



LIBERIA 2020/2021 APPROVED BUDGET ANALYSIS



All figures are in US Dollar (\$)

FISCAL FRAMEWORK

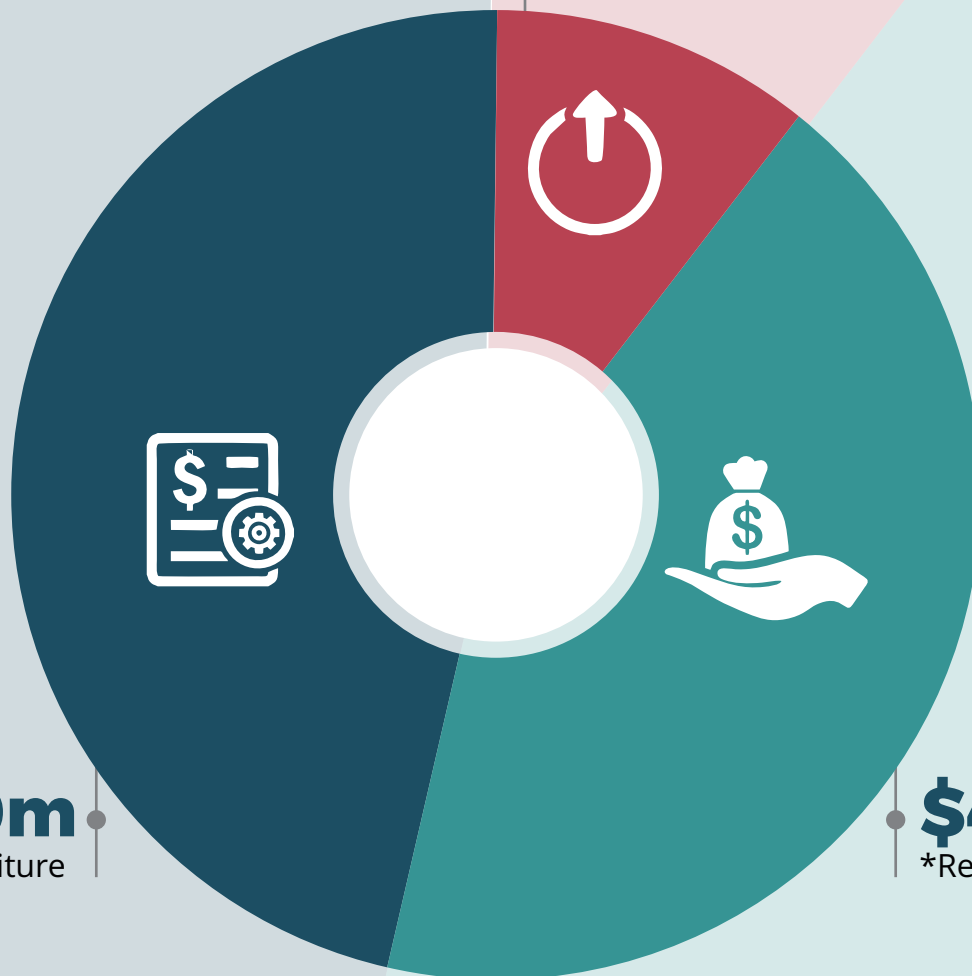


\$570m

Budget Size

\$132m

***External Resources



\$570m

**Expenditure

\$438m

*Revenue

NOTE:

*Revenue includes domestic revenue of **\$428m** as well as revenue carry-forward of **\$10m**.

