FY 2021
Approved Special National Budget
About BudgIT Liberia

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Source: Liberia’s Ministry of Finance & Development Planning

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Why do we have a Special Budget?
The Government of Liberia, through the Ministry of Finance and Development Planning, approved a 347.9 USD million Special Budget for the period of July 1 to December 31, 2021, to transition to a full calendar year as mandated by amendment and restatement of the Public Financial Management law Act of 2019, which requires a change in the fiscal calendar to be revised from July 31 to June 30 to January 1 to December 31.

The Special Budget 2021 contains the budget component, explaining how the Government will raise the money (revenue) and spend (expenditure) on public services, Government, and debt management. Despite the negative impact of the COVID-19 pandemic on Liberia’s economy, the Government projects a positive macroeconomic outlook for the industrial sector, with an increase in iron ore and rubber production in the first half of the year.

The Government also received international financial support from the International Monetary Fund (IMF) and other donor grants, which slightly strengthened the gross international reserves, net remittances and could boost the country’s Gross Domestic Products (GDP) at a projection of 3.6% in 2021.

The Government expects to generate US$347.9 million for the Special Budget from domestic revenue sources. Tax revenue makes up the most significant contribution of US$217.1 million (62.4%), mainly from taxes from income and profit, international trades, and goods and services. While the non-tax revenue estimates stand at US$97.7 million (28.1%), mainly from property income taxes.
and services. While the non-tax revenue estimates stand at US$97.7 million (28.1%), mainly from property income taxes. The Government plans to spend its entire revenue generation for the six months, and the total expenditure is estimated at a sum of US$347.9 million with an 89.8% allocation for the recurrent expenditure (US$312.3 million) and capital expenditure (PSIP) at a tiny fraction of 10.2% totaling $35.6 million.

The biggest expenditure component is the compensation of employees, and it stands at US$148.3 million (47.5%) while the least component at US$1.1 million (0.3%) for subsidy payments.

The Public Sector Investment Plan (PSIP) represents 10.2% of the Special Budget at US$35.6 million, and this sum will go towards counterpart funding, road fund, and the completion of ongoing projects such as the installation of street lights. The Government plans to prioritize ongoing projects with at least 75% completion rates. In the Special Budget, the Government allocated funds for different sectors, and the Public Administration Sector was allocated US$143.5 million, a total of 41.3% of the entire budget. These funds will go towards compensations, legal obligations and, domestic and foreign debt services. The next biggest spending plans in this section are the Security and Rule of Law Sector at US$44.8 million, the Education Sector at US$40.2 million, and the Health Sector at US$40.9 million.
Fiscal Framework

Total Budget
$347.9m

Cash Carry Forward
$33.1m

Total Projected Revenue
$314.8m

All figures are in US Dollar ($).
How Will The Government Source For Revenue?

Revenue is the amount of money the Government believes it will generate on behalf of the citizens during a fiscal year. The Government does not have its own money; they source and depend on taxes from citizens and businesses, receive grants from foreign governments, and often borrow money to finance the budget deficit.
Revenue Summary

Tax Revenue Summary
- Total Tax Revenue: $217.1m
- Non Tax Revenue: $97.7m
- Cash Carry Forward: $33.1m

Breakdown of Tax Revenue

Tax revenue is estimated to contribute $217.1m, accounting for 62.4% of the total revenue.

- Taxes on Income and Profit: $86.9m
- Taxes on International trade: $103.9m
- Goods and Services tax: $24.6m
- Export Fees: $0.3m
- Real Property Tax: $1.5m
- Other Taxes: $0.2m

Taxes on International trade

The significant contributor to tax revenue will be from taxes on international trade, which is projected to be $103.9m and accounted for 47.9% of the total tax revenue.
The significant contributor to non-tax revenue will be from property income, which is projected to be $89.6m and accounted for 91.7% of the total tax revenue.

### Breakdown of Non-Tax Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Income</td>
<td>$89.6m</td>
</tr>
<tr>
<td>Administrative Fees</td>
<td>$7.9m</td>
</tr>
<tr>
<td>Fines, Penalties &amp; Forfeits</td>
<td>$0.2m</td>
</tr>
</tbody>
</table>

Non-Tax Revenue is estimated to contribute $97.7m to the approved budget, a 76% increase above the draft budgeted amount and accounted for 28.1% of total approved revenue.

Cash Carry Forward is unspent cash from the recast budget from the previous fiscal year, which is projected to contribute $33.1m to the approved budget, an increase of approximately 74.2% over the draft budgeted amount and accounted for 9.5% of the total approved revenue.
Where Will The Money Go To?

Expenditure is how the Government plans to spend the generated money based on citizens’ needs and improvement. It has two (2) major parts: Recurrent Expenditure and Public Spending Investment plans.
The Liberia Government would be spending $347.9m in the period under-reviewed, a 15.4% increase over the draft budget of $301.5m. Recurrent expenses will receive the lion’s share of the money, accounting for 89.8% of the overall approved budget. This means that there is less allocation for public spending investment plans.
Recurrent Expenditure

Recurrent Expenditure is the total amount of money spent by the Government on products and services such as salaries, interests, and overhead costs. Recurrent expenditure, including debt services ($49.9m), was revised upward from $272.2m to $312.3m in the approved budget, of which compensation to an employee will take a significant portion of 47.5%.

