guarantee that taxpayers' money is used in line with its intended purpose.

Need to Strengthen the PFM System to Support the National Development Plan and other Agendas

Liberia is a signatory to an array of global, continental as well as regional development agendas, including but not limited to the Sustainable Development Goals, African Union 2063 and ECOWAS 2050. Contributing to the successful outcomes of these developmental agendas in financial, economic and monetary terms cannot be overstated. Therefore, addressing the pitfalls in the PFM Systems have positive implications for achieving the goals, not only for the country's national agenda which focuses on providing greater income security to additional one million Liberians with the intent of reducing absolute poverty by 23 percent across select regions over the period of the Strategy; but it also supports the 2030 Vision: Liberia Rising which among other things which seeks to elevate Liberia to a middle-income country by 2030, by creating a competitive and prosperous nation with a high quality of life.

Likewise, strengthening the PFM Systems reinforces the goals of ECOWAS Vision 2050 that pursues accelerated transformation and development as means of unleashing the creative and innovative potentials of the people; while it facilitates the goal of the AU Agenda 2060 which overall aspirations seek investments in human development, economic transformation and integrated systems of politics; all of which in a concerted way, are linked to the overall United Nations Sustainable Development Goals (SDGs), which aims to transform our world by ending poverty and inequality, protect the planet and ensure that all people enjoy health, justice, and prosperity.

While considerable inroads have been made in the Liberian PFM landscape over the years, more works at integrating the systems and processes are still required as highlighted by Battersby, Jha, Khasiani, & Prentice, (2022). Arguably, an effective and efficient public financial management system not only spurs economic growth, reduces poverty, but also improves service delivery. Moreover, a good PFM System underpins good governance, transparency, and accountability. Therefore, the need to improve and strengthen Liberia's public financial management system, if not a priority, should then be a "sine qua non" to implementing this new Strategy.

Legal, Regulatory, and Institutional Framework

Liberia's PFM system is underpinned by the following legal, regulatory, and institutional frameworks:

- The Constitution of the Republic of Liberia (1986);
- The Amended and Restated Public Financial Management Act of 2009;
- An Act to Amend Part IV, Section 10 of an Act to Authorize the Establishment of the Central Bank of Liberia (1999);
- The Public Financial Management Regulations;
- The Public Procurement and Concessions Act (2005 as amended in 2010);
- National Development Plan;
- The Local Government Act of 2018;
- The Amended and Restated Act to Establish the Liberia Anti-Corruption Commission and to Re-Establish the LACC (2022);
- The General Auditing Commission Act (2014);
- Internal Audit Agency Act (2013);
- The Liberia Consolidated Revenue Code as Amended (2020);
- Liberia Revenue Authority Act (2014);
- The Revenue Sharing Law of 2022;
- An Act to Establish the Ministry of Finance and Development Planning RL;
- MFDP 2019-2023 Strategic Plan;
- National Budgets;
- IFMIS Strategy; and
- IFMIS Governance Structure

The Structure of the Strategy Document

The Strategy is structured into four (4) Sections and includes several other annexes and frameworks.

Section One takes a birds-eye view of the entire Liberia PFM landscape from the historical context of PFM in Liberia, the legal, regulatory, and administrative frameworks that guide such practices as well as the rationale for strengthening the system.

Section Two looks at PFM in Liberia from the perspective of past and recent ongoing reform initiatives being undertaken by the Government to make the PFM Landscape more robust and responsive to contemporary demands and effective public service delivery, while examining some of the critical success factors that need to be considered while drafting the new Strategy.

Section Three explores the strategic focus of the new Strategy in terms of its vision, guiding principles, strategies and objectives, component objectives, and key action plans, and presents the overall action plans and funding requirements.

Section Four establishes the Strategy Implementation Framework, guiding principles for implementation, coordination and monitoring mechanisms, financial management and procurement, strategic risks analysis, and mitigation measures.

Section Five layout the M&E Framework and the responsible parties, agencies and units

Section Six presents the annexes and action plans along with the estimated costs of the activities.

Below is a glance at the structure of the Structure:

Section	Title
One	Introduction
Two	Strengthening of the PFM System
Three	Legal, regulatory and Institutional Framework
Four	Structure of the Strategy
Five	Historical Context and Ongoing PFM Reforms
Six	Successes and Challenges of the PFMRSAP 2017-2020
Seven	Focus of the Strategy
Eight	Thematic Areas
Nine	Monitoring and Evaluation Framework
Ten	Action Plan

Historical Context and ongoing PFM Reforms in Liberia

Liberia's Public Financial Management System, essential for the effective management of cash, public debt and overseas development assistance collapsed on account of the civil conflict. Much of the country's public and private infrastructure as well as human capital was destroyed.

The Ministry of Finance and Development Planning (formerly the Ministry of Finance) was challenged to develop and apply a mix of policy measures to rebuild the confidence of partners, create an enabling business environment, reduce the debt burden, and restore the faith of the citizens.

With support from the development partners, successive Ministers of Finance have exuded leadership in the resuscitation and enhancement of PFM systems including Dr. Antoinette Sayeh, Mr. Augustine K. Ngafuan, Mr. Amara Konneh, Mr. Boima S. Kamara, Mr. Samuel D. Tweah and the incumbent, the Acting Minister Hon. Anthony G. Myers. Their respective efforts buttressed by a few local professionals culminated into several notable achievements: the enactment of the Public Finance Management Law (2009) and its attendant Regulations, the attainment of HIPC Completion Status/Point in 2010, strengthening of internal and external audits, development of the budget process, cash management, and related systems. The Bureau of General Accounting and the Office of the Comptroller General became a unified Office of the Comptroller and Accountant General. The former Budget Bureau morphed into a department within the then Ministry of Finance, the debt and aid management frameworks were strengthened, and the Integrated Financial Management Information Systems (IFMIS) project was conceptualized. An International Monetary Fund (IMF) Fiscal Affairs Department (FAD) report of June 2009 recommended the creation of a Unit to coordinate and keep track of the reforms. This gave birth to the PFM Reform Coordination Unit (PFMRCU). In 2010, The Unit leveraged technical assistance from both the IMF and the World Bank to develop a (4 year) comprehensive strategy and action plan (2024-2027). The endorsed Strategy will not only lay the policy actions, intended outcomes, and related costs, but is expected to further deepen and sustain the reforms well-anchored therein. For example, the IFMIS roll-

out was deemed a fiscal driver critical to transform budget management, transparency, accounting, treasury and financial reporting, and arrears management, within the overall financial management chain of the Government of Liberia. Similarly, fiscal decentralization as enshrined in the next generation of PFM reforms and has the potential to strongly impact economic development in the longer term, as well as to improve local accountability. However, the decentralization initiative is beset with significant challenges, including, in some areas, a lack of a minimal level of infrastructure and human capital needed to drive the reforms.

Consequently, the erstwhile World Bank's Integrated Public Financial Management Reform Project (IPFMRP) supported some important capacity building initiatives, which was buttressed by a follow-on Public Financial Management Reforms for Institutional Strengthening Project PFMRIISP. AFRITAC West has been another good source of support for the Country and regional capacity building. Such support needs to be leveraged by the authorities, so that training sessions can mostly be organized domestically to cater to a critical mass of technicians.

Implementing PFM reforms in Liberia has come with challenges in building both financial and human capacities. The identification and retention of change management champions also proved to be a challenge, and considering their importance in pushing through the reforms, all has to be done to retain these local practitioners within the PFM space.

While institutional arrangements can be barriers to implementing the changes that are required, the leadership of the entire Government and the MFDP is poised to cascade the reform agenda to the next level through the robust implementation of the new Strategy.

An amendment to the Public Financial Management Act of 2009 was passed into law and signed by the President of Liberia in October of 2019. With the passage of the Act, the CAG Department transitioned from a Division under the Department of Fiscal Affairs to a new Department within the Ministry of Finance & Development Planning. Section I of the Amended and Restated PFM Act of 2019, approved by the National Legislature on October 22, 2019, states "the Comptroller and Accountant General Office within the Department of Fiscal Affairs at the Ministry of Finance and Development Planning was given the full authority through the National Legislature, and with the consent of the Minister of Finance and Development Planning to be a full Department". The CAG Department is responsible for Government accounting and treasury functions. The Department initiates, formulates, and coordinates policy for the management of public funds and assets. The Department receives, pays, safeguards, and reports on the receipt and usage of all public funds on behalf of the government.

Achievements to date within the PFM landscape include (i) fiscal transparency initiatives in the form of preparing and publishing the weekly and quarterly budget out-turn reports; (ii) setting up the dashboard for monitoring Public Sector Investment Projects (PSIPs) performance; (iii) strengthening the institutional structures, cash forecasting and coordination processes in cash management; (iv) advancing Electronic Funds Transfer capability with the Central Bank of Liberia (CBL) system; (v) structural reforms in the Comptroller & Accountant General Department (CAGD) to bring accounting cadres across MACs under the management of the Comptroller and Accountant General; (vi) finalizing the TSA policy, design and structure and reform of the payroll system. The success of these reforms emphasizes the importance of local ownership and leadership in their design and implementation.

In September 2022, a team from the International Monetary Fund Fiscal Affairs Department (FAD), provided technical assistance for the development of a new PFM Strategy for Liberia based on a request from the Government of Liberia. The Public Financial Management Reform Coordination Unit (PFMRCU) has decided to adopt a participatory approach that promotes buy-in and national ownership, and is currently endeavoring to execute the framework developed by the team from the Fund which will lead to the development of the new PFM Reform Strategy and Action Plan.

In furtherance of the preceding, the PFMRCU held a series of consultations in Ganta City, Nimba County. The consultations were held with the various Thematic Leads/Heads and staff, and information solicited from them were based on the IMF-proposed Framework and the responsibilities of each Thematic area as it relates to the provision of information to feed into the Strategy.

The information requested from these Thematic areas were tied to the Report of the just ended PEFA – Assessment, and the Strategic Plans or vision of these designated Components.

The first draft of the new PFMR Strategy drew breath from these consultations and will be ready and shared with development partners. Other activities on the horizon to be executed by the PFMRCU include:

- The creation of public awareness and stakeholder engagement on the implementation of the PFMR Strategy, the approved PFM Law, and its attendant Regulations;
- The conduct of Sub-National Consultations on the effects of PFM at the County-level to engender a high-level of Country ownership;
- The development of a National Monitoring and Evaluation Policy to guide the progress of implementation of the PFMR Strategy and Action Plan.

Successes and Challenges of the 2017-2020 PFMR SAP

In developing the new strategy, performance against previous ones was reviewed to identify those tasks completed, those, for a range of reasons, that were commenced but not completed, and those against which nothing had been achieved. Said review on the other hand produced some interesting conclusions that could have implications for the successful implementation of the new Strategy. Interestingly, the Strategy worked well in some critical areas such as budget reliability and management of assets and liabilities but did poorly in the other important arenas including transparency, policy-based strategy and budget, as well as accounting and reporting, external scrutiny, and audit as identified in the PEFA 2020 report. Notwithstanding, the following underlying questions provided an understanding of the review process:

- Do the task and related activities continue to be realistic, relevant, and accurately reflect government priorities?
- Have MACs demonstrated adequate leadership and capacity to carry out the tasks and activities?
- How much progress has been made in delivering the tasks against the benchmarks and targets set out in the PFMR SAP?
- Have the tasks and activities maintained their direction about the goals, objectives and technical design elements set out in the PFMR SAP?

Apart from these successes and challenges, there are valuable lessons that emerged out of the process that the new Strategy could build on.

A. Successes and Challenges

The 2017-2020 PFMSAP was built around Six (6) thematic areas along with 137 Actions, of which only 37 were completed, while others are ongoing and others never commenced. Below are snapshots of the key thematic areas of the previous expired Strategy:

- Robust Legislative and Regulatory Framework
- Credible Budget to support Service Delivery
- Revenue Mobilization

- Robust and Linked Systems and Processes
- Comprehensive and Transparent Financial Reporting
- Strengthen External Scrutiny

While minimal successes were achieved, undoubtedly the challenges were overwhelming as evidenced by the number of limited actions achieved compared to those that were not achieved. Hence, the tables below delineate the successes and challenges of the Strategy during the implementation period:

Table 2.1: Robust Legislative and Regulatory Framework to ensure clear roles and responsibilities of all key role players in the PFM sphere are defined.

Success	Challenges
• Revision, amendment, and restatement of the PFM Act of 2009 • Undertake capacity development needs assessment • Developed Capacity Building/Development Strategy	• Update the PFM Regulations and all related guidelines • Prepare Capacity Building Work plan for all PFM Functional areas

Table 2.2: Credible Budget to Support Service Delivery- to ensure that public services delivered to citizens effectively and efficiently and in accordance with approved budget and national development plan.

Success	Challenges✕
• Next AfT (Vision 2030) developed • Established one comprehensive database of both externally and domestically financed projects • SOEs prepare a financial statement in accordance with IFRSs • Established GRBU in the MFDP • Amend the PPCC Act	• Adherence to the time-frame established in the detailed budget calendar • IFMIS Cash Management Module used for routine cash management • All donor funding moved on-Budget • Repealing the BSE Decree • County Treasuries in all 15 Counties • Develop an e-procurement platform for Liberia

Table 2.3: Domestic Revenue Mobilization- Mobilization of sufficient revenues (tax and non-tax) to facilitate the delivery of services to the public

Success	Challenges
• Establishment of document processing and mobile registration centers for taxpayers • Taxation Amendments through Legislature • Ensure stability of the existing SIGTAS system • Upgrade the custom tax offices and rollout ASYCUDA	• Tax Ombudsman established for receiving and investigating complaints from taxpayers • Transition to VAT and Complete the Community Partnership • Replacing ITAS with an operational ITAS (LITAS) fully interfaced with other systems • Fully interfaced ITAS with the relevant functionalities

Table 2.4: Robust and Linked Systems Processes- to maximize the benefits to the government of the significant ongoing investment in PFM ICT infrastructure.

