LIBERIA 2025

CITIZEN'S BUDGET

BUDGET THEME:

ARREST Agenda for Inclusive Development (AAID)

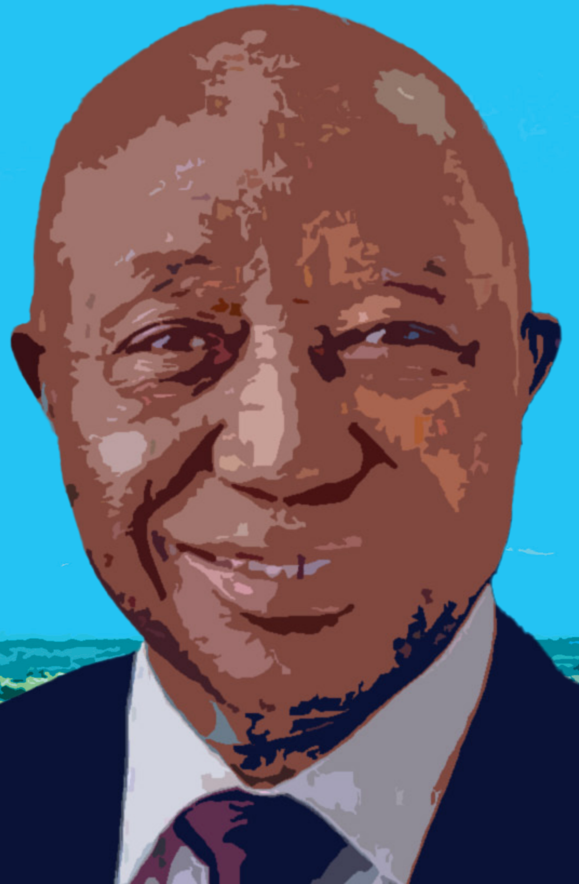
Introduction

The 2025 National Budget outlines the government's financial plan for the fiscal year, detailing how revenue will be collected and spent to support the country's development and public services. This guide breaks down the key components of the budget in simple terms to help citizens understand how public funds will be used.

This citizen's guide to Liberia's 2025 National Budget seeks to highlight and simplify key provisions of the budget to enhance their understanding of government spending priorities for the year and empower them to demand service delivery. It aims to create an active community of informed citizens to hold the government accountable and to drive participatory governance through the budgetary process.

What is A Government's Budget?

A government's budget is a financial roadmap that outlines how much money the government expects to collect (through taxes and other sources) and how it will be spent over a specific period, typically a year. This plan is critical to funding national priorities such as healthcare, education, and infrastructure. It is a comprehensive tool that guides policy, promotes fiscal responsibility, fosters transparency, and contributes to economic stability and citizens' well-being. Understanding the government budget empowers citizens to participate actively in shaping their communities and holding their leaders accountable.



Government Budgeting Process In Liberia

The public budget process in Liberia is typically divided into four stages:

PREPARATION | **APPROVAL** | **IMPLEMENTATION** | **MONITORING**

Budget preparation begins with the government issuing budget guidelines, which outline priorities and provide instructions for budget preparation. The government then consolidates expenditure requirements from ministries, departments, agencies, and local government authorities based on expected revenue. Following preparation, the budget is submitted for approval to the Cabinet and then to the Legislature. Once approved, the government implements the budget, and monitoring and audits are conducted to ensure proper use of funds.

Government's Focus For 2025

Liberia's Fiscal Year 2025 National Budget reflects the government's commitment to fostering economic growth and improving public welfare.

This budget, a 15.3% increase over the 2024 Recast Budget, focuses on several key priorities under the ARREST Agenda for Inclusive Development (AAID):

- Infrastructure Development: A significant portion of the budget is allocated to infrastructure projects, with $52.9 million dedicated to road rehabilitation and transportation links in underserved areas.
- Education and Healthcare: The budget emphasizes enhancing social infrastructure, with investments aimed at improving education and healthcare services to elevate the quality of life for Liberians.
- Agriculture: Allocations are made to boost agricultural productivity, supporting food security and economic diversification.
- Public Sector Wage Adjustments: The budget includes provisions for wage adjustments for government employees, aiming to improve public service delivery.

Priority Areas of The Government

The liberian government will give priority to the following sectoral areas this year:

Road Rehabilitation

$52.9m
allocated for road repairs and construction, including rural roads and bridges.

Health Improvements

$7.6m
for hospitals, medical supplies, and public health initiatives.

Education

$5.3m
for school renovations and expansion, including the Digital Transformation Program.

Agriculture

$7m
for agricultural value-chain programs to boost food production and reduce imports.

Security

$3.7m
for military housing, police barracks, and anti-drug programs.

2025 Macroeconomic Targets

The government anticipates that this budget will bring about the following:

5.8%

The Liberian economy is projected to grow by 5.8%

5.9%

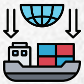
Macroeconomic condition is projected to remain favourable with real GDP Growth averaging 5.9 percent in the medium term

5.4%

Inflation is anticipated to fall to single digit and to average 5.4 percent in the medium term

5.9%

With the high demand for imported commodities, growth in the manufacturing sector is projected to fall and to average 5.9 percent in the medium term



Imports are expected to increase with increased activities in the mining sector and global demand for rubber anticipated to increase.

A Few Public Projects To Be Implemented in 2025

These are the projects that the government intends to implement this year, categorized by Sectors:

EDUCATION

Train 10,000 students in digital skills.

Construct 50 new schools and renovate existing ones.

Expand library services to rural areas.

HEALTH AND SOCIAL PROTECTION PROGRAM:

Build 5 new regional hospitals.

Improve access to primary healthcare in rural areas.

Train 1,000 healthcare workers.