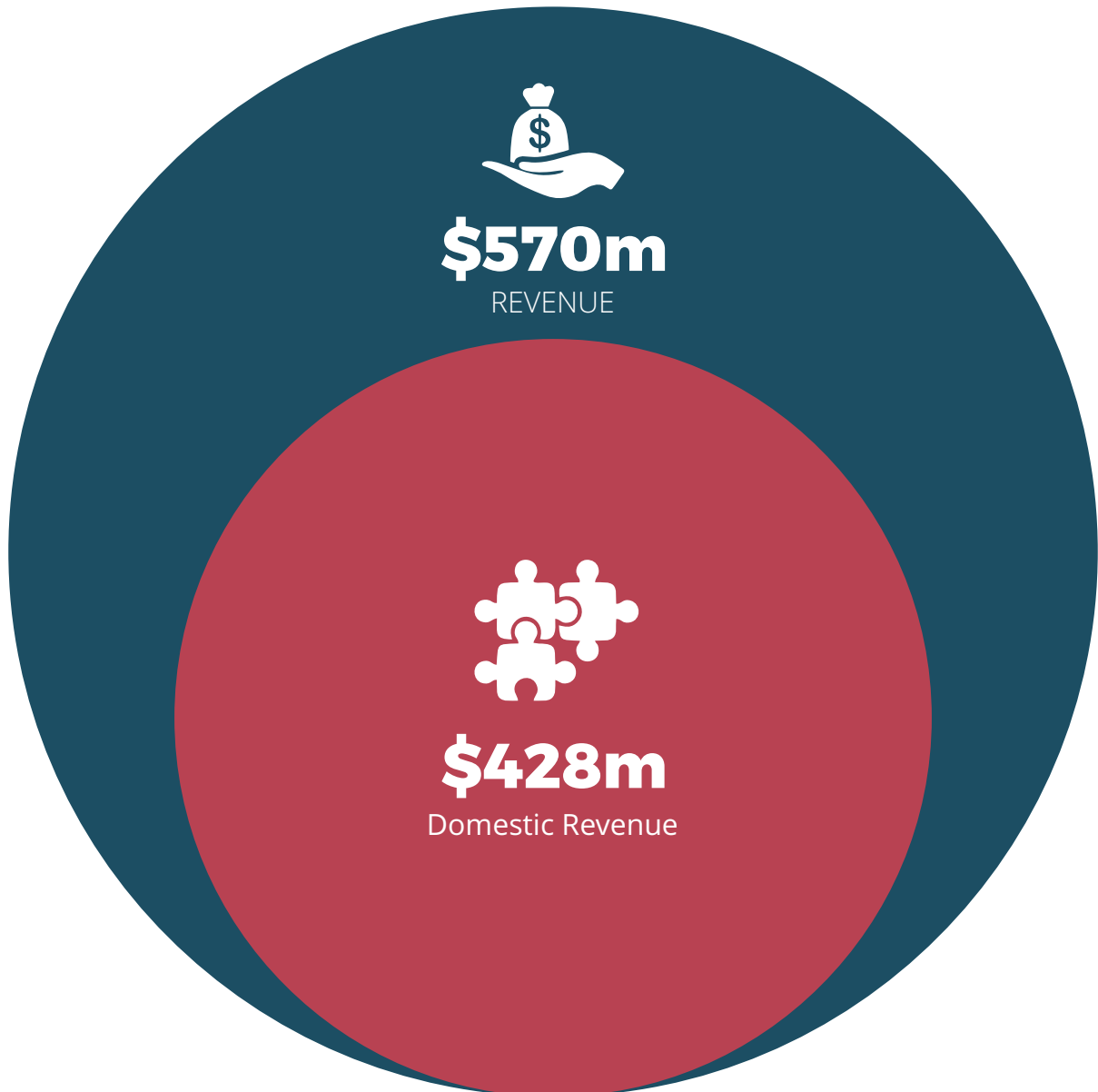
Expenditure includes the recurrent expenditure of **\$511m and investment expenditure(PSIP) of **\$59m**.

***External resources include grants and loans to augment the deficit in the budget.



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BUDGET ANALYSIS



A significant portion of the approved revenue will come from domestic revenue, which accounts for 75% of the total revenue while the remaining 2% and 23% will come from the revenue carry-forward and external resources respectively.

NOTE:

There is an increase of **6.5%** from the proposed budget of **\$535.4m** and the approved budget of **\$570m**.