Critical Success	Challenges
Develop TSA Operations Manual	- IFMIS rolled out to 107 Spending Entities - IFMIS rolled out to 15 County Treasuries - EDMS rolled out to all spending entities - EDMS rolled out to all county treasuries - Budget Module configured, activated, and tested for budget formulation (FY2018/19) 107 spending entities locally to produce POs, make payment requests, and print cheques. - Compile an inventory of bank accounts in all CoBs, documenting institutional owner and balances - Develop and implement SLAs between MFDP, CBL, and CoBs on the banking arrangements - Implement a daily sweeping arrangement between GoL bank accounts in CoBs and CBL

Table 2.5: Comprehensive and Transparent Financial Reporting- To improve accountability for public money and the quality of strategic and operational decision-making by ensuring that financial reporting is as comprehensive and as transparent as possible

Success	Challenges
- IPSAS cash-based financial statements issued by MFDP and MACs - Autonomous agencies reporting to MFDP by PFM legal framework	- All MACs produce budget execution and financial reports by the PFM legal framework. - Assess the capacity of government accounting staff and develop three-year training strategy to closely identify capacity gaps - Deliver the planned training - Publish in the FM Regulations, the minimum qualification and experience standards for the Comptroller & Accountant General and Financial Controller positions in MACs - Launch the Aid Management platform & rollout to MACs & Local government

Table 2.6: Strengthened External Scrutiny- Enhance the integrity of the PFM system through strong external scrutiny.

Success	Challenges
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Citizen's Guide booklets made more user-friendly, all major budget documents made publicly available, and budget data available online in open format • Support to NSAs for enhanced external oversight • Provide support to strengthen the ;National Integrity Forum	• Appropriate sanctions for Ministers/MACs who do not respond to PAC recommendations on audited financial reports on a timely basis, included in the revised PFM Law. • All PAC recommendations were responded to within the required time-frames. • The annual budget signed into law before the beginning of the budget year. • Establishment and institutionalization of public participation measures throughout the budget cycle • Improved implementation and understanding of 2010 FOI law (including appointing PIOs in each MAC) • PIOs to ensure enhanced public disclosure of relevant information through MACs websites.
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Table 2.7: Cross-cutting Thematic Area Capacity Development Strategy - Institutionalize and build sustainable capacity in Public Financial Management

Critical Success	Challenges
• Undertake capacity development needs assessment of all key PFM functional Units • Prepare a capacity development strategy • Engage Consultant to assess capacity and readiness of UL to absorb the FMTP • Strengthen LICPA's professional programs and practical experience regime • Provide training and logistics to LIPA to undertake short-term PFM training of Government staff	• Appropriate sanctions for Ministers/MACs who do not respond to PAC recommendations on • Transition FMTP & IPTP to the University of Liberia • Prepare capacity development work plan for all PFM Functional areas • Standardize the Accounting Curriculum of Tertiary Institutions through the Syllabi Integration Program (SIP) • Absence of subject-matter facilitators in Tertiary institutions as instructors

Other reforms instituted but not specified in 2017-2020 PFMRSAP

The 2017-2020 PFMRSAP was formulated before the new government came into existence in 2018. Consequently, some significant reforms that were undertaken by the new government were done outside the ambit of the expired Strategy. Table 2.8 below presents some of such key reforms:

Table 2.8: Some Key Reforms carried on outside of the PFMRSAP 2017-2020

New Reforms	Status
• Revenue Sharing Law of Liberia, 2021	• Passed and printed into handbill
• Revenue Sharing Regulation	• Draft
• Salary Harmonization & Remuneration Act of 2019	• Passed and printed into handbill
• Amendment to the Amended and Restated PFM Act of 2009	• Passed by House and at the Senate for concurrence

• Electronic Fund Transfer	• Undergoing User Accepted Testing
• Liberia Project Dashboard	• Launched and in use for PIP
• Medium-Term Expenditure Framework Unit	• Fully functional within the Department of Budget and Development Planning
• Act to Amend and Restate an Act to Establish The Liberia Anti-Corruption Commission and to Re-Establish The Liberia Anti-Corruption Commission	• Act passed and awaiting the President's nomination of Commissioners

B. Key Lessons Learned

In spite of the successes and challenges encountered in the implementation of the 2017-2020 PFMSAP, there were valuable lessons learned during the process that need to be adopted in the design of the new Strategy. One key lesson is that the more actions, the less likely the availability of funds. Also, actions with more technical concentration are likely to be easily implemented compared to actions needing political interventions. Moreover, it is better to get the buy-in of the Minister of Finance for financing of actions that may not be funded by the Partners. Thus, most of the donor-funded actions received immense support because they were developed consistent with the Partners' interest.

In short, there needs to be a limit on the number of actions to be undertaken in the Strategy. Similarly, more emphasis should be placed on technical actions instead of political actions. The last Strategy failed mainly not only because there was no political buy-in, but because the new government did not form a part of the crafting of the expired Strategy, as such, this time around top management of the MFDP needs to take ownership of the Strategy since they are currently part of the design process. Finally, every proposed action in the Strategy should be translated into sector work plans to form part of the multi-donor overall assistance programs to the government.

Therefore, a successful implementation of the new Strategy will depend on strong political will and country ownership to pave the way to overcoming some of the problems faced in implementing the former Strategy in order to achieve the desired change needed in the PFM landscape. Hence, strengthening the PFM Systems and Processes will therefore require, as leaders, the provision of robust political leadership and taking ownership of the process.

Focus of the Strategy

By 2027, the Government of Liberia will have strengthened all of the existing PFM Systems and Processes within the Public Financial Management sector in a more robust, responsive, reliable, accountable, and transparent fashion for the provision of effective and efficient service delivery to the Liberian public. Thus, the emphasis will be laid on institutional and human capacity development, mainly systems, procedures, and policies as well as the technical skills required across thematic areas to further strengthen PFM institutions and programs. The PFM Reform Strategy is needed to improve the government's capacity and systems to prudently utilize public funds towards meeting its development goals, and ultimately those of Vision 2030.

Hence, it will require building the requisite human resource capacities, putting in place modern and effective systems and procedures for effective financial management and reporting; strengthening the institutional framework for the PFM in accordance with international best practices for a more efficient and transparent PFM system. Thus, Continuing Reforms to Support Domestic Resource Mobilization will be

required in all areas of the PFM system in a holistic manner to become efficient, responsive and transparent. It will also require the different PFM sub-systems to support each other rather than operate in isolation, adopting a “Whole of Government Approach” or a “Comprehensive Approach” rather than relying heavily on annual action plans and thereby isolating the strategic activities.

On the other hand, specific and tailored training and skills development relative to the PFM legal environment to improve the skills of PFM cadre across all of the components at the local and central levels. An enhanced PFM environment is crucial to enable the effective utilization of requisite tools and processes to formulate and execute the national budget; incorporate strategic focus in the budget process; public investment management; continuing reforms to support domestic resource mobilization; Integrating PFM Systems and Processes; Improving Financial Reporting; strengthening Internal and External Oversight.

Areas for critical redress

The Government of Liberia has undertaken major PFM reform programs over the last decades. This has strengthened the country’s PFM processes and systems in considerable ways leading to the institution of external and internal audit functions and an accounting function. It has also resulted in modernized arrangements for planning resource use over the medium-term and annual budget preparation.

In spite of the accomplishments, the government is still eager to reform further and improve where weaknesses have existed from the various diagnostics covering the 2016 and 2020 PEFA PFM Assessments. Currently, the quality and the performance of a Country’s PFM system are assessed using the PEFA PFM Performance Measurement Framework, which identifies weak areas which need improvement of current and future PFM performance.

PEFA scores to that effect ranged between A and D with A being perceived as a high performing score for the PFM system whilst a score D indicates potential weak areas in the PFM system that require further analysis for possible improvements. Hence, the 2020 PEFA Analysis highlighted sustaining areas with good scores while improving where scores are lower. Thus, below is a presentation of the scores per higher and lower performances:

- 1. Budget Reliability-***In order for the budget to be a tool for policy implementation, it should keep the overall expenditures in line with the global amount voted by the legislature.* On this note, the government scored on average a grade of B on PI-1. Aggregate Expenditure out-turn, D+ on PI-2 Expenditure composition out-turn, and D+ on PI-3. Revenue out-turn.
- 2. Transparency of Public Finances-***In order to ensure budget formulation, execution, and reporting are based on administrative and economic classifications comparable with Government Financial Statistics (GFS) standards.* On this dimension, the government scored C on PI-4. Budget Classification, B on PI-5. Budget Documentation, D+ on PI-6 Central Government Operations outside of financial reports, D+ on PI-7 Transfers to Counties and Districts, D on 7.1 System for Allocating Transfers, D on PI-8 Performance Information for Service Delivery and D on PI-9 Public Access to Fiscal Information.
- 3. Management of Assets and Liabilities-**To ensure public enterprises submit their annual financial statements on time in order to meet their tax obligation. On this dimension the government scored D on PI-10 Fiscal Risk Reporting, D+ on PI-11 Public Investment Management, D+ on PI-12 Public Asset Management, and A in PI-13 Debt Management.
- 4. Policy-based Fiscal Strategy and Budgeting-**To ensure sector strategies present a complete costing of investments and recurrent expenditures. On this dimension, the government scored a B on PI-14 Macroeconomic and Fiscal Forecasting, C+ on PI-15 Fiscal Strategy, D+ on PI-16

Medium-term Perspective in Expenditure Budgeting, D+ on PI-17 Budget Preparation Process, and C+ on PI-18 Legislative Scrutiny of Budgets.

5. **Predictability and Control of Budget Execution-Overall**-Ensure the budget is implemented within a system of effective standards and processes, and that internal controls are effective for more than 75 percent of the budget expenditures. In this context, the government scored C+ on PI-19 Revenue Administration, D+ on PI-20 Accounting for Revenues, B on PI-21 Predictability of In-year Resource Allocation, D on PI-22 Expenditure Arrears, D+ on PI-23 Payroll Controls, D on PI-24 Procurement, B on PI-25 on Internal Controls on Non-Salary Expenditures, and D+ on PI-26 Internal Audit.
6. **Accounting and Reporting**-Ensure overall accurate and reliable records are maintained and produced at appropriate times to meet decision-making and reporting needs. On this dimension, the government scored D+ on PI-27 Financial Data Integrity, D+ on PI-28 in-year Budget Reports, and D+ on PI-29 Annual Financial Reports.
7. **External Scrutiny and Audit-Overall-To ensure** audit reports on the AFS are produced promptly to allow the Parliament to make appropriate recommendations and exercise effective oversight over the executive. On this development, the government scored D+ on PI-30 External Audit, and D on PI-31 Legislative Scrutiny of Audit Reports.

In short, the 2020 PEFA Assessment for Liberia shows an overall C score, which corresponds to a basic PFM performance. The weaknesses were mainly in the areas of:

- Fiscal risk reporting
- Public asset management
- Revenue out-turn
- In-year budget reports
- Central government operations outside
- Public investment management
- Medium term perspective in expenditure
- Fiscal strategy

On other hand, the strengths were in the areas of:

- Internal controls on non-salary expenditure
- Predictability of in-year resource allocation
- Aggregate expenditure out-turn
- Debt management
- Macroeconomic and fiscal forecasting

Notwithstanding, when the PEFA findings were presented, the government through the Ministry of Finance and Development Planning convened a thematic stakeholders' session to review the report as well as address the findings. Accordingly, the Public Financial Management Reforms Coordination Unit was asked to take charge of the process. In 2022, the stakeholders converged in Ganta, Nimba County during which time all of the areas were presented, analyzed and solutions derived. Subsequently, all of the solutions proffered during that meeting have since been translated into the action plans of the new Strategy.

SWOT ANALYSIS

An analysis of the strengths, weaknesses, opportunities and threats (SWOT) for the implementation of the PFM Reform Strategy has been undertaken thereby revealing the following findings:

Table 2.9: SWOT Analysis of the PFM Reforms

A. Internal Factors

Strengths	Weaknesses
Donor Community shows great interest in PFM reforms evidenced by direct budget support and technical assistance	Lack of PFM basket fund to execute PFM Actions where Donors fall short
The Ministry of Finance and & Development Planning has shown strong willingness in improving its public financial management systems	Comprehensive and costed sector strategies exist only for education and health
Amendment and Restatement of the 2009 along with the formulation of the of the PFM Regulation provide a very sound basis for an effective legal and regulatory framework to promote sound PFM system in Liberia	Lack of access to key financial information may limit public scrutiny and the use of appropriate PFM tools (e.g. public procurement procedures)
Existence of a robust and efficient domestic revenue administration which enhances the predictability of domestic revenue mobilization	Capacity gap for PFM Professionals (both in numbers & know how) to prepare and produce financial statements in future without outside assistance as well as drive the reforms process
Stable macroeconomic, social and political environment in the country augurs well for sound public finance management practice	
The migration of the PFM function from manual to digitization	

B. External Factors Analysis

Opportunities	Threats
The government's commitment to economic growth and poverty reduction is a clear indication of its development policy within the context of the Pro-poor Agenda for Prosperity and Development, which identifies improvements in Public Finance Management as the basis for achieving economic growth and poverty reduction	Pending 2023 General Elections
Granting of prosecutorial power to the Liberia Anti-corruption Commission demonstrate the government's zero-tolerance policy against corruption	No political actions

• Ongoing strengthening and upgrade of the integrated financial management system (IFMIS) and a modern integrated personnel and payroll information system (IPPS) as well as an Electronic Fund Transfer system (EFT)	• No ownership
• The culture of hard work is an opportunity to realize the strategic objectives contained in this strategy	• No leadership
	• Ambitious actions
	• Lack of qualified financial professionals and a number of active professional financial management institutions to actively participate in the reform efforts
	• Government's inability to commit the required funding for the reforms
	• Attrition of staff in key positions after training and capacity building and leaving the Government without adequate capacity to sustain the reform program

Thematic Area One: Enactment, Approval, and implementation of legal instruments

Situation Analysis

There are several outstanding legal instruments and issues that need to be acted upon to create the enabling PFM environment. Paramount among those requiring legal actions are the new Amended & Restated Act of 2009 that was recently amended and passed by the House and now awaiting concurrence by the Senate and subsequent approval by the President of Liberia.

Approval is also needed from the President to operationalise the new PFM Regulations as provided in Part I: Section 1.2 of the Amended and Restated PFM Act of 2009, A repealing of Decree 8 which created the Bureau of State Enterprises in 1985 and an Act to create a regulatory body for SOE high on the reform agenda. Similarly, the Amended and Restated PFM Act of 2009 will require full implementation, while public sensitization and awareness on the New PFM Regulations and the Revenue Sharing Law of 2022 need to be carried out to bring visibility to these instruments. Subsequently, the PPCC Act of 2010 is expected to be amended alongside the Liberia Revenue Code as Amended 2011 in the coming years, while the newly Amended LACC Act of 2022 is expected to be operationalised.

Likewise, a proposal for the formulation of a Corporate Governance Code to regulate the conduct of State-Owned Enterprises is currently being contemplated by the Bureau of State Enterprise. In the same vein, the creation of a Ministry of Water and Sanitation Affairs to explore, develop and commercialize the country's water and river resources as well as development of Concession Compliance Code and a Regulation to regulate the behaviors of concessionaires have also been sought. Despite these inroads, the PFM environment is still replete with challenges of profound weak legislative oversight, gross breaches of regulatory compliance, and non-adherence to administrative and internal control mechanisms which are

pervasive amidst failure to sanction those who violate these legal instruments as provided under the PFM Act.