ENERGY

Install solar panels in 200 rural communities.

Expand the national grid to cover 70% of the population.

INFRASTRUCTURE

Construct 500 km of new roads.

Provide 20,000 household toilets in urban areas.

Visualizing The 2025 Budget

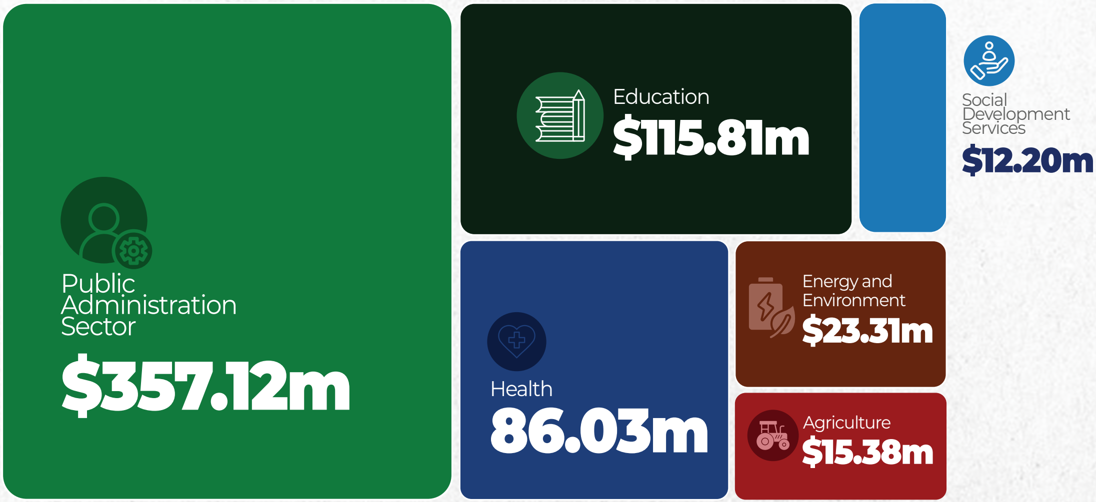
How Much Will The Government Spend In 2025?

It is expected that the government will spend USD 851.76 Million in 2025 on various expenditure outlays such as Education, Health, Agriculture, Energy and other expenditures.

$851.76m

Sectoral Analysis of The 2025 Budget

Budgetary Allocations by Sector in 2025



Where Will This Money Come From?

The government intends to raise a total revenue of **USD 851.76 Million** in 2025 from its internal and external income streams. About 75% of the total revenue is expected to come from Tax revenue, while non-tax revenues are expected to accrue over 25%.

The Expenditure Figure Seems To Be Greater Than The Revenue Figure

The expenditure exceeds the expected revenue by USD 250 million (approximately LRD 5 billion), resulting in a budget deficit.

How Then Will The Government Finance The Deficit?

The government intends to finance the deficit by borrowing either from domestic or international aid

What Are The Implications of Borrowing To The Citizens

As the government embarks on excessive borrowings to meet its revenue shortfalls, it is obliged to pay these debts with interest on a future date. This implies that citizens would have to pay more taxes in the future and developmental projects would have to be forfeited to pay for these debts and their accrued interest.

How Can Citizens Participate In Budget Decision-Making?

To participate in the budget decision-making process;

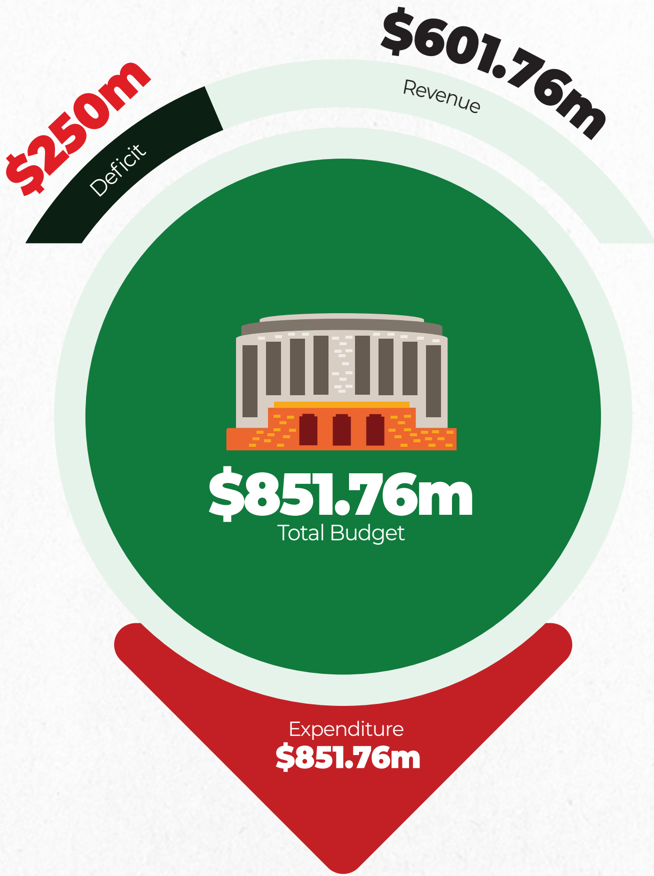
- Citizens should also attend public hearings or budget forums organised by the government or CSOs.

- Citizens should follow government news and announcements related to the budget.

- Citizens should use social media platforms to raise awareness about budget issues, share information, and mobilise others to take action.

- Citizens should utilise advocacy groups and platforms to express their views and concerns about the budget.

- During elections, research candidates' positions on budgeting and public finance. Vote for those prioritizing transparency, citizen participation, and a budget that reflects the community's needs.


$250m
Deficit
$601.76m
Revenue
$851.76m
Total Budget
Expenditure
$851.76m