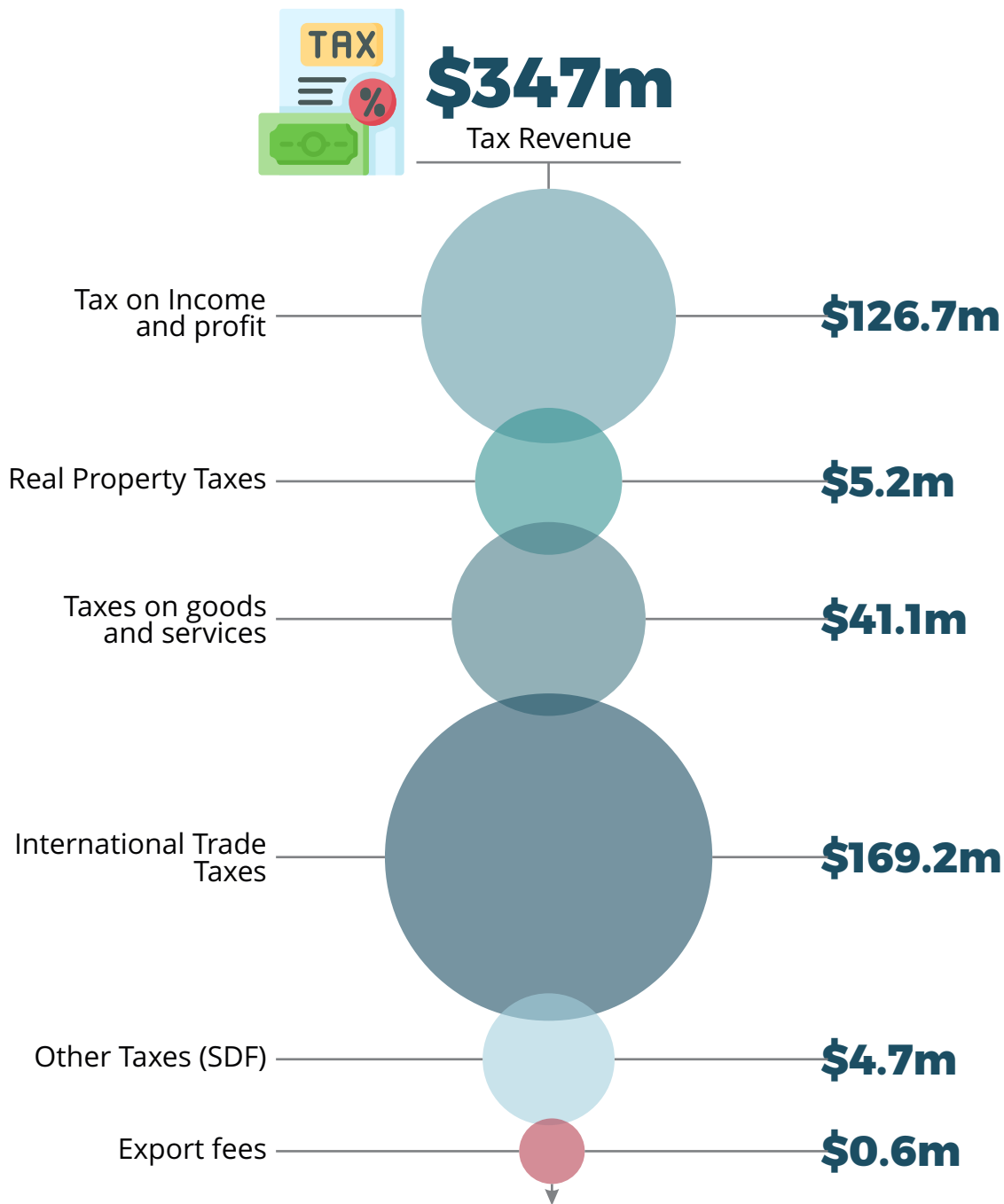


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COMPONENT OF DOMESTIC REVENUE

TAX REVENUE

49% of the tax revenue will be coming from international trade taxes.