Strategic Priorities

Public Financial Management is the legal and administrative system and processes to ensure the effective, economic and productive utilization of public resources in accordance with predefined standards (PFM Law Section 4.33), and the responsibility for all officials handling public financial transactions to ensure that financial information is reported in a timely manner (PFM Law Part VII, Section 47.1).

In view of the above, the overarching strategic priority for this thematic area is to further strengthen and reinforce those processes, systems, and requisite institutional mechanisms through the enactment of new legal instruments and tools, approval of pending ones, and ensuring that the full implementation of those already in progress as a means to maintain the sanctity of the PFM Landscape as indicated above in the situational analysis.

Key Measures and Output

Outcome	Key Performance Indicators	Responsible Party
Full implementation of the Amended and Restated PFM Act of 2009	Enforcement of key provisions of the PFM Act (e.g. Sanction)	DCAG
Sensitization and awareness of the New PFM Regulations	Awareness and sensitization campaigns	RCU
Sensitization and awareness of the Revenue Sharing Law of 2022	Awareness and sensitization campaigns	LRA
Amendment of the PPCC Act of 2010	Printed Handbill of Amended Act	PPCC
Operationalization of the newly Amended LACC Act of 2022	Prosecution of accused persons accused of corruption	LACC
Amendment and Restatement of the Amended and Restated PFM Act of 2009	Handbill of Amended Act	MIA
Amendment to the Liberia Revenue Code of 2011.	Amended Revenue Code	LRA
Repeal of Decree 8 creating BSE in 1985	Copy of repeal of decree	BSE
Drafting of the PAC Act	Copy of the drafted PAC Act	PAC
Formulation of a Corporate Governance Code.	Copy of Corporate Code produced	BSE
Formulation of a Concession Compliance Code and Regulations	Copies of Code and Regulations	NBC

Thematic Area Two: Strengthening Budget Preparation and Execution

Situation Analysis

The Budget preparation and approval process in Liberia consists of two phases. Phase one is the strategic planning phase that culminates into the preparation and submission of the Budget Framework Paper to the national legislature along with the release of a Budget Call Circular, on the one hand, and phase two which entails submission of the budget to the National Legislature for approval. However, the preparation and approval process follow a series of integrated steps including Supplementary Budgets that involve several processes, documentations, and Spending Entities (SEs). These processes include but are not limited to: a review of the previous year's budget performance and results achieved by Spending Entities; determination of revenue estimates to include tax, non-tax and external resources; determination of core and contingent expenditures against determined revenue estimates; Spending Entities producing Budget Policy Notes (BPNs) which define public expenditure plans in line with Government's overall objectives; MFDP publishing of the Budget Framework Paper (BFP), with summaries of resources needed and plans on how the funds will be spent; and presentation of expenditure needs by Spending Entities during budget discussions with the MFDP.

Documentations include but not limited to: Budget Call Circular (BCC) 1, which guides Spending Entities on Budget Policy Note formulation; the Budget Option Paper (BOP) that reflects sector strategies; the Budget Framework Paper that is informed by the BPNs and BOP; Budget Call Circular II- guidance to SEs on preparing detailed budgets. While these processes, tools and documentations are important to the National Budget, and should be upheld in line with the legal framework, they should be applied appropriately.

Due to the increasing demand for fiscal transparency and public participation in the budget process and given the important role of civil society organizations in PFM systems, the Department of Budget and Development Planning has been working with the Non-State Actors (NSA) Secretariat to ensure participatory and transparent budget process, especially during the budget formulation. The Secretariat is being integrated within the Budget and Development Planning Department to support the Government's fiscal transparency and public participation program.

Strategic Priorities

Improving the preparation and execution processes and institutions should be given prominence. The major hurdles to the budget preparation and execution appears to be the timely approval of the Detailed Budget Calendar, failure to effectively adhere to the guidelines in the Calendar, and the subsequent neglect of the tools and processes for budget implementation.

Considering the limited implementation of some key basic tools in the Detailed Budget Calendar, coupled with the failure on timely usage of proper budget implementation tools, this thematic area is key for the next period covering the Strategy. Based on the outstanding issues and challenges, some of the immediate priorities areas that will help strengthen the institutions for effective budget preparation and execution include: comprehensive pre-budget consultations supported by a standardized yet realistic Detailed Budget Calendar; comprehensive budget proposals supported by early expenditure ceilings and costed baselines; and reconciliations and trade-offs leading to clear-cut expenditure priorities within the given budget constraint.

The achievement of these interventions would lead to a more credible medium-term budget framework that is integrated with the annual budget process. The performance of this outcome would be rated against PEFA PI-16 and PI-17. This thematic area will also support the strengthening of GoL's fiscal transparency program, including among others, the production of Citizen's Guide to the National Budget, and publication of all key budget documents, coordinating and ensuring civil society organizations' participation in the budget process, and ensuring the integration of recommendations from various fiscal transparency assessments. It will also support CSOs participation throughout the budget process, and provide sub-grant for demand driven activities, and support the work of the Fiscal Transparency Advisory Group which is responsible to advise MFDP on the design and implementation of fiscal transparency and public participation mechanism.

Key Measures and Outputs

Outcome	Key Performance Indicators	Responsible Party
Development of a realistic Budget Calendar to adequately facilitate the budget preparation process	Guidance on the budget preparation performed well	DBDP
	MACs have sufficient time to complete detailed estimate	DBDP
	Submission of the Budget Proposal by the President to the Legislature on or before the legal deadline.	MoS
Budget Call Circular comprehensively developed to guide budget preparation	Detailed timetable for the preparation and submission of GoL's macro-economic policy statement	DBDP
	Expenditure Ceiling included in BCC	DBDP
	MACs encouraged to participate in Sector Working Groups Discussion	DBDP
Instituting straight enforcement for budget classification during budget preparation	Optimal allocation of resource detailed	DBDP
	Economic Classification strictly mapped to the Government Finance Statistic Manual	DBDP
SWGs to provide an effective platform for reconciliation of expenditure needs and priorities amongst MACs	Conduct series of consultative forums to review budget proposals and undertake trade-off within given budget constraints	DBDP
Strengthened Commitment Control	Cash Release or Financial Budget synchronized with Allotments and Cash Plans	CM&FAU
	Provision of short-term expenditure forecast	CM&FAU
Reactivation of the Ministerial Working Group	Preparation and management of the National Budget well oversee.	MFDP
	Macro-economic Working Group and the Ministerial Budget Management Committee meet regularly to take respective mandate	DEM

Debt Sustainability Analysis (DSA)	Conduct DSA to determine the debt carrying capacity of the Country	DMU
Medium Term Debt Management Strategy	Conventionally, Medium Term Debt Strategy is updated every year to reflect the current prevailing macroeconomic realities	DMU
Timely Availability and Accessibility of Key Budget Document	Expanding the production and distribution of Citizen's Guide to the National Budget Booklet	DBDP
	Timely publication of key budget documents and other fiscal reports in machine readable format	DBDP
Expanding Institutionalization of Public Participation in the Budget Process	CSO's and citizens participation institutionalized through pre-budget consultations, raising awareness on Draft and Approved National Budgets and CSOs participation in Sector Working Group, executive and legislative hearings, etc	DBDP
	Conduct massive outreach on Draft and Approved National Budgets through the Open Budget Initiative (OBI)	DBDP
	Provide technical support to the Fiscal Transparency Advisory Group	DBDP
Improving Liberia Fiscal Transparency and Public Participation Indices	Coordinate with Units within the MFDP and other GoL entities responsible for fiscal transparency	DBDP

Incorporating Strategic Focus in the Budget Process

Situational Analysis

The MFDP prepares medium-term forecasts of key macroeconomic indicators, which are included in the budget documentation submitted to the Legislature. However, the projections are not reviewed by an external entity. Currently, the government prepares medium-term forecasts of the main fiscal indicators, including revenues, aggregate expenditures, and budget balances. These forecasts, together with the underlying assumptions, in the budget documentation submitted to the Legislature. On the other hand, the government prepares a range of fiscal forecast scenarios for internal use. These scenarios are based on alternative macroeconomic assumptions, but the budget documents do not include a discussion of forecast sensitivities.

Moreover, the MFDP prepares estimates of the fiscal impact of all proposed changes in revenue and expenditure policy for the next fiscal year. Also, the government has adopted, along with the last budget submitted to the legislature, a medium-term fiscal strategy, including quantitative or qualitative fiscal objectives. And even though the government prepared an internal report on the progress made against its fiscal strategy, it was not submitted to the Legislature.

Meanwhile, the annual budget presents an estimate of expenditures for the budget year and the following two fiscal years by administrative and economic classification, however the budget circular does not contain medium-term expenditure ceilings as well as the permission of multi-year appropriations. Consequently, sector strategies have been prepared for some sectors, but they do not present a substantially complete costing of investments and recurrent expenditures. Budget proposals are not aligned with estimates presented in the strategic plans.

Besides, budget documents do not provide an explanation of the changes to expenditure estimates between the second year of the previous medium-term budget and the first year of the current medium-term budget, while budget calendar exists, but practically the MACs do not have enough time to complete detailed estimates. And while budget circulars are issued to budgetary units, such circulars do not include ceilings for administrative or functional areas, yet the executive submitted the annual budget proposal to the Legislature at least one month before the start of the fiscal year in all the last three years.

Interestingly, the Legislature's review of the budget covers fiscal policies and aggregates for the coming year, as well as detailed estimates of expenditures and revenues, but does not cover medium-term details pertaining to expenditures and revenues. On the one side, while legislative procedures include internal legislative committees, technical support, and negotiation procedures, public consultations are not yet in place. In recent times, the Legislature has approved the annual budget within one month of the start of the year in two of the last three fiscal years. And while clear rules exist for in-year budget changes by the executive, they allow for significant administrative re-allocations. Moreover, it is not clear that they are followed in most cases.

Strategic Priorities

To address the above situations, this thematic area prioritizes development of robust macroeconomic and fiscal forecasts that delineate differences in forecast in previous year's budget, while highlighting forecast sensitivities. It also prioritizes the conduct of an assessment of public investments on economic growth vis-a-vis public revenues.

Similarly, quantification of the decisions to move toward higher domestic revenue performance through a combination of tax policy measures; measures that broaden the tax base; and minimization of exemptions and use of tax incentives more reasonably, coupled with stronger financial support for revenue mobilization are other areas of priority of this thematic area.

Also, providing explanations to the Legislature about the budget execution, justifying budget shortfalls that arise as a result of poor revenue collection as well as aligning budget proposals with estimates presented in the strategic plans, and explaining in the budget documents, forms the basis for revisions when the second year of the last medium-term budget is different from the first year of the current medium-term. These are some of the other areas of focus for this thematic area.

Likewise, minimizing delays experienced in the budget calendar implementation, and allowing MACs adequate time to complete detailed estimates that most of them failed to complete in a timely manner, as well as issuance of budget circular to budgetary units containing ceilings for administrative or functional areas before budget estimates are reviewed and approved by the Cabinet are some areas where emphasis will be placed. Ensuring that the Legislature's review does not only cover fiscal policies and aggregates for the coming year, as well as detailed estimates of expenditures and revenues but should as well cover medium-term details of expenditures and revenues will be another arena attention will be paid. Finally, strict adherence to rules governing in-year budget amendments by the executive as well as allowance of extensive administrative re-allocations will be highly pursued under this thematic area.

Key Measures and Output

Outcome	Key Performance Indicators	Responsible Party
Development of a robust macroeconomic and fiscal forecast framework	Forecast Framework	BPU/MFPU
Assessment of public investments on economic growth vis-a-vis public revenues	Assessment report	PIU
Design of New DRMS	Copy of DMRS	LRA

Provision of explanations to further clarify the budget process.	Clarified copy of the budget	BPU
Minimization of delays in the implementation of the budget calendar	Improvements in budget calendar implementation	BPU
Budget circulars to budgetary units containing ceilings for administrative or functional areas	Copy of budget circular	BPU
The Legislature's review covers medium-term details of expenditures and revenues during the budget process	Review process	LBO
Strict adherence to rules governing in-year budget amendments	Copy of budget amendments	LBO/BPU

Improving Public Investment Management

Situation Analysis

Most economic analyses conducted to assess major investment projects are reviewed by entities other than the sponsoring entity. Also, most of the public investment projects are externally financed projects (for which there is no pipeline and central review process), less than 25 percent of the major investment projects are prioritized by a central entity. On the other hand, projections for the total capital costs of major investment projects are not included in the budget documents.

At the same time total costs and physical progress of major investment projects are monitored by the implementing government unit. Standard procedures and rules for project implementation are in place, but no information about the implementation of major investment projects is published annually.

Insufficient information is generated by Public Asset Management specifically about non-current assets because of the current use of the cash basis IPSAS. The government maintains a register of its holdings of fixed assets, but it does not collect information about their usage and age. While procedures and rules are established for the transfer or disposal of non-financial assets, only partial information about transfers and disposals is included in the annual financial reports.

Strategic Priorities

Involving sponsoring entities in the review process on economic analysis conducted to assess major public investment projects will be one key priority under this thematic area. Ensuring that 100% of major public investment projects are prioritized by the central entity will also be a focus under this thematic area. In the same token, inclusion of projections of total capital costs of major investment projects in the budget will be another area of high consideration.

Other areas of priority under this thematic area will be the institution of robust monitoring framework of the cost and physical progress by the implementing agency of government. This will as well include the institution of standard procedures and rules for project implementation, including the annual publication of major public investment projects. Also, systemic improvement in the generation of adequate information on public asset management, especially those involving non-current assets will be of ultimate consideration

under this thematic area. Additionally, upgrading of the fixed asset registry so as to capture data on the usage and age of fixed assets as well as full disclosure about transfers and disposals will be highlighted under this area. Also, completion of the PIM Policy and Manual as well as the building of capacity of key staff involved with efficiently driving public investment projects effectively as well as the establishment of a public investment project board will also be highly emphasized under this thematic area.