Breakdown of Recurrent Expenditure

- **Compensation**: $148.3m
- **Grants**: $47.1m
- **Social benefits**: $3.7m
- **Use of goods and services**: $58.8m
- **Subsidy**: $1.1m
- **Non-Financial Assets**: $3.5m

**Grants**
Grants are government transfers targeted to county development funds, public hospitals, health facilities, etc.

**Social Benefits**
Key expenditures of social benefits include; benefits for former elected officials, retirement benefits, etc.
Public Debt Profile

Total debt service for the special budget is projected at $49.9m and accounted for 14.3% of the total $347.9m budget.

Domestic Liabilities
$33.1m

Foreign Liabilities
$16.8m
This is money spent to get fixed assets and implement projects that will enhance economic growth and the needs of the citizens, such as roads, hospitals, security, etc. The PSIP was revised to $35.6m from $29.3m in the draft budget, making up approximately 10% of the total $347.9m expenditure.

**Summary of Public Spending Investment Plan by Sector**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Allocation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Sector</td>
<td>$14.9m</td>
</tr>
<tr>
<td>Social Development Services</td>
<td>$8.2m</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>$5.7m</td>
</tr>
<tr>
<td>Public Administration</td>
<td>$1.99m</td>
</tr>
<tr>
<td>Health Sector</td>
<td>$1.5m</td>
</tr>
<tr>
<td>Transparency and Accountability Sector</td>
<td>$0.84m</td>
</tr>
<tr>
<td>Security and Rule of Law</td>
<td>$1.5m</td>
</tr>
<tr>
<td>Municipal and Local Government</td>
<td>$0.92m</td>
</tr>
</tbody>
</table>

Education, Industry and Commerce, and Agriculture sectors were all given a zero-dollar investment budget. This means that no public investment will be made in the three sectors mentioned.
Sectoral allocation consists of recurrent expenditure and public investment spending plans in the sectors. Public administration will receive a large portion of the funding, accounting for 41.3% of the entire $347.9m allocations.

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<td>Education Sector</td>
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<td>Health Sector</td>
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</tr>
<tr>
<td>Municipal and Local Government</td>
<td>$9.9m</td>
</tr>
<tr>
<td>Industry and Commerce Sector</td>
<td>$3.5m</td>
</tr>
<tr>
<td>Agriculture Sector</td>
<td>$2.4m</td>
</tr>
</tbody>
</table>

All figures are in US Dollar ($)
Public Investment Projects

Due to the COVID-19 pandemic and effort to boost the weakened economy, the total amount of $35.6m available to the public sector investment plan will be used to fund the counterpart projects, national roads, and the completion of ongoing projects.
Breakdown of Public Investment Projects

PUBLIC ADMINISTRATION

- **National Population Census (2018)**: $1.5m
- **Humanitarian Outreach**: $0.4m
- **Ecowas Joint Security Hub**: $0.1m
- **Foreign bank charges**: $0.04m

Total Allocation: $1.99m

MUNICIPAL AND LOCAL GOVERNMENT

- **Total Allocation**: $0.92m
- **PCD, Clean Cities Campaign**: $0.62m
- **Landfill and Urban Sanitation project**: $0.15m
- **Disaster fund**: $0.15m

All figures are in US Dollar ($)

Special National Budget | 15
TRANSPARENCY AND ACCOUNTABILITY

Total Allocation

$0.8m

Elections

SECURITY AND RULE OF LAW

Total Allocation

$1.5m

Judiciary Project

Recruitment

HEALTH SECTOR

Total Allocation

$1.5m

Pandemic and Epidemic Response

Global Fund Program

All figures are in US Dollar ($)

Special National Budget | 16

All figures are in US Dollar ($)
**SOCIAL DEVELOPMENT SERVICES**

Total Allocation: $8.2m

- Presidential County tour project: $4.0m
- Abino Society Headquarters project: $1.4m
- Fight against Rape project: $0.2m
- Completion of the Old Omega Market Project: $0.6m
- Cleaning of Beaches and Waterways: $0.5m

**ENERGY AND ENVIRONMENT**

Total Allocation: $5.7m

- Maintenance of traffic and street lights: $2.0m
- Liberia energy Efficiency and Accessibility Project: $0.7m
- West African Power Pool Project Ivory Coast, Sierra Leone, Guinea: $2.0m
- SKD Buckets Seat Project: $0.5m
- CPF: River Gee Hydro Project: $0.3m
- CPF: Dunka Market Project: $0.1m

All figures are in US Dollar ($).
INFRASTRUCTURE SECTOR

Total Allocation: $14.9m

- Road Fund: $10.5m
  - Renovation of Executive Lodge Terminal: $0.3m
  - VOA Housing Project: $0.2m
  - RIA Highway: $0.5m
  - Pandemic and Epidemic Response: $0.8m
  - Maintenance of Traffic and Street Lights: $0.8m

- SECRAMP: Ganta - Saclepea: $2.0m
### ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPF</td>
<td>Central Provident Fund</td>
</tr>
<tr>
<td>LEC</td>
<td>Liberia Electricity Cooperation</td>
</tr>
<tr>
<td>LCAA</td>
<td>Liberia Civil Aviation Authority</td>
</tr>
<tr>
<td>SECRAMP</td>
<td>A town located in Nimba County, Liberia.</td>
</tr>
<tr>
<td>PSIP</td>
<td>Public spending investment plan</td>
</tr>
</tbody>
</table>