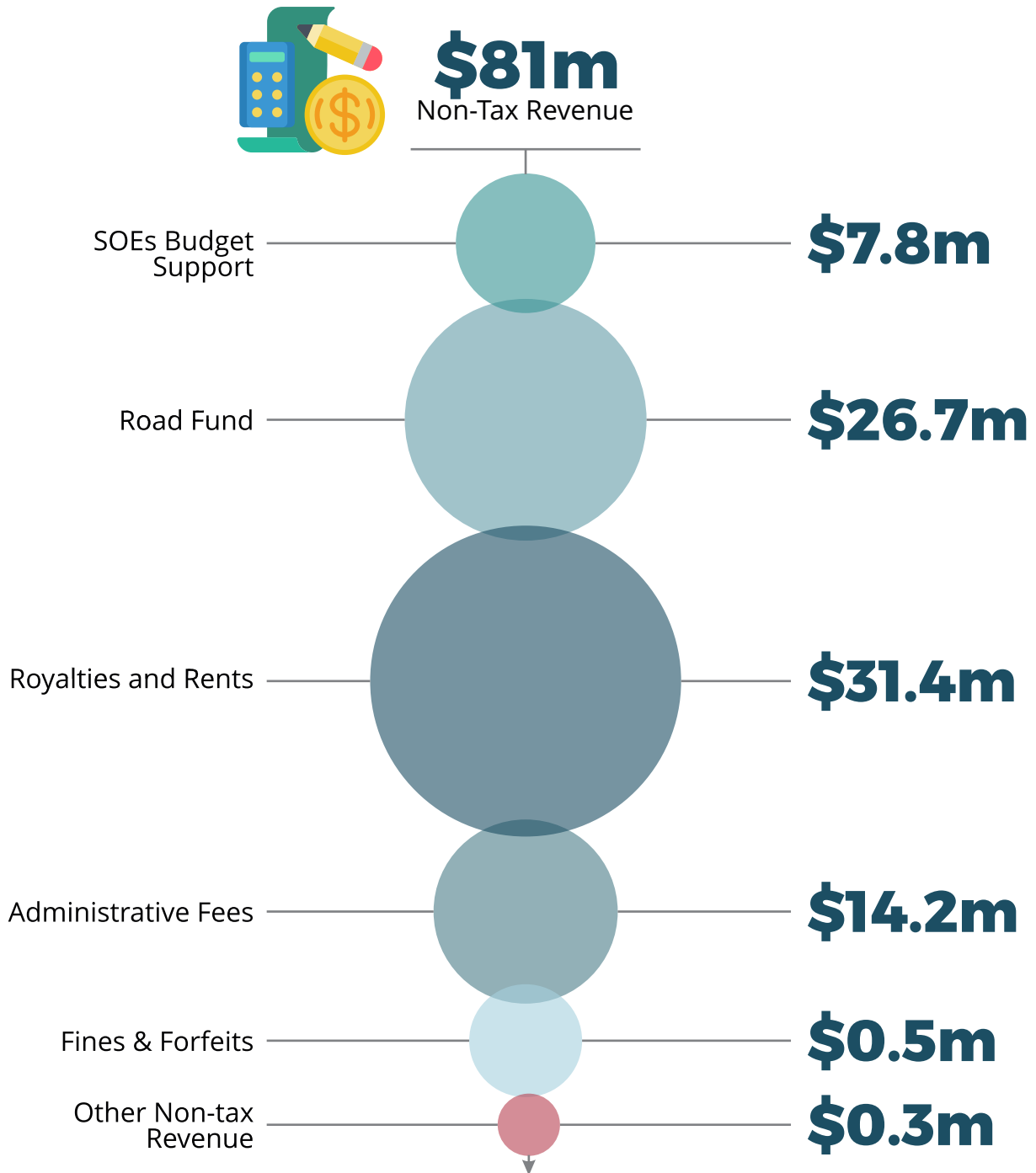


NOTE: Tax revenue will contribute **81%** to the domestic revenue.



All figures are in US Dollar (\$)

NON-TAX REVENUE



NOTE:

The significant contributor to non-tax revenue will be from Royalties & Rents, which is projected to be \$31 million and accounted for **39%** of the non-tax revenue.



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REVENUE CARRY-FORWARD



\$10m

Is unspent cash from the recast budget from FY 2019/2020, and it will contribute 2% to the approved revenue.

EXTERNAL RESOURCES



\$132m

is projected to contribute 23% to the approved revenue for the FY 2020/2021.

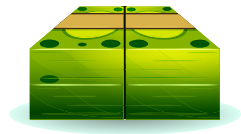
NOTE:

Contingent revenue which consists of both external grants and loans is projected to be **\$126million** while external resources for the core budget stand at **\$6million**.



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EXPENDITURE



\$570m

Expenditure

Component Of Expenditure

90%

of the total approved expenditure of \$570m will be used to finance recurrent expenditure, of which compensation to an employee will take a significant portion of 57%.



10%

The government plans to invest 10% of the total approved expenditure on investment (PSIP).



\$511m

Recurrent Expenditure

Compensation	\$291.9m
Grants	\$47.8m
Social Benefits	\$2m
Goods And Services	\$74.3m
Subsidy	\$1.2m
Non-Financial Assets	\$1.2m
Domestic Debt	\$64.1m
External Debt	\$28.8m
Investment expenditure (PSIP)	\$59m



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DEBT SERVICE



 **26%**

The debt service increased by **26%** compared to the initial projection of **\$73.9m**, and is reduced by **7.9%** compared to the **\$100.8million** allocations in 2019/2020.