Key Measures and Output

Outcome	Key Performance Indicators	Responsible Party
Full involvement of PSIPs' sponsors in economic analysis of major public investment projects	Number of PSIP's Sponsors involved in economic analysis of PSIPs	PIU
Increase in public investment projects prioritized by the Central entity.	Percentage of PSIPs prioritized by central government	PIU
Inclusion of projections of total capital costs of major investment projects in the budget.	Budget line item showing capital costs of PSIPs	BPU
Robust framework to monitor cost and physical progress of PSIPs by implementing agencies.	PSIP Monitoring Framework	PIU
Standard procedures and rules for project implementation.	Copy of SOP	PIU
Annual publication of major public investment projects.	Copy of annual publication	PIU
Improvement in information generation on public asset management, including non-current assets.	Level of improvements in public assets management information.	PIU
Finalize a PIM Policy and Framework to improve appraisal, selection, and execution of public investments	PIM policy and framework document developed	DBDP
	Peer review and validation held	DBDP
	Dissemination and publication conducted	DBDP
Develop a procedural manual for the implementation of the PIM Policy	Desk review conducted on Procedural Manual	DBDP
	Stakeholders' consultation held	DBDP
	Dissemination and publication of Procedural Manual	DBDP
	Training for MACs and Counties in PIM procedure manual conduct	DBDP
Review and update current project proposal template	Project proposal template reviewed and updated	DBDP
	Project proposal template disseminating MACs in using the updated template completed	DBDP
Establishment of the Ministry of Water & Sanitation Affairs	Copy of the Act establishing the Ministry	RCU/GC/MFDP's Legal Section

Thematic Area Three: Continuing Reforms to Support Domestic Resource Mobilization

Situation Analysis

It has been eight (8) years since the Liberia Revenue Authority (LRA) was established. National revenue collection within this period has approximately exceeded US\$ 3 billion, thus showcasing our strength in revenue collection by effectively implementing the LRA Corporate Strategic Plan (FY 2016/17-2020/21), and the Domestic Resource Mobilization Strategy (DRM). Notwithstanding, our weaknesses lie in the timely completion of the Corporate Strategic Plan for the next five (5) years, key components of the DRM

such as a fully functional VAT regime, instituting ECOWAS CET, and digitization of our tax administration system. With a huge revenue potential and a tax gap analysis of approximately 1 billion per year, with the real estate sector contributing a significant portion are opportunities, the threats are the lack of political will to approve new tax legislations and the lack of adequate capacity building of tax officers and practitioners.

Strategic Priorities

The LRA will focus on a 2-year extension to complete the DRM implementation to compensate for the two (2) year delay in its implementation, along with a review to determine the level of progress thus paving the way for the development of a new DRM Strategy; and prioritizing the development of a Corporate Strategic Plan for the next five (5) years, focusing on revenue digitization, the improvement of professionalism of tax practitioners and revenue officers, institutional capacity development capturing the informal sector, targeting illicit financial flows, prioritizing VAT including a national validation of the VAT Law, rolling out awareness nationwide and training for VAT auditors, rolling out the real property sharing scheme recently initiated in Margibi county to Grand Bassa County and across Liberia and the implementation of the MOU between LRA and LEC for the purpose of the settlement of real property tax liability before connection to the grid. Further, the implementation of the MOU with the National Housing Bank on awareness, finalization of the concept documents of the National Single Window (NSW) Project utilizing funding from the World Bank through the LIFT project, full implementation of the transition from pre-inspection to Destination Inspection, establishment of the LRA Tax Academy for capacity development and the full implementation ITAS across the Country.

The LRA also prioritizes the full completion of phase one of the ITAS project which includes Taxpayer Registration, Return Processing and Assessments, Payments Processing, Taxpayer and Revenue Accounting, Compliance Management and Enforcement, Reporting and Business Intelligence, Taxpayer Service, Workflow Management and Case Management. Phase two commenced immediately and is expected to be completed in mid-2023 and will provide automated functionalities for Risk Analysis, Audit, Protests and Appeals, Refunds, Investigations, Document Management, Tax Analysis, and Revenue Forecasting.

Key Measures and Outputs

Task	Measure	Target Date	Lead	Results
Introduction of VAT into the Liberian tax regime	Establishment of legal the framework (Development of VAT laws) and approval by the national legislature)		LRA/MFDP	Revenue collection is expected to reach billions from a collection of 700m
Monitoring and evaluation of the current status of ECOWAS CET	Full implementation of the ECOWAS CET		LRA/MFDP	Supplementing revenue collection from about 700m to 1 billion

Establishing a fully functional Tax expenditure section at LRA	Tax expenditure (i.e., tax incentive) regime of GOL reduced		LRA /MFDP	Attainment of a clear picture of total tax expenditure to advise management on potential revenue loss of over millions of dollars annually.
Bench marking best practices of PEF law to include tax policy processes	Amendment of the PFM law to include provision on revenue forecasting and reporting and done with other segment of the PFM process such as budgeting and expenditure management		LRA/MFDP	Strengthening public financial management
Capacitating the LRA to implement VAT	VAT audit manual is developed, and auditors trained			Recovering actual VAT revenue
Automation of tax collection and reporting processes	Number of systems integrated with LITAS systems			Easing the paying and processing of tax by at least 50%
Implementation of the MOU between LRA and LEC for settling real property tax liability before connection to the grid	Copy of MOU		LRA/LEC	Increasing real estate taxes from 6 M per year to about 12 M or more
Establishment of the LRA Tax Academy for capacity development	Operationalisation of LRA Tax Academy		LRA	Capacity building in tax administration improved
Full implementation of ITAS nationwide	Operationalization of ITAS nationwide		LRA/MFDP	Fully automate revenue collection, assessment, and reporting system

Thematic Area Four: Better Integration of PFM Systems and Process

Situation Analysis

The FreeBalance Software is the Government's Financial Management System used for financial accounting, execution and reporting on the National Budget. The system has been rolled out to 86 Spending Entities and 4 County Treasuries. Budget preparations are done outside of the FreeBalance, as the Budget Preparation Module on the FreeBalance has not been activated. The Draft National Budget is prepared on a standalone system (Budget Management System), and files from the system are uploaded to the FreeBalance for budget execution. The Budget Planning Module, integrated on the FreeBalance is under review with a series of users accepted testing being carried on. When activated, the Budget Planning Module will be used for the planning and preparation of the Draft National Budget, the printing of the Budget Book and the implementation of the Approved National Budget.

The *Electronic Document Management System (EDMS)*, launched in August 2020, is a system that was acquired in 2015 for the purpose of eliminating duplicates in data entries because of running two separate systems (FreeBalance and Online Voucher Tracking System) performing the same transactions. In addition to eliminating duplicates, the EDMS also eliminates paper trails as a result of GAC continuous rendering of disclaimers of supporting documentations. Now being utilized at 31 Spending Entities from the previous 6, the EDMS serves as a prominent repository for documentation relating to all procurement and financial transactions in the execution of the National Budget on the FreeBalance. The system currently interfaces with the IFMIS FreeBalance and is to be rolled out to additional 25 Spending Entities by mid-2023.

The Debt Management Unit (DMU) has transitioned from the Commonwealth-Secretariat Debt Recording and Management System (CS-DRMS) to the *Commonwealth-Secretariat Meridian* for the purpose of improving the recording, analyzing, and managing and reporting all actions taken to reorganize Liberia's debt to support long-term debt sustainability. An interface with the IFMIS FreeBalance will have all of the debt records reflected, and available in real time.

Accounting for donor funding on the IFMIS FreeBalance still remains a challenge. Piloted projects in Fiscal Year (FY) 2015/16 failed to produce accurate reports due to quality of data migrated and inadequate capture of processes on the IFMIS FreeBalance. Modalities are being worked on by FreeBalance Inc. The migration of DFPs on the IFMIS FreeBalance will have donor funds captured in GoL's Quarterly Reports. A series of UATs were conducted by staff from PFMU and IFMIS Unit with positive results. The migration of DFPs on the IFMIS FreeBalance will have donor funds captured as part of the Consolidated Financial Statement.

Processes leading to the implementation of the *Electronic Funds Transfer* go-live is ongoing. The solution provider has developed an EFT module on the IFMIS FreeBalance with a series of tests being conducted. A dedicated link between the MFDP and the CBL has been established. The process for getting the Senior Management's approval for go-live is on-going.

Strategic Priorities

The leveraging of MFDP's relationship with the CBL to obtain Management's approval for go-live of the Electronic Fund Transfer is crucial. The CBL will be encouraged to use the supervisory and monitoring authority to ensure Straight-Through-Processing-Facilities are established at all commercial banks.

Fiscal Decentralization Sustainability and strengthening of the existing Treasuries should be the focus. Next in line is adding more Spending Entities as was pronounced in 2018. The vertical expansion of the

Treasuries by bringing on board additional Spending Entities is at less cost. In addition to the pronounced entities in 2018, recommended entities to be added to the Treasuries are Cuttington University in Bong County and Jackson F. Doe Hospital in Nimba County.

Strategic priorities under Thematic Area Six include: Agreement to co-locate with the Central Bank of Liberia's existing Disaster Recovery Site for disaster recovery. A Business Continuity Plan was reviewed, updated, and approved; and a clear road map for Business Continuity in the face of disaster was established. Procurement and deployment of servers and other data storage equipment for Disaster Recovery Site and full back up and retrieval of all financial and non-financial data in case of disaster ensured.

Key Measures and Output

Outcome	Key Performance Indicators	Responsible Party
IFMIS FreeBalance rollout	Local Area Network deployed in 23 SEs and 7 SEs on the existing 4 CTs; reliable network established	CAGD
	Wide Area Network deployed for 23 SEs and 7 SEs on the existing 4 CTs; reliable network established	CAGD
	End Users Trained Efficient transaction processing and reporting	IFMISU
	Procure and deployed Computers and Accessories; efficient transaction processing and reporting in additional 23 SEs and 7 SEs on the existing 4 CTs	CAGD
EDMS rollout to 82 SEs and 7 SEs on the CTs	Local Area Network deployed in 82 SEs and 7 SEs on the existing 4 CTs; reliable network established	CAGD
	Wide Area Network deployed for 82 SEs and 7 SEs on the existing 4 CTs	CAGD
	End Users Trained; efficient document management and archiving	IFMISU
	Printers and Scanners deployed at rollout sites; efficient document management and archiving	CAGD
	Document management and archiving is automated between SEs and MFDP	ICTU-MFDP
IFMIS is operational and secured with maximum uptime and issues resolution-on is guaranteed	SLA for IFMIS, EFT, and EDMS Vendor secured and active; IFMIS and complementary systems are operational and available (99%) to all SEs and Treasuries for use	CAGD

	SLA for IFMIS, EFT, and EDMS Vendor secured and active; IFMIS and complementary systems are operational and available (99%) to all SEs for use	CAGD
Establishment of a Disaster Recovery Site	A DRS is secured for GoL financial and nonfinancial data safety and availability during and after disasters	MFDP-
Stabilization of the IFMIS	Upgrade of the IFMIS Data Center for sufficient capacity for data storage and management is provided for all Modules on the IFMIS	CAGD
All major PFM systems integrating and interfacing with the FreeBalance IFMIS	IFMIS FreeBalance, LITAS and T-24 are linked	CAGD
	CS-Meridian interfaced with the IFMIS FreeBalance	DMU-MFDP
	Liberia Project Management Dashboard and interfaced with IFMIS FreeBalance and rollout to key stakeholder entities	AMCU-MFDP
	e-Procurement systems interfaced with IFMIS FreeBalance	PPCC
	CSA Biometric interfaced with IFMIS FreeBalance	CSA
Revision of MFDP ICT Policy	MFDP ICT Policy revised and revised version fully adhered to	MFDPICU
Activation and reactivation of inactive modules on the IFMIS	ATAPS decommissioned and CSM used for the salary payments of Civil Servants	MFDP/CSA
	Cash Management Module fully functional and facilitating the workings of the Cash Management Unit at the MFDP	CAGD/FAD
	The Budget Planning Module used for the planning and preparation of the Draft National Budget and the implementations of the Approved National Budgets	DBDP/CAGD
	Full utilization of the Procurement and Bidding Module upon the integration/interfacing of the e-Procurement	PPCC/CAGD

Thematic Area Five: Improving Financial Reporting

Situation Analysis

Comprehensive reporting enhances transparency, both for accountability and for strategic and operational decision-making. As with many developing countries, the delivery of the services essential for tackling poverty and for development is provided through many PFM sub-sectors. The Government budget, Development Partners programs, State-Owned Enterprises (SOEs), and other sources routinely fund the services provided to citizens. Bringing as many of these into the routine reporting and accountability system is critical to derive the overall picture of the resources available for the delivery and sustainability of services to the citizenry.

Overall, the transparency of Public Finances is below basic. The budget classification is comprehensive, consistent, and accessible to users, but external funding remains off-budget. In addition, transfers to Sub-National Governments are not based on clear and transparent rules. Information about service delivery to the public is insufficient.

Comparatively, the budget formulation, execution, and reporting are administrative and economic classifications based, instead of using Government Financial Statistics (GFS) standards (PI-4.1). Off-budget expenditures are donor-funded projects related (PI-6) which account for more than 10 percent of budget expenditures. Additionally, MACs and special funds do not always submit their annual financial statements in a timely manner. Thus, the Government does not have a complete picture of the budget resources and expenditures. Nevertheless, Annual Reports on external funding are compiled. Counties receive information about their annual transfers from Central Government, but this does not occur in a timely manner. Also, the transfers to the Counties are not determined by transparent, rules-based systems (PI-7.1).

Despite the Government's commitment to budget transparency (PI-9), coupled with the Open Budget Initiative, some bank accounts remain undisclosed. Some MACs, such as the Ministries of Education and Health, publish a framework of performance indicators relating to the outputs or outcomes. However, the project monitoring mechanism is still ineffective. Performance indicators are published for only about 20 percent of the budget (PI-8.1). No survey was carried out in the last three years to provide estimates of the resources received by service delivery units (PI-8.3). An evaluation of the efficiency or effectiveness of service delivery was carried out by the Monitoring and Evaluation (M&E) Unit at the MFDP, but this unit is not required to publish the results. (PI-8.4).

In the Amended and Restated PFM Act 2009, Section 48 requires the following reports to be prepared: Monthly Reports on Revenue by each Spending Entity, where applicable; Quarterly Expenditure Performance Report prepared by each Spending Entity and submitted to the Minister of Finance and Development Planning; and Quarterly Consolidated Report produced by the Minister of Finance and Development Planning based on the spending entities' reports, and made available to the President, the Legislature and the general public within 45 days of the end of the each quarter. There has been improvements in quarterly and annual reporting over the period of the previous PFMRs. According to records from the Office of the Comptroller and Accountant General, about forty percent (40%) of MACs are not preparing and presenting their quarterly and annual financial statements to the Offices of the CAG in time to enable the CAG prepare and submit unaudited Financial Statements to the Auditor General. The PFM Act requires heads of agencies to prepare and submit quarterly financial statements fifteen days after the end of each quarter and do the same annually no later than three months after the end of each fiscal year. No later than four months after the end of the fiscal year as per section 49 of the Amended and Restated PFM Act. The IPSAS cash Basis (2017) module for the preparation of financial statements for spending entities is not being used, as required and most State-Owned Enterprises are also not preparing financial

statements compliant with International Financial Reporting Standards (IFRS). This causes delay in the entire audit process of the National Budget, causing a stall in the implementation of national activities. However, a number of challenges still remain to be addressed. These include:

1. Capacity

While systems, reporting standards, and timeliness of reporting have improved, a continuing constraint to further improvement is an overall lack of capacity for spending units to report accurately and on a timely basis. Financial Comptrollers in spending entities are not always appropriately qualified and experienced to perform their roles, and to maintain the system of internal controls in the accounting system. A few stakeholders have pointed out that this is, in part at least, a result of Heads of Spending Entities hiring their own Financial Comptrollers when appointed without due regards for qualifications and experience. The Amended and Restated PFM Act gives authority to the Comptroller and Accountant General to assign comptrollers to various MACs and manage their functions. The Civil Service Agency's (CSA) merit-based recruitment policy will be fully actualized in vetting qualified applicants for the jobs. With resolving the issue of untimely and poor preparation of Financial Statements to the Comptroller, Comptroller and Accountant General Department should facilitate more training for accounting staff particularly for those MACs that are not preparing and presenting financial statements in time as per the PFM and GAC Act. The CAGD should also conduct awareness mainly for heads of MACs on the importance of financial statements preparation and announce a cut-off period for enforcement of non-preparation and non-submission of financial statements. Remuneration of the Heads and Financial Comptrollers of MACs who do not prepare financial statements should be withheld, consistent with the revised PFM regulations.

Institutionalization of IPSAS as adopted by the Government of Liberia

IPSAS as the standard adopted by the governance of Liberia for financial reporting, there is a need for the CAGD to collaborate with the Liberia of public Administration (LIPA) for the conduct of a routine three month course in IPSAS cash Basis as an entry level for accountants entering the public service as all accounting officer are being brought under the umbrella of the CAGD.

2. Reconciliations

An important area of weakness highlighted in the recent 2020 Public Expenditure and Financial Accountability (PEFA) Assessment is timeliness and regularity of account reconciliations. In addition to reconciliation of bank accounts, other reconciliations that must be institutionalized include those between: (i) cash and commitment spending out-turns; (ii) commitment spending and debt service payment recording; and (iii) budget execution data and bank account data.

3. Quarterly Fiscal out-turn Reports

Quarterly reports are not being produced by individual Spending Entities, as required under Section 48 of the Act. The quarterly consolidated fiscal out-turn reports are produced centrally by the CAG and in a timely manner, with data drawn from the IFMIS. However, complete information is not provided; e.g. outstanding commitments and expenditure payment arrears, borrowings, the financing of programs and projects that are off-budget, and fiscal risks. The publication of these reports are often delayed far beyond the 45 days after the end of each quarter. Data reported in the quarterly fiscal out-turn reports includes information generated by various departments of the MFDP, which are not reconciled with figures generated by the CAG. Annual audited financial statements have been published by the General Auditing Commission (GAC) for the fiscal years ended June 30, 2019, and 2020. The GAC's report for FY2019 was published in June 2020, two (2) years after the end of the financial year, while the

FY2019 and 2020 reports were published more than one year after the end of the financial year, exceeding the statutory requirement to publish within 4 months of receiving the accounts from the Minister. Several Spending Entities do not submit Annual Financial statements to the MFDP in time for consolidation. For example, the accounts for FY2020 did not include information for 22 spending units. The quality of financial statements also needs to be improved. The GAC's audit report on the FY 2018/19 accounts included a disclaimer and FY 2019/20 accounts included an adverse opinion due to the absence of audit trails in the IFMIS for some expenditure transactions and the failure to comply with International Public Sector Accounting Standards (IPSAS).

Strategic Priorities

The CAG will work with the financial staff of spending entities to achieve compliance with Section 48 of the PFM Act and improve the structure, coverage, and quality of reporting. This may require an assessment of the technical capacity of accounting staff in spending entities, followed by a series of 40 training programs designed to close the capability gaps identified. The Aid Management Unit will continue to strengthen the Aid Management Platform (AMP) to enhance transparency and timely reporting pertaining to disbursements of foreign resources and projections. The capacity of the Economic Management Department will be enhanced to undertake more accurate forecasting and comprehensive reporting. Going forward, the MFDP will work with the CSA and the President's Office to enforce the Government's HR policy of competitive recruitment based on merit for all positions including those of financial comptroller. The CAG will require the minimum qualifications and experience for appointment to these positions, and incorporate this provision in the revised Financial Management Regulations, including a requirement that the CAG should be represented on the selection panel for each financial comptroller. It will be important that the PFM system in the medium term be anchored on responsibility, accountability, and transparency for non-financial outcomes. This is particularly important in relation to the delivery of services to citizens. The Government is committed to preparing the ground for the introduction of a performance-based budgeting system and to enhancing resourcing for service delivery (refer to TA2 Credible Budget to Support Service Delivery). Performance-based budgeting (whether the model eventually adopted be program based budget or outcomes based) will significantly increase transparency as to what services are being funded through the budget and accountability reporting on the delivery of services against those budgeted.

Key Measures and Output

Outcome	Key Performance Indicators	Responsible Party
Timely and comprehensive reporting by MACs	IPSAS cash-based financial statements issued by MFDP and MACs	GACD
	All MACs produce budget executive and financial reports in accordance with the PFM legal framework	
	Autonomous agencies and funds reporting to MFDP in accordance with PFM legal framework	
Support to Aid Management Coordination Unit	Continue to publish quarterly and annual ODA reports	
	Train Unit's staff in loan negotiation and techniques	
	Organize quarterly project progress review meetings	AMU

	Attend annual Aid Management platform annual knowledge sharing workshop	AMU
	Budget Support technical working group meeting	

Thematic Area Six: Strengthened External and Internal Oversight

Like all other countries, the Government of Liberia generates and solicits funding for the well-being of her citizens and the improvement of its systems and infrastructure to enhance growth and ensure sustainable development. Therefore, it is necessary to instill measures to ensure public finance is used effectively and efficiently for the right purposes. In this regard, the Government of Liberia created integrity institutions such as the General Auditing Commission (GAC), Joint Public Accounts, Audit and Expenditure Committee (PAC) Secretariat, Internal Audit Agency and (IAA), Liberia Anti-Corruption Commission (LACC), and the Legislature Joint Committee on Ways, Means, Finance and Development Planning to enhance the integrity of the PFM systems through strong internal and external Scrutiny.

Situation Analysis

Since the introduction of Public Financial Management in Liberia, the Government has continued to strengthen its legal and regulatory frameworks through the enactment of laws, and deployment of systems, software, and policies. These steps are intended to enhance the integrity of fiscal operations through internal and external scrutiny of Government resources. That said, there are still major challenges that need to be resolved to further improve the Integrity Sector in Liberia.

Submission of Financial Statements to the Comptroller and Accountant General Department and the Auditor General

According to records from the Office of the Comptroller and Accountant General, about forty percent (40%) of MACs are not preparing and presenting their financial statements to the Office of the CAG in time to enable the CAG to prepare and submit unaudited Financial Statements to the Auditor General no later than four months after the end of the fiscal year (Section 49 of the Amended and Restated PFM Act). The International Public Sector Accounting Standard (IPSAS) Cash Basis (2017) module for the preparation of financial statements for spending entities is not being used, as required and most State-Owned Enterprises are also not preparing financial statements compliant with International Financial Reporting Standards (IFRS). This causes delay in the entire audit process of the National Budget, stalling the implementation of national activities.

Low Compliance with Financial Management Laws & Regulations

As the Government regime changes, a set of new professionals are employed while others are transferred to different positions, which causes gaps in capacity and knowledge of a former position. This occurs due to incoming officials not undergoing the requisite senior staff training to acquaint themselves with relevant laws, regulations and policies associated with good governance and prudent financial management practices before assuming office. Also there are poor systems and controls which lead to the misapplication and misappropriation of public funds.

Inadequate Automation of most Financial Management Systems & Platforms

There are major challenges in operating and maintaining Financial Management Systems and Platforms due to connectivity and lack of capacity. As at now, there is no software across Ministries and Agencies to automate all internal audit activities and processes. The PENTANA software is yet to be rolled out to MACs as it was launched early February 2023. The IFMIS, intended to help efficiently track financial reports across MAC's, not yet been rolled out to all spending entities. The electronic document management system that provides a platform for scanning and storing documentation for each transaction in government is virtually non-existent across most MACs. The LRA tax collection software (ASYCUDA & SIGTAS) are not fully deployed at most ports of entry in the country. The revenue-generating agencies' platforms are not linked with the general revenue account at the CBL. The sweep system for ensuring domestic revenue generated by commercial banks is automatically transferred to the general revenue account is not fully functional.

Low/poor implementation of Audit recommendations

The Joint Public Accounts, Audit and Expenditure Committee Secretariat is the administrative and technical arm of the Joint Committee. As the Government of Liberia continues its implementation of a wide range of PFM Reforms with the aim at improving effective budgetary processes through better preparation, execution, reporting, auditing, and legislative oversight, the Committee's performance on audit and oversight functions has not adequately achieved the desired results in terms of quality delivery and performance. The Secretariat provides technical, administrative and advisory support services to the Joint PAC to enhance the effectiveness and efficiency in the conduct of public hearings on the Auditor General's reports. Since its formation, the Secretariat has boosted the Committee's activities mainly with the conduct of public hearings on over hundred (100) audit reports, seven (7) of which have been consolidated, finalized and sent to the President for action. Recommendations contained in these reports are yet to be fully implemented, though few prosecutory actions have commenced against accused persons. However, little effort is currently being exerted to implement the audit recommendations. Low implementation of audit recommendations (internal & external) is one of the major challenges in our financial management sector. A number of internal and external audits have been performed over the years with little or no effect due to low implementation or non-implementation of audit recommendations.

Untimely Hearings on Public Accounts Audits

Staff of the PAC Secretariat are not trained and abreast with some issues that arise at the Public Hearings of the Joint Committee, which compels the Secretariat to regularly outsource subject matter experts. This results in delays, as it takes time to get these experts to better advice technically. Also, delays in submitting financial statements and performing audits, consequently impacts the organizing of Public Hearings.

Financial Independence for the Office of the Auditor General

The Office of the Auditor General is primarily responsible for ensuring accountability over the use of public resources. The effective execution of this responsibility requires both operational and financial independence. The GAC Act of 2014 grants the Office of the Auditor General full operational Independence including the competitive recruitment of the AG & Deputy AGs, reporting directly to the National Legislature, a clearly defined tenure of office of the AG and Deputies, appointment and removal procedures, and annual deliverables. However, the annual operating budget of the GAC and timing of disbursement of allotments are still being decided by the Ministry of Finance & Development Planning, contrary to the GAC Act of 2014 and the Mexico & Lima Declarations.

CSOs and citizens undertaken demand-driven activities

The Non-State Actors Secretariat has supported the establishment of a platform for information sharing between the government and the public through engagement with CSOs. It has also provided grants to help build their capacity to raise awareness, analyze and monitor the preparation, approval, and execution of the national budget.

Strategic Priorities

To resolve the issue of untimely and poor preparation of financial statements, the Office of the Comptroller and Accounting General Department should facilitate more training for Accounting Staff particularly those stationed at MACs that are not preparing and presenting financial statements based on the dictates of the PFM Act and GAC Act. The CAGD should also conduct regular awareness on the importance of timely preparation of financial statements. In this vein, the CAGD should announce a cut-off period for the enforcement of the law/regulation against non-conforming entities. Remuneration of the Heads of MACs who do not prepare financial statements in line with the PFM law, should be withheld, consistent with the revised PFM Regulations.

Considering the significance of compliance with the PFM framework, a national compliance checklist should be crafted that synchronizes the activities across the relevant PFM Laws and Regulations. The checklist should include controls that should be instituted, monthly deliverable (reports), and documentation needed for the processing of transactions. The Internal Audit Agency should be empowered to vet all transactions using the National Compliance Checklist and the Embroidered Stamp and ensure monthly deliverables are achieved.

Integrity Institutions, in collaboration with LIPA, should institutionalize a senior staff orientation program for incoming public officials to acquaint them with relevant laws, regulations, and policies associated with good governance and prudent financial management practices before they assume office.

The world is moving toward full digitization, and Liberia should be no exception. The Government should therefore ensure that IFMIS is fully rolled-out to all MACs. The activation of the Revenue and Budget Planning Modules, which will cause the Revenue Module of the IFMIS FreeBalance to interface with the revenue reporting platforms at the LRA, will help to efficiently scrutinize financial statements. The LRA tax collection software, LITAS, also needs to be fully deployed to all ports of entry in the country, while all revenue-generating agencies' (LPRC, NPA, etc.) platforms should interface with the GoL general revenue account at the CBL. In addition, the "sweep" system to ensure all domestic revenues generated by commercial banks is automatically transferred to the GoL general revenue account needs to be fully functional. Penalties for untimely and non-remittance by commercial banks need to be fully instituted. The electronic document management system that provides a platform for scanning and storing documentation of all transactions in Government needs to be developed and kept functional. All GoL institutions must operate effective accounting software to facilitate effective and timely financial reporting. Going forward, the Government should ensure that the IFMIS is fully rolled-out to all MACs.

The Director General of the Internal Audit Agency should perform periodic follow-ups on the implementation of audit recommendations and submit an annual report on the status of the implementation of the Auditor General recommendations to the Offices of the Auditor General and the Minister of Finance and Development Planning. The GAC Follow-up on the Implementation of Audit Recommendation Unit should conduct periodic follow-ups on the implementation of audit recommendations and submit an annual report on the status of the implementation of the Auditor General recommendation at MACs to the Auditor General for subsequent publication on the GAC's website.

The Joint Public Accounts, Expenditure and Audit Committee Secretariat of the National Legislature should hold timely public hearings on the Auditor General's reports, preferably one month after the issuance of the AG's reports. Reports recommending actions to be taken by the Executive should also be prepared and submitted to the Office of the President in a timely manner, preferably within three months. The Office of the President should be given the period of 90 days to implement recommendations from PAC's Public Hearings.

The Auditor General should submit the Annual Budget of the General Auditing Commission directly to the National Legislature for approval. The annual budget of the General Auditing Commission should be disbursed on a bi-annual basis, consistent with the GAC Act of 2014.