Breakdown of Debt Service

Domestic Debt

\$64m

External Debt

\$23m

Subscription and
other payables

\$6m

NOTE:

The debt service increased by **26%** compared to the initial projection of **\$73.9m**, and is reduced by **7.9%** compared to the **\$100.8million** allocations in 2019/2020. This reduction is attributable to the government's \$19million new revenue to pay its bonds arrear and buyback.



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SECTORAL SPENDING

The government added additional allocations to specific key sectors. They are listed below;



\$1m

to the Education budget for the private School Teachers Stimulus Project.



\$2m

to the Health Budget for the Hazard payment project.



\$3.6m

to the Public Administrative for Legislative engagement & public accessibility.



\$500,000

to the Security and the Rule of Law for Election security.



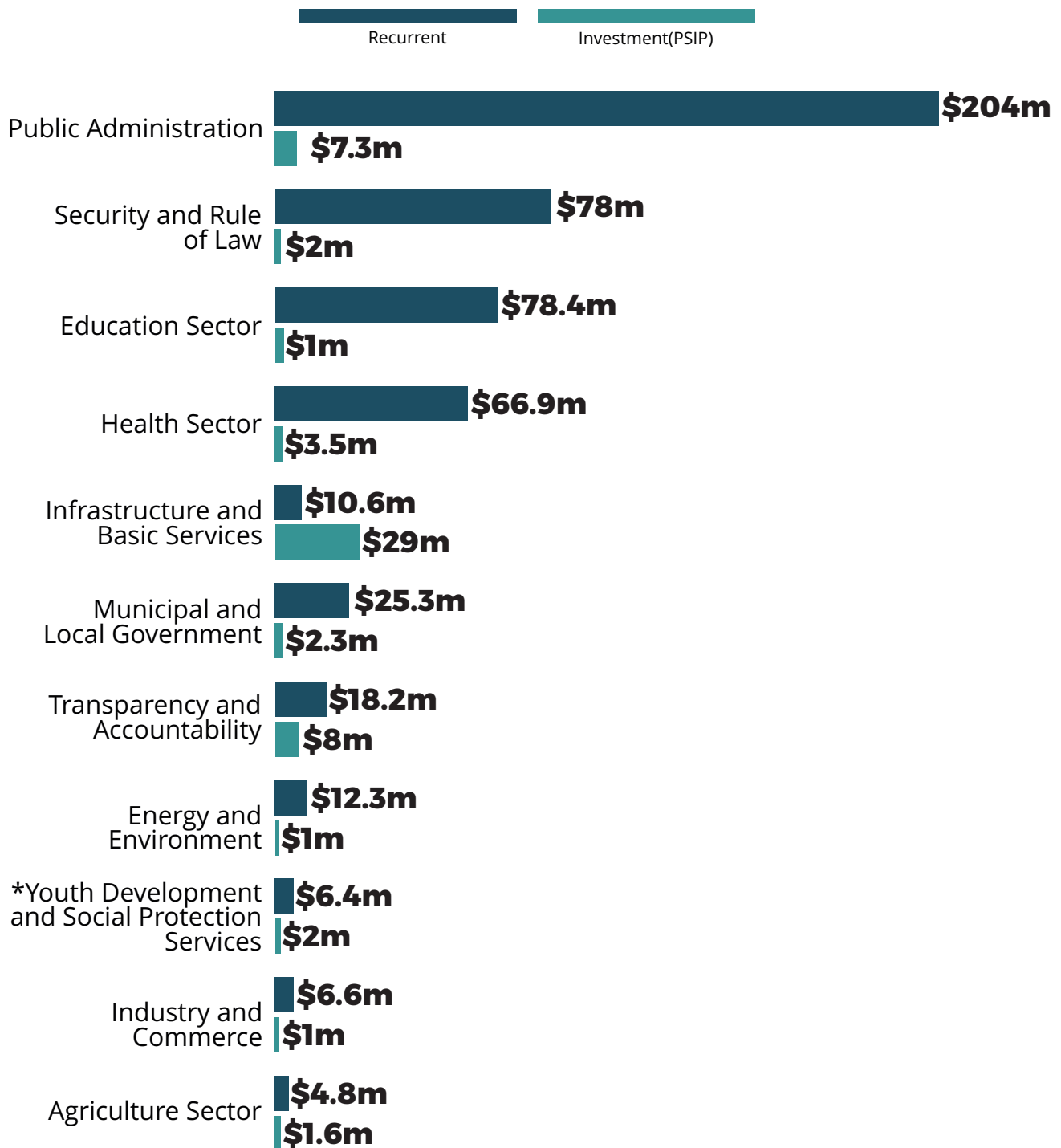
\$400,000 and **\$1m**

to Youth Development, and social protection services sector for Abino Society Headquarter and Fight against rape project respectively.