Key Measures and Output

Outcome	Key Performance Indicators	Responsible Party
Timely and Accurate Submission of Financial Statements by MAC's	The CAGD should facilitate more training for Financial Comptrollers of MACs, particularly for those MACs that are not preparing and presenting financial statements	CAGD
	The CAGD should also conduct public relation activities on the importance of financial statements preparation and announce a cut-off period for enforcement of non-preparation and non-submission of financial statements	
	Subsequently, the CAGD should ensure that the remuneration of the Heads of MACs who do not prepare financial statements are withheld, consistent with the PFM Revised Regulations.	
Strengthen Compliance with Financial laws and Regulation	A national compliance checklist should be crafted that synchronizes the relevant PFM Laws and Regulations	IAA
	The Internal Audit Agency should be empowered to vet all transactions using the national compliance checklist to vet transactions and ensure monthly deliverables are achieved	
	The checklist should include controls that should be instituted, monthly deliverables (reports), and documentation needed for the processing of transactions	
	Integrity Institutions in collaboration with LIPA should institute a senior staff orientation program for incoming public officials to acquaint them with relevant laws, regulations, and policies associated with good governance and prudent financial management practices before assuming office	
Adequate Automated Processes and Platforms	The IFMIS needs to be upgraded to include the revenue and budget modules. The revenue module of the IFMIS needs to be automatically linked to the revenue reporting platforms at the LRA	MFDP/LRA/GAC/IAA

	30 auditors trained to use PENTANA audit software to plan, perform and communicate internal audit activities	
	All revenue generating agencies (LPRC, NPA etc.) platforms should be linked with the general revenue account at CBL	
	The LRA tax collection software (ASYCUDA & SIGTAS) needs to be fully deployed at all ports of entry in the country	
	The document management system that provides a platform for scanning and storing documentation of all transactions in government needs to be developed and kept functional	
	All internal audit activities and processes in client entities automated through the PENTANA audit software	
Follow up on all Audit Recommendation	All outstanding recommendations are followed up and validated quarterly	IAA
	An accurate and complete recommendation follow up report containing number of recommendations outstanding at the beginning of the quarter, number of recommendations implemented during the quarter and number of recommendations outstanding at the end of the quarter is produced and presented to the heads of entities, IREDD and other stakeholders	
Timely Public Hearings of Public Accounts Committee	Build the capacities of staff to better organize and analyze Public Hearings	PAC
	Drafting of the PAC Five Years Strategic Planning to include specific dates for Hearings	PAC
Capacity Building	75 auditors qualified as CIA, CPA, CISA, ACCA etc	LIPA
	250 auditors trained in PFM	
	Professionalization of the PAC Secretariat's Staff (ACCA, CPA, CA) Certification of Staff (15staff)	
	Tour of PAC Members and clerks (17 members and 4 clerks)	

Thematic Area Seven: Cross-Cutting Capacity Development

Situation Analysis

Currently, there is no national capacity development fund established through the National Budget for PFM Programs, and Institutions (e.g., GAC, IAA, LICPA, LACC) and other national capacity building institutions (LIPA, CSA,) need to be fully strengthened. The National Capacity Development Policy & Strategy Document has yet to be completed, while no National Capacity Need Assessment was undertaken recently. Moreover, the current PFM Workforce is not fully professionalized to support critical reforms, critical to sustain effective Public Financial Management practices.

Strategic Priorities

Institutionalize sustainable capacity-development in Public Service/PFM through a systemic, integrated, and coordinated approach that addresses human and institutional resource constraints at the level of ministries, agencies, and commissions, in order to mitigate gaps in effective coordination, planning and execution of PFM reforms.

Key Measures and Output

Outcome	Key Performance Indicators	Responsible Party
Formulation and Passage of Proposed National Capacity Building Fund into Law	Signed Handbill of Capacity Building Fund Act	CSA, LIPA, LRA & RTP
Completion, validation and publication of National Capacity Building Policy.	NCBP Validation Program Copy of published NCB Policy.	RCU
Conduction of National Capacity Needs Assessment Across Government	National Capacity Building Needs Assessment Report.	CSA, RCU
Creation of a PFM Professionals' National Database.	Database of PFM Professionals across government.	CSA, RCU
Sustainability of FMTP	Availability of funding	UL
Build M&E Capacity of the National Bureau of Concession to effectively coordinate, monitor and evaluate concessions activities.	Number Training provided	NBC/RCU
Improving the capacity of the accounting cadres across Government	Access capacity of government accounting staff and develop a three year training strategy to closely identify capacity gaps	CAGD
	Deliver the planned training	
	Publish in the FM Regulations, minimum qualification and experience standards for the comptroller and Accountant General and Financial Comptroller positions MACs	

	Enforce the Government's merit recruitment policy appointment of Financial Comptrollers	
Capacity Building	The capacity of GoL Accounting, reporting, IFMIS, and IT staff is developed to ensure accurate and efficient accounting, reporting, IT assets security and management, etc.	CAGD/MFDP-ICTU

Risk Analysis and Assessment

There are potential risks that could impact the full implementation of the PFMRSAP. The below risk profile reflects some of the more significant risks and associated mitigating mechanisms. Each of the risks is profiled as low, medium, or high, based on materialization. Where a risk is rated “High” for both elements, the risk is considered serious. Where the risk is rated “low” for both elements, the risk is not considered a significant threat.

Significant Risks and Mitigating Mechanism	
TA 1: Enactment, Approval, and Implementation of Legal Instruments;	
Planned Outputs: All PFM Legal Instruments including Acts, Regulations and frameworks, etc. reviewed and updated, so as to provide a clearer command of authority, responsibility and accountability within Liberia's PFM system.	
Risk	Comment/Mitigating Mechanism
Failure to incorporate all of the anticipated necessary changes in the updated legal instruments. Likelihood-Low Impact- High	Stakeholders' consultative engagement and inputs from a broad group of the PFM legal framework, to ensure that all relevant amendments are included in the updated Act and Regulations.
Systems, processes, and practices are in sync with amended Act and Regulations Likelihood - Low Impact – High	Once amendments are passed by the legislature, responsibility should be assigned to MFDP (PFMRCU). The RCU coordinates the implementation of actions across government and reports progress to PFMRSAP on a regular basis.
Significant Risks and Mitigating Mechanism	
TA2: Strengthening the Process and Tools for Formulating and Executing the Budget	
Planned Outputs: The Detailed Budget Calendar timely approved and strictly adhered to, while the National Budget properly executed.	
Risk	Comment/Mitigating Mechanism
Failure to Develop a realistic Detailed Budget Calendar Likelihood - Low Impact – High	The Calendar needs to be prepared and approved promptly.
Budget Call Circular not comprehensively developed to guide budget preparation Likelihood - High Impact – High	Include expenditure ceilings in the BCC. The roles and responsibilities of stakeholders should be spelt out in the BCC.
Instituting straight enforcement for budget classification during budget preparation	Economic classification should adhere to GFS 2014 by ensuring that budget expenditures are correctly classified to their economic items.
SWGs not providing an effective platform for reconciliation of expenditure needs and priorities amongst MACs Likelihood - High Impact – High	Strengthen SWG so that sufficient consultative forums can be held

Weak commitment control and unplanned in-year reallocations Likelihood - High Impact – Medium	Synchronized Cash Releases with Budget Allotments and the Approved Cash Plans;
Inactivate Ministerial Working Group Likelihood - High Impact – High	Reactivation of the Ministerial Working Group. Macro-Economic Working Group and the Ministerial Budget Management Committee to meet regularly
No conduct of Debt Sustainability Analysis Likelihood - Medium Impact – Medium	Periodic conduct of Debt Sustainability Analysis
No Medium Term Debt Management Strategy Likelihood - Medium Impact – Medium	
Significant Risks and Mitigating Mechanism	
TA3: Incorporating a Strategic Focus in the Budget	
Planned Outputs:	
Risk	Comment/Mitigating Mechanism
Lack of enthusiasm in the reform program due to lack of interest. Weak political and/or bureaucratic support for the reform process. Likelihood - Medium Impact - High	A strong political buy-in is critical to ensuring reform. The PFMRCU should be well-resourced and focused for stronger advocacy for the PFM Strategy and Action Plan. Political and bureaucratic support should be strengthened through strategic engagement.
Increased revenues from improved taxpayer compliance and new tax measures, may not result in an improved economic type structure of the annual Budget. Likelihood - Medium Impact – High	If successful, the proposed revenue increases provide a one-off opportunity to restructure the budget and improve the delivery of services to the public.
Continuation of the practice of the Legislature amending key budgetary expenditure and revenue estimates during the consideration of the Annual Budget, causing delays in approving the budget and difficulties in budget execution Likelihood - High Impact - High	For as long as this practice is allowed by the Constitution, Act and/or standing orders, the Government will need to seek to engage the legislature in all aspects of the budget process in order to educate the legislators on the technical processes involved in preparing estimates and to build confidence in the integrity of these forecasts. Additionally/alternatively the Government may seek to legislate limitations to the legislature's ability to change estimates and to compel the legislature to pass the budget within a set time after the estimates are tabled.
TA 4: Improving Public Investment Management	
Planned Outputs:	
Risk	Comment/Mitigating Mechanism
TA5: Domestic Continuing Reforms to Support Domestic Resource Mobilization	
Planned Outputs: Improved compliance with existing tax laws, and implementation of additional tax measures in order to increase revenue available for Government services delivery	
Risk-	Comment/Mitigating Mechanism

Taxpayers fail to voluntarily comply with existing and new tax measures Likelihood - Medium Impact - High	Prerequisites for voluntary compliance are taxpayer awareness of their obligations and an up to date and constantly maintained taxpayer registration database. Priority should initially be given to these aspects of the planned outputs.
The risks that officials involved in collecting revenue are engaged in corruption and under reporting revenue Likelihood - High Impact - High	Appropriate surveillance and sanctions should be put in place to deter such practice.
TA6: Better Integration of PFM Systems and Processes	
Planned Outputs: Completion of the current program to roll-out the IFMIS to all spending entities and to ensure connectivity is adequate to ensure effective access to the system. Continuation of the process of linking systems to optimize sharing of critical data between systems and functions of Government.	
Risk	Comment/Mitigating Mechanism
Complete loss of data and systems capability (e.g. data center destroyed) Likelihood - Low Impact - High	Build and maintain an off-site disaster recovery center. Ensure routine, real-time duplication of all data, and the replication of software, including real time replication of all system amendments once tested and put into production. The DRC should be in a different location and be adequately protected from all threats that could compromise the operational data center.
Poor Network Connectivity Likelihood - Low Impact - High	Deploy primary and redundant links to connect all entities to provide fault tolerance. Maintain an SLA with at least 95% availability.
Breach of system controls and information security Likelihood - Medium Impact - High	Prepare a comprehensive information security policy outlining measures to safeguard the IFMIS system. Perform periodic checks on security and controls to identify any breach.
Lack of stable power Likelihood - Low Impact - High	Provide backup power supply for all critical IFMIS infrastructure. Ensure infrastructure is grounded and covered by an SLA,
People resistance due to inadequacy of change management activities Likelihood - Low Impact - High	Develop stakeholders and change management strategies and action plans and perform continuous review of its implementation to ascertain its effectiveness.
Systems cannot be integrated with IFMIS as they are a) not being funded; b) contain messy data that is difficult to integrate; c) not willing to share data. Likelihood - Medium Impact - High	Work with units responsible for each of the target systems to investigate, mechanisms for extracting and exchanging data that do not require significant ongoing investment. Assess the quality of the data captured in the systems and undertake any preliminary work required to improve the quality of data collected to facilitate integration. Ensure high-level political support in the organizations hosting these systems to help overcome any institutional obstacles to integrating systems.
Data integrity risk Likelihood - Medium Impact - High	Controlling the physical environment of networked terminals and servers, restricting access to data, and maintaining rigorous authentication practices. Data integrity can also be threatened by environmental hazards, such as heat, dust, and electrical surges.
TA7: Improving Financial Reporting	
Planned Outputs: More timely and comprehensive IPSAS based financial reporting across the Government. Strengthen the capacity of the Financial Comptroller (FC) cadre	
Risk	Comment/Mitigating Mechanism
Financial Comptrollers continue to be appointed without due regard for appropriate qualifications and experience. Likelihood - Low Impact - High	This is widely believed to be a cause of significant weaknesses in financial reporting both in Ministries and other agencies. The CAGD should mandate minimum standards for qualifications and experience for all FC positions (through Regulation) and merit recruitment processes should be strictly enforced. The Operational and Administrative manual of the CAGD which has been signed by the Minister of Finance and Development Planning should also be referenced.
TA8: Strengthening Internal and External Oversight	
Planned Outputs: Improved follow-up on audit recommendations; timely passage of the annual budget with minimal change; on-going support for anti-corruption measures; improved capacity development.	

Risk;	Comment/Mitigating Mechanism
A newly elected Legislature may not prioritize the implementation of Audit recommendations and timely passage of the annual budget. Likelihood - Low Impact - High	MFDP, GAC, IAA, LBO prepare to brief incoming members on the role and responsibilities of the Legislature for: reviewing and demanding action in relation to audit recommendations and timely passage of the annual budget and any supplementary budgets.
Corruption becomes entrenched in Government, undermining successful PFM practice. Likelihood - High Impact - High	Prioritize the resourcing of adequate anti-corruption measures (e.g. LACC) to seek out and challenge questionable practice. Continuously seek to strengthen the internal control system.
Cross Cutting: Capacity Development	
Planned Outputs: Capacities of all PFM Professionals and Institutions are strengthened to support reforms and sustain effective Public Financial Management practices.	
Risk	Comment/Mitigating Mechanism
A failure to address the need for proactive, systematic and on-going capacity development (both institutional and individual) Likelihood - Low Impact - High	Mitigation requires: 1) careful specification of the required knowledge and experience for key PFM positions; 2) merit based recruitment that ensures the specified knowledge/experience is recruited; 3) analysis of knowledge gaps amongst existing key players (through use of tools such as TNA); 4) effective on-going capacity building and training. The strategy proposes: specification (by CAGD) of minimum requirements for Financial Comptroller positions and recruitment to all positions by the CAGD; and the appointment of an expert Training and Capacity Building Adviser to drive and guide GOL in 3) and 4).

Lessons Learned

This section of the Strategy reflects on the causes and reasons behind the completion and partial completion of Action Points in previous Strategies, as well as failure to commence other activities. In using lesson learned in the preparation of the Strategy, we take a look at failures and successes in the implementation of the previous Strategy. Reneging on learning from implementation failures, we are doomed to repeat mistakes from the past. By not maximizing on successes of previous implementation, we miss opportunities to implement good processes and practices to successfully plan.

Below are lessons learned from the preparation and implementation of previous PFMR Strategies and Action Plan for Liberia.

- An over-ambitious Strategy with hundred plus Action Plans is most likely unachievable;
- Action Plans needing more technical concentration were implemented compared to Action Plans needing political interventions;
- Lack of proper monitoring and evaluation mechanism of activities;
- Best to align Strategy with National Development Plan and vice versa;
- Involvement of the Development Partners in the crafting of the Strategy;
- Development Partners were invited to Steering and Technical Committee Meeting with updates on contribution (Funding) to PFM in Liberia;
- Best to get the buy-in of the Minister when preparing a Strategy as he/she is the driver of PFM reforms and
- Best to sequence activities by identifying and documenting relationships amongst activities. This identifies a logical sequence of work.

Guiding Principles for the Framework

The guiding principle of this Strategy is grounded in ensuring that fundamental weaknesses in the PFM systems and processes are strengthened to enable them work very effectively and efficiently. An analysis of the performance of the PFM system in 2020 provided an update of progress on PFM issues in Liberia since the last PEFA in 2020. The findings showed fundamental weaknesses in the PFM System as far as aggregate fiscal discipline, strategic allocation of resources, and efficient service delivery are concerned. While there are mechanisms, for example, for monitoring budget execution, budgetary discipline is yet to be fully ensured due to the under-utilization of the Integrated Financial Management Information System (IFMIS) to all the spending entities. As a consequence, the strategic allocation of resources and the effectiveness of service delivery are partly hampered by unattainable and ambitious revenue forecasts coupled with extensive modification of allotments voted by the legislature during budget execution.

On the other hand, financial resource allocations are generally not in line with the government's stated priorities, which are often weakened by the lack of efficiency in tax collection and the budget preparation process, as well as the lack of transparency in transfer procedures to sub-national governments. Moreover, public services provided by the government are not only insufficient but controlled and monitored by the Executive, thereby adversely affecting the funding of basic social services such as health, education, water, and electricity due to the high level of spending on wages and recurrent expenditures. Hence, the new Strategy will be guided by ensuring the above pitfalls are addressed in line with the PEFA findings.

Coordination, Implementation, Monitoring and Evaluation Framework

The implementation framework of the New Strategy will proceed along the lines of the expired Strategy. The principles that underpin the design of the institutional arrangements for the expired PFM Reform Strategy 2017-2020 remained the same. There are no additions of new or parallel management structures needed in the PFM Secretariat nor at the MFDP's level. The framework also recognizes the complexity of the reform program in terms of dependencies and sequencing requirements. As such, direct participation at the highest levels of the government will be needed. Coordinating roles for the PFM Reform Technical Committee/Secretariat in terms of both PFM functions and logistics will be highly required. The role of Thematic Working Groups to address inter-institutional linkages will be emphasized, while promotion of direct engagement with Development Partners to achieve sustained support will be highly anticipated.

Mid-Year Joint PFM Review

Subsequently, as part of the monitoring and evaluation process, a proposed mid-year joint PFM review will be essential for the review of progress, challenges, and lessons. Such review process shall be organized in a way that its timing takes into account other critical activities of the government to avoid a multiplicity of meetings, which could stretch the already limited institutional and human capacity. Thus, making up this review process are the PFM Steering Committee, PFM Technical Committee and the PFMRCU Secretariat. The PFM Steering Committee chaired by the Minister of Finance & Development Planning comprises all PFM related heads of entities. The PFM Technical Committee headed by the Deputy Minister of Fiscal Affairs, consists of thematic leads and Component heads of PFM institutions. Lastly, the PFM RCU Secretariat is headed by the National Coordinator of the PFMRCU and comprises a cohort of PFM Analysts. Said review meeting will be chaired by the Minister of Finance.

Monitoring and Evaluation Arrangements

The PFM Reform Strategy is designed within the Governance Flagship of its National Development Plan. The PFM Reform Steering Committee is the oversight committee with responsibility for directing and monitoring PFM reform activities. It is the highest policy organ of the Government for PFM reforms.

Along with the Technical Committee, the role of the PFM Steering Committee is to ensure strong ownership of the program activities and enhance their sustainability after completion of the program implementation. Decentralization of the program management and implementation (by Thematic Areas) by MACs will help to reduce bureaucratic delays in implementation, and also ensure that any technical assistance required is directed to the appropriate areas.

Hence, performance monitoring of the PFM Reform Strategy will be undertaken on the basis of the PEFA Performance Measurement Framework and on the progress made against execution of the specific activities defined in the Strategy. The key results matrix will be updated as part of the monitoring process. The PFMRCU will produce quarterly progress reports on actual expenditure against budget, physical outputs, achievements and procurement plans.

The PFM Reform Program will also be subject to PFM joint annual reviews to assess progress and approve the next year's action plan. A mid-term review (MTR) will be undertaken two years from the start of the program, and an Implementation Completion Report (ICR) which will be done jointly by the GoL and DPs, at the end of the program. Results of these reviews will be discussed in the PFM Steering Committee meetings. However, Thematic Areas will ensure adequate level of quality control and monitoring and evaluation arrangements. This will feed into the program level arrangements.

The main tasks would be to provide an assessment on realized progress (based on the initial report by the PFM Reform Coordinator), advise on most urgent constraints and how to address them, and provide judgment on appropriateness of proposed PFM activities and thereby assist decision making of the overall Steering Committee. The Monitoring and Evaluation Framework will be designed to ensure timeliness in the monitoring processes of all Thematic Areas. Thus, below is the framework for the coordination, implementation, and monitoring and evaluation framework of the Strategy.

Coordination, Implementation, Monitoring and Evaluation Framework

Level	Main Role	Composition
High Strategic Level		
Steering Committee	Exercises oversight responsibility	Ministry of Finance and Development Planning (MFDP) General Auditing Commission (GAC) Ministry of States and Presidential Affairs (MOS) Civil Service Agency (CSA) Ministry of Justice (MOJ) Public Procurement and Concession Commission (PPCC) Ministry of Internal Affairs (MIA)
	Monitors implementation of the action plan against targets and indicators in order to determine the impact and success	
	Provides guidance to the implementation	
	Resolves any coordination issues arising between stakeholders	
	Facilitates policy dialogue with Development Partners on the Strategy	
	Reviews and approves PFM programs and annual action plans within the PFM Reform sector annually	
Technical Committee	Exercises oversight on progress by various components on the Strategy	Deputy Minister for Economic Management (MFDP) PFM Reform Coordinator Thematic Leads
	Convenes once a month to review reform progress by various components	
	Coordinates all reform activities between the Components and sharing experiences and for enhancing visibility of reforms, and enhancing change management activities	
	Reviews budget allocations and make proposals for the approval of the PFM Reform Steering Committee	
	Ensures strong ownership of the program activities and enhance their sustainability after completion of the program implementation	

	Facilitate decentralization of the program management and implementation (by Thematic Areas) to MACs level to reduce bureaucratic delays in implementation	
	Ensures that any technical assistance required is directed to the appropriate area	
PFM Reform Coordination Unit	Coordinates the full implementation of the Strategy	PFM Reform Coordinator PFM Reform Deputy Coordinator Thematic Leads Other Technicians
	Holds authorities accountable to outcomes of Strategy	
	Monitors, evaluates and produces periodic reports on progress of Strategy	
	Lifts any emerging issues surrounding Strategy at the Technical and Steering Committee Levels	
Non-State Actor	Monitors full implementation Strategy	PFM Reform Coordination Unit CSO Media DPs
	Holds authorities accountable to outcomes of Strategy	
	Ensures high degree of level transparency is accorded the implementation of Strategy	

Monitoring and Evaluation Framework

Theme	Activities/Task	Outcome	KPI	Target Date	Responsible Party
TA 1: Enactment, Approval and implementation of legal instruments	Effect part XI section 64 of the restated & amendment PFM of 2009	Part XI of the PFM Restated act is amended	Number of sanctioned individuals for noncompliance of PFM Act 2019	2024-2025	PFMRCU
	Create awareness on the PFM Regulations Launch the PFM Hour on national radio	Visibility of the PFM legal instruments and programs	Number of awareness and sensitization of PFM Act Number of radio station aired PFM program	FY2024	PFMRCU
	Finalize formulation of RCU manual	RCU manual finalized	Manual validated and published	FY2024	PFMRCU
	Conduct impact assessment on all PFM instruments and programs on the public	Assessment report finalized and published	Number of PFM Instrument Assessed	FY2024	PFMRCU

TA 2: Strengthening Budget Preparation and Execution	MACs produce Budget Policy Notes every fiscal year	Budget Policy notes produced and submitted to Budget Department	Timely submission of Budget Policy Notes	April to July in FY	MACs
	MFDP Publish BFP every FY	BFP published	Timely published of BFP	July in FY	DBDP
	MACSs present expenditure needs	Expenditure Needs presented by MACs	Timely submission of expenditure needs	August to September	MACs
	Draft National Budget submission to the President	National Budget submitted	Draft budget submitted in time	On or before October 31	MFDP
	Expanding the production and distribution of Citizen's Guide to the National Budget	Timely availability and accessibility of key budget documents	Citizen guide to the National Budget made available to public	Annually (November and February)	DBDP
	Timely publication of key budget documents and other fiscal reports in machine readable format	Improved timely key budget documents and fiscal report in machine readable format submitted	Key Budget documents and other fiscal reports in readable format made available	Annually (November and February)	DBDP
	Conduct massive outreach on draft and approved national budget through the open budget initiative (OBI)	Institutionalized public participation in budget processes	Number of consultation and awareness raised on draft and approved National budget	Annually (November and February)	DBDP
	Coordinate with Units within MFDP and other GOL entities responsible for fiscal transparency	Improved Liberia fiscal transparency and public participation industries	Number of Units within MFDP and GOL entities coordinated with	November to December	DBDP

Theme	Activities/Task	Outcome	KPI	Target	Responsible Party
	Invite all MACs to budget ceiling derivative meetings	Involved MACs in deriving budget ceiling	Percentage of MACs involved deriving budget ceiling	Annually (March)	MACs
	Prepare the National budget according to the Medium Term Expenditure Framework	Timely submission of budget framework paper	Rollout of the Medium Term Expenditure Framework budget	2025	MFDP-BPD
	Capacitate the Division of Macro-Fiscal to compile a comprehensive statement of fiscal risk for the inclusion in the budget framework paper and inform the preparation of the MTEF	Utilization of Macroeconomic forecast as a basis for fiscal forecast	Used fiscal tool kit analyzed associated risk	Annually (May)	MFDP-DEM
	Utilize the budget working group to produce an MTEF	Donor commitment recognized in national budget	MTEF Budget recognized	2025	MFDP-DEM
	Under take fiscal risk assessment to address potential and existing risks to forecast accountability to the legislature and the citizens	Fiscal Risk prepared and discussed by management team	Fiscal Risk reports published	April, July, Nov 2024	MFDP-DEM
	Complete, Validate and approve PIM Policy	Finalization of PIM framework	Operationalized PIM Policy	2024	PIU-MFDP
	Develop Operational Manual	Provision of Step by Step method in Implementing the PIM Policy	Operational Manual developed and operationalized	2024	PIU-MFDP

	Build 10 PIM related staff capacity	Improved appraisal, selection and execution of public investment	Number senior staff capacity built	2024	PIU-MFDP
	PIMA Implementation Report	Updated PIMA Report	Updated existing PIMA	2024	PIU-MFDP
	Collect all PSIP data from 2013-2023 to update the Liberia project dashboard	National PSIP data collection and review	Number of projects updated Number of counties visited Number of MAC engaged Copies of reports produced	2024-2026	PIU/MFDP
	Establishment of a Ministry of Water & Sanitation Affairs	Exploration, development and commercialization of the water resources, including the ocean, rivers, creeks, and lagoons of the country.	Copies of feasibility studies of the macroeconomics of the water resources.	2023-2028	M&E/EPA/MPW/MIA/LLA/NBC/GC/R CU/MOJ/SP(PIU)

Theme	Activities/Task	Outcome	KPI	Target Date	Responsible Party
TA 3: Sustaining Reforms to Support Domestic Resource Mobilization	Final validation of VAT draft VAT law and other documents	Tax policy formulation enhanced	Passage of the VAT law by the National Legislature to complete the transition from GST to VAT as required under the regional integration program	2024 - 2027	LRA/Tax Policy Unit
	Conduct engagement meetings with national legislature to complete the transition from GST to VAT	Tax Policy formulation enhanced	Number of engagement meeting held	2024 - 2027	LRA/LBO
			Transition to VAT completed and passed by the Legislature	2024 - 2027	LRA/LBO
	Conduct monitoring and evaluation of the current status of the ECOWAS CET implementation	Status of the CET implementation revised	CET monitored & evaluated	2024 - 2027	LRA/Tax Policy Unit
	Conduct awareness on level of ECOWAS CET	Awareness of ECOWAS CET conducted	Number of Radio Stations/Newspaper aired CET awareness	2024 - 2027	LRA/Tax Policy Unit
	Conduct assessment of revenue sharing of Real Estate collection in Margibi County	Increased GOL revenue envelopes from Real Estate Tax collection in Margibi	Share of revenue as a result of Real Estate Tax collection	2024 - 2027	LRA/Tax Policy Unit
	Draft amendment of the PFM law based on finding of benchmark recommendation	Amendment of the PFM law to include provision on revenue forecasting and reporting and done with other segment of the PFM process	PFM law amended and operationalized	2024 - 2027	LRA/Tax Policy Unit
	Procure revenue forecast software and conducted end-user training of forecasting software	Revenue forecast software training conducted	Adoption of a revenue forecasting software and model	2024 - 2027	LRA/Tax Policy Unit
	Hold technical working session to validate the assessment report	Consolidate revenue forecasting template for SOEs and MACs	Technical assessment report validated	2024 - 2027	LRA/Tax Policy Unit