All figures are in US Dollar (\$)

SECTORAL SPENDING



NOTE:

*The allocated fund for investment in the draft budget for youth development, and social protection services sector has been reduced from **\$4.6m** to **\$2m**.



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PROJECT IN FOCUS BY SECTORS

S/NO	PUBLIC SECTOR INVESTMENT PLAN	CAPITAL SPENDING	BREAK-DOWN
1	Public Administration	\$7.3m	
	National Population Census 2018		\$1m
	Renovation of Executive Mansion		\$1m
	Legislative engagement & public accessibility		\$3.6m
	Humanitarian Outreach		\$0.7m
	Transport Equipment		\$1m
2	Municipal and Local Government	\$2.3m	
	Waterside Petty-Trader Relocation		\$1.3m
	Landfill and Urban Sanitation Project		\$0.5m
	Disaster Fund		\$0.5m
3	Transparency and Accountability	\$8m	
	Elections		\$8m
4	Security and Rule of Law	\$2m	
	Security COVID		\$0.5m
	Election Security		\$0.5m
	Judiciary Project		\$1m
5	Health Sector	\$3.5m	
	Hazard Payment Project		\$2m
	CORONA VIR		\$1.5m
6	Youth Development and Social Protection Services	\$2.04m	
	Abino Society Headquarter		\$0.04m
	Fight against Rape Project		\$1m
	Beach & Waterways		\$1m
7	Education Sector	\$1m	
	Private School Teachers Stimulus Project		\$1m
8	Energy and Environment	\$1m	
	Street Lights		\$0.5m
	Electrification of Military Barracks		\$0.5m



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9	Agriculture Sector	\$1.7m	
	Rice Production Support to Smallholder Farmers		\$1.7m
10	Infrastructure Sector	\$29m	
	National Road Fund		\$29m
11	Industry and Commerce	\$1m	
	Vulnerable Small Business Loan Assistance & Support Program		\$1m
	Total	\$59m	\$59m



49%

The infrastructure sector will take the highest allocation of 49% of the total investment expenditure in FY20/21 to finance the national roads.

NOTE:

The Liberia government plans to spend **\$59million** on capital projects(PSIP) in FY2020/2021.



FY 2020/2021 DONOR AID PROJECTIONS

Pro-Poor Agenda for Prosperity and Development (PAPD)

The Pro-Poor agenda is a framework for inclusion, a more equitable distribution of Liberia's national wealth, and a rights-based approach to national development. It is the second in the series of national development plans leading towards Vision 2030 and will run from July 2018 through June 2023. However, Liberia's government has urged the development partners to align aid programs to the national development strategy PAPD.

The government expects about \$313 million in aid to implement the PAPD agenda. The focus is on key sectors like Infrastructure, Health, energy & the environment.

Aid Projection by PAPD Pillars, Budget Sectors And Aid Type

	GRANT	LOAN	TOTAL	
Governance & Transparency	\$32m	-	\$32m	10%
Public Administration	\$20.4m	-	-	
Municipal and Local Government	\$4.5m	-	-	
Transparency and Accountability	\$7.3m	-	-	
Power to the people	\$102m	\$11m	\$113m	36%
Health Sector	\$55.2m	\$5m	\$60m	
Social Development Services	\$24.5m	\$6m	\$30m	
Education Sector	\$22.5m	-	\$23m	
Sustaining the peace	\$3m	-	\$3m	1%
Security and Rule of Law	\$2.8m	-	\$3m	
The economy & Jobs	\$107m	\$59m	\$166m	53%
Energy and Environment	\$31.6m	\$23m	\$54m	
Agriculture Sector	\$12.4m	\$14m	\$26m	
Infrastructure and Basic Services	\$62.7m	\$22m	\$85m	
Industry and Commerce	\$0.49m	-	-	
TOTAL	\$244m	\$69m	\$313m	



Project Manager - **Abiola Afolabi**
Researcher - **Fauziyyah Bolanle Abdulrahman & Abraham Varney**
Designer - **Richard Ofunrein**

Source - **The Ministry of Finance and Development Planning**
<https://www.mfdp.gov.lr>