	Automation of tax collection and reporting processes	Introduced new LITAS with IFMIS and other Revenue collection system that interfaced	System interfaced	2024 - 2027	LRA/Tax Policy Unit
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Theme	Activities/Task	Outcome	KPI	Target Date	Responsible Party
TA 4: Better Integration of PFM Systems and Processes	IFMIS FreeBalance Rollout	IFMIS Rollout to 23 SEs and 7 SEs on the CTs	LAN and WAN deployed in 30 SEs	Nov-2025	CAG
			Procured and deployed computers and accessories at 30 SEs	Nov-2025	
			End Users Trained on efficient transaction processing and reporting from IFMIS	Dec-2025	
	EDMS Rollout	EDMS rolled out to 23 SEs and 4 CTs	Printers and Scanners procured and deployed at rollout sites; efficient document management and archiving	Dec-2026	CAGD
			End Users Trained	Feb-2026	
			Document management and archiving is automated between MACs and MFDP	March-2026	
	Activation of the IFMIS Budget Module	IFMIS Budget Planning Module implemented to facilitate timely budget preparation by SEs	Configure IFMIS Budget module workflows and setup Budget Analysts on the system	June 2024	DBDP
			Complete development of user quick reference guides	June 2024	DBDP
			Finalized user training for Budget Analysts from 30 SEs connected on IFMIS	Aug 2024	DBDP
			Go-live at 30 SEs	Oct-2024	DBDP
			Finalized user training for Budget Analysts from 50 SEs connected on IFMIS	June 2024	DBDP
			Go-live at 50 SEs	Aug-2024	DBDP
	Activation of the Cash Management Module on the IFMIS FreeBalance	IFMIS Cash Management module fully operationalized to support the	Engaged FreeBalance on the activation of the module	Dec-2024	CAGD

		MFDP Cash Management Unit operations	Cash Management Module pivotal in GoL cash planning processes	Feb-2024	CAGD
	National Data Center Upgrade	IFMS Data Center ICT equipment upgraded, and processing capacity enhanced to support GoL PFM operations	Procure vendor to supply ICT equipment and provide implementation services	Dec-2024	ICTU/MFDP
			Upgrade IFMIS Data Center ICT equipment and enhance processing capacity to support new IFMIS modules (Fixed Assets and Inventory Management) and increased transaction volumes	March-2024	
	IFMIS FreeBalance Interface and Integration	IFMS integrated with other PFM systems to facilitate accurate and timely reporting	Procure vendor to design and implement PFM systems integration platform	June-2024	CAGD
			Design and deploy the IFMIS integration with LITAS	Dec-2024	CAGD
			Design and deploy the IFMIS integration with Liberia Project Management Dashboard	March-2025	AMCU
			Design and deploy the IFMIS integration with CS-Meridian	June-2025	DMU
			Design and deploy the IFMIS integration with the e-Procurement system with	Sept-2025	PPCC
			Design and deploy IFMIS integration with the CSA Biometric	Dec-2025	CSA
	IFMIS Disaster Recovery Site	IFMIS Disaster Recovery Site (DRS) established and operationalized	Contract to collocate with CBL signed	Nov-2025	MFDP
			Equipment procured and deployed	June-2026	
			Develop and approve DRS policies and standard operating procedures	July-2026	
			DRS business continuity and backup operations tested and signed off	Aug-2026	
			DRS operations officially commissioned	Sept-2026	

	Revised MFDP ICT Security Policy	MFDP ICT Security Policy and IFMIS Strategy reviewed, revised and approved for implementation	Consultant services procured and revised Current ICT policy and IFMIS strategy	Dec-2024	MFDP
Theme	Activities/Task	Outcome	KPI	Target Date	Responsible Party
TA 5: Improving Financial Reporting	Development of Operational manual to guide MACs	TSA Operational manual developed	TSA Operational manual launched and in used	2026	CAGD
	All MACs to produce budget execution and financial reports in accordance with the PFM legal framework	All MACs comptrollers produced timely financial reports	Timely and Comprehensive reports produced	2026	CAGD
	Identified consultant to deliver trainer of trainers financial reporting plan to the CAGD	Consultant identified and hired	Hired consultant produced training plan to CAGD in IPSAS 2017	2025	CAGD
	CAGD ensure that minimum of 75 Financial Comptrollers have qualification and experience in standard PFM	Improved capacity of comptrollers in GOL entities	Timely financial reports produced according to PFM standards	2025	CAGD
	CAGD to ensure GOL merit recruitment policy for appointment financial comptrollers	Improving the capacity of accounting cadres across Government	GOL Accounting cadres train	2026	CAGD

Theme	Activities/Task	Outcome	KPI	Target Date	Responsible
TA 6: Strengthening Internal and External Oversight	GAC to develop audit tracker for all audit recommendation	Follow-up audit recommendation for full implementation	Percentage of audit recommendation implemented	2026	GAC
			Out-standing Audit recommendation validated quarterly	2026	GAC
	Performance of client entities evaluated based on a scorecard system using a uniform compliance checklist	GOL entities scorecards improved	Share of MACs scorecard evaluated and improved	2026	IAA
			Scorecards shared with entities and published	2026	IAA
	Timely Public Hearings of Public Accounts Committee	Development of PAC five years strategic plan	Develop five year strategic plan	2025	PAC

Theme	Activities/Task	Outcome	KPI	Target Date	Responsible
	Hire a consultant/Firm to develop a National Capacity Development Strategy	National Capacity Strategy developed	National Capacity strategy validated and approved	2024-2025	RCU/LIPA/CSA

TA 7: Cross-Cutting Capacity Development	Drafting of a National Capacity development bill	National capacity bill developed and sent legislated	Cabinet endorsed national capacity development strategy	2024-2025	PFMRCU/LIPA/CS A
	Develop M&E capacities	M&E Capacity strengthened	M&E Capacity Plan	2024-2027	RCU/NBC
	Provide financial and logistical supports to the FMTP	FMTP strengthened and sustained	Budgetary support to FMTP	2024-2027	FMTP
	Development of VAT audit manual and auditor train	Produced manual and auditors trained	VAT audit manual developed and auditor trained	2024 - 2027	LRA/Tax Policy Unit
			Electronic fiscal device software for VAT collection procured and deployed	2024 - 2027	LRA/Tax Policy Unit
			VAT regulations and practice notes development	2024 - 2027	LRA/Tax Policy Unit
	Development of VAT audit manual and auditor train	Produced manual and auditors trained	VAT regulations and practice notes development	2024 - 2027	LRA/Tax Policy Unit
	100 Certified Professional Accounting Staff of CAGD	Number of Accounting Staff of the CAGD sitting and passing professional exams	Registration of Accounting Staff of the CAGD for professional exams.	Dec-2026	CAGD
	40 certified technical and functional staff of the MFDP	Train and certificate 40 staff of the MFDP ICTU, IFMIS unit and CAGD internal system Audit, Help Desk management, electronic payment management, Database Administration, Information Security, Networking and system administration	Registration of technical and functional Staff of MFDP for certification.	Aug-2025	MFDP
			Number of IFMIS & ICT staff trained		CAGD
	Assess the capacity of GOL accounting staff and develop a three-year training strategy to close identified capacity gaps	GOL accounting staff capacity built and able to produced timely financial reports	GOL Staff capacity assessed and identified capacity gaps	2026	CAGD
			Identified GOL staff capacity developed	2026	CAGD
	Ensured that MACs comptrollers & finance officers are updated on changes within IPSAS reporting standards	Conduct routine quarterly reference financial reporting training for controllers & finance officers of MACs	Number of controllers & finance officers of MACs trained	Annually	CAGD
	Register and Prepare 54 Auditors to sit CIA exams	54 Auditors registered and trained in CIA	Number of auditors registered and trained in CIA	2026	IAA

	Register and Prepare 5 Auditors to sit CPA exams	54 Auditors registered and trained in CPA	Number of auditors registered and trained in CPA	2026	IAA
	Timely Public Hearings of Public Accounts Committee	Build the capacities of staff to better organize and analyze Public Hearings	Tour of PAC Members and clerks (17 members and 4 clerks)	2026	PAC

Consolidated Near -Term Action plan

Thematic Area	Baseline/current Status	Prioritized Outcome(s)	Prioritized Output(s)	Responsibility	Year 1 Milestones	Year2 Milestones	Year 3 Milestones
TA. 1: Enactment, Approval, and implementation of legal instruments	i)Limited understanding and implementation of the PFM Laws and statutes (IMF reports) ii)Regulations to operationalize the PFM Act 2009 -Amendment and restated in 2019 -are awaiting Cabinet approval and gazettelement.	Full Implementation of the PFM Act 2009-Amended and restated of 2019.	Sensitization workshops on the PFM Act	DCAGD	600 Comptroller and Accountant General officials sensitized on the PFM law		
			Gazettelement of the regulations for the Amended and Restated PFM 2019	DCAGD	i). The Cabinet is sensitized to endorse the regulations to the Amended and Restated PFM Act 2019 ii). Nationwide awareness campaigns to educate public on PFM Regulations undertaken	i).300 Comptroller and Accountant General officials sensitized on the regulations. ii). Nationwide awareness campaigns to educate public on PFM Regulations undertaken	300 Comptroller and Accountant General officials sensitized on the regulations

Thematic Area	Baseline/current Status	Prioritized Outcome(s)	Prioritized Output(s)	Responsibility	Year 1 Milestones	Year2 Milestones	Year 3 Milestones
		on of the LACC Act of 2022	Establishment of an anti-corruption court	LACC	Anticorruption Court established	Prosecution of accused persons accused of corruption	
TA 2: Strengthening Budget Preparation and Execution	i). Budget lacks a medium-term perspective ii). Wide variations between planned and executed budget.	Enhanced Strategic budgeting.	i). Sector Strategic Plans produced and published. ii). Medium Term Expenditure Framework is implemented.	DBDP DBDP	i). Ministerial Working Groups are operationalized. ii) Budget Policy Note standardized	Budget officials in the MFD and MACs are trained on MTFF and MTEF, respectively.	Public Participation on the budget is enhanced. Baseline costing is implemented.
			Updated budget classification	DBDP	Budget classification is review and align budget classification with international standards. Ensure debt service and debt amortization and treatment of new borrowing and capital spending is adequately captured in the expenditures.	Chart of accounts manual is updated	Economic Classification strictly mapped to the Government Finance Statistic Manual
	Inconsistent and unreliable budget documents	Reliable budget process and documents	Timely availability of key budget documents	DBDP	Comprehensive budget calendar is implemented	Calendar updated every year and adhered to	Calendar updated and adhered to

Thematic Area	Baseline/current Status	Prioritized Outcome(s)	Prioritized Output(s)	Responsibility	Year 1 Milestones	Year2 Milestones	Year 3 Milestones
	Incomplete and unreliable debt data	Debt management and control strengthened	Debt Management Strategy updated, approved by the DMC, and adopted by Cabinet.	DMU	Liberia's Debt Sustainability Analysis Report produced.	Medium Term Debt Strategy is updated every year to reflect the current prevailing macroeconomic realities	Medium Term Debt Strategy is updated every year to reflect the current prevailing macroeconomic realities
	Lack of a framework for the preparation and implementation of public investments.	Public investment management improved.	i). PIM Policy ii). Published PIM manual.	BPIU	Framework for PIM developed.	Officials are trained on PIM guidelines.	PIM guidelines operational.
TA 3: Sustaining Reforms to Support Domestic Resource Mobilization	Low tax to GDP ratio with potential for improvements	Increased government Revenue (VAT Implemented)	Successful implementation of VAT nationwide	LRA/MFDP	Establishment of legal the framework (Development of VAT laws) and approval by the national legislature)	Increased overall Revenue from 700 to 1 billion USD	VAT audit manual is developed, and auditors trained
		LITAS roll out to all Custom Business Offices (CBOs) and Tax Business Offices (TBOs)	Implementation of standardized tax and custom management software across all offices enabling data collection, processing, and reporting	LRA	Automation of tax collection and reporting processes	Easing the paying and processing of tax by at least 50%	Completion of infrastructure in key areas
		Improved infrastructure to enhance DRM.	Key infrastructure leading to increased DRM operational	LRA	LITAs operationalize in all counties across the country		
TA 4: Better Integration of PFM Systems and Processes	i). All budget operations are not included in the IFMIS platform and ii). donor-funded expenditures are not consolidated with transactions of the fund account, iii). less than 90 percent of budget expenditures	Roll out to all SEs and integrate free balance IFMIS	PFM systems Integrated	CAGD	Six systems Integrated. ICT Systems Improved	Revised ICT Policy ICT Security improved	SLA for IFMIS, EFT, and EDMS Vendor secured and active; IFMIS and complementary systems are operational and available (99%)
		ICT Policy revised and implemented.	Disaster recovery and ICT Governance Policy developed	CAGD	DRS is secured for GoL financial and nonfinancial data safety and availability during and after disasters		

Thematic Area	Baseline/current Status	Prioritized Outcome(s)	Prioritized Output(s)	Responsibility	Year 1 Milestones	Year2 Milestones	Year 3 Milestones
	are included in the financial statements.	Improved Fiscal Reporting	Fiscal reports published in line with PFM Act	CAGD	All major PFM systems integrating and interfacing with the Free Balance IFMIS		to all SOEs for use
TA 5: Improving Financial Reporting	Limited capacity for preparation of financial statements in MAC and delays in reporting	Timely and comprehensive reporting by MACs	Accurate reliable comprehensive and timely report produced by MACs	GACD	90% MACs submit their FS in time.	90% of the MACs submit reliable and accurate FS.	100% of the FS submitted on time and accurate and reliable.
		Enhanced capacity of financial accounting cadres across government	Financial and Accounting cadres across government trained		40 MACs trained	40 MACs trained	27 MACs Trained
TA 6: Strengthening Internal and External Oversight	High level of audit queries and low level of implementation of recommendations	Improved implementation of audit recommendations	An accurate and complete Audit recommendation Tracker developed for audited MACs and SOEs	GAC	Build GAC audit follow-up software. Produce and publish the	Improved and Regular audit recommendation reports by GAC as aligned with PAC.	
		Improved compliance with laws, policies, and regulations by GoL entities	Adequate Automated Processes and Platforms at internal audit units at MACs and SOEs	IAA	Internal audit functions automated at 30 MACs and SOEs	Automation and follow up process. Audit recommendations tracker developed for 30 entities	
			Internal controls adopted in all 15 counties of Liberia to support revenue mobilization	IAA	Internal audit functions automated at 30 MACs and SOEs	Internal audit functions automated at 20 MACs and SOEs	

Thematic Area	Baseline/current Status	Prioritized Outcome(s)	Prioritized Output(s)	Responsibility	Year 1 Milestones	Year2 Milestones	Year 3 Milestones
TA 7: Cross-Cutting Capacity Development Cross-Cutting Capacity Development	Low level of staff skills and High level of staff attrition	Capacities of PFM Professionals and Institutions across government strengthened.	Productivity, performance, and efficiency in the PFM landscape increased. Revival of a program for regular training of PFM staff at LIPA	RCU	Complete national capacity development policy manual.	Design a communication and legislative engagement strategy for passage of Capacity Building Fund Act.	Commencement of training for PFM Professionals.
					Complete national capacity needs assessment across government. Update of the curricular for PFM training program	Capacity Building Fund passed into law. Training of trainers	Initiation of PFM institutional strengthening process.

