

LIBERIA 2026 MID YEAR BUDGET REVIEW

Understanding Liberia's Mid-Year Budget Report for FY2026:

A Plain-Language Guide



About BudgIT

BudgIT is a civic organisation that uses creative technology to simplify public information, stimulating a community of active citizens and enabling their right to demand accountability, institutional reforms, efficient service delivery and an equitable society.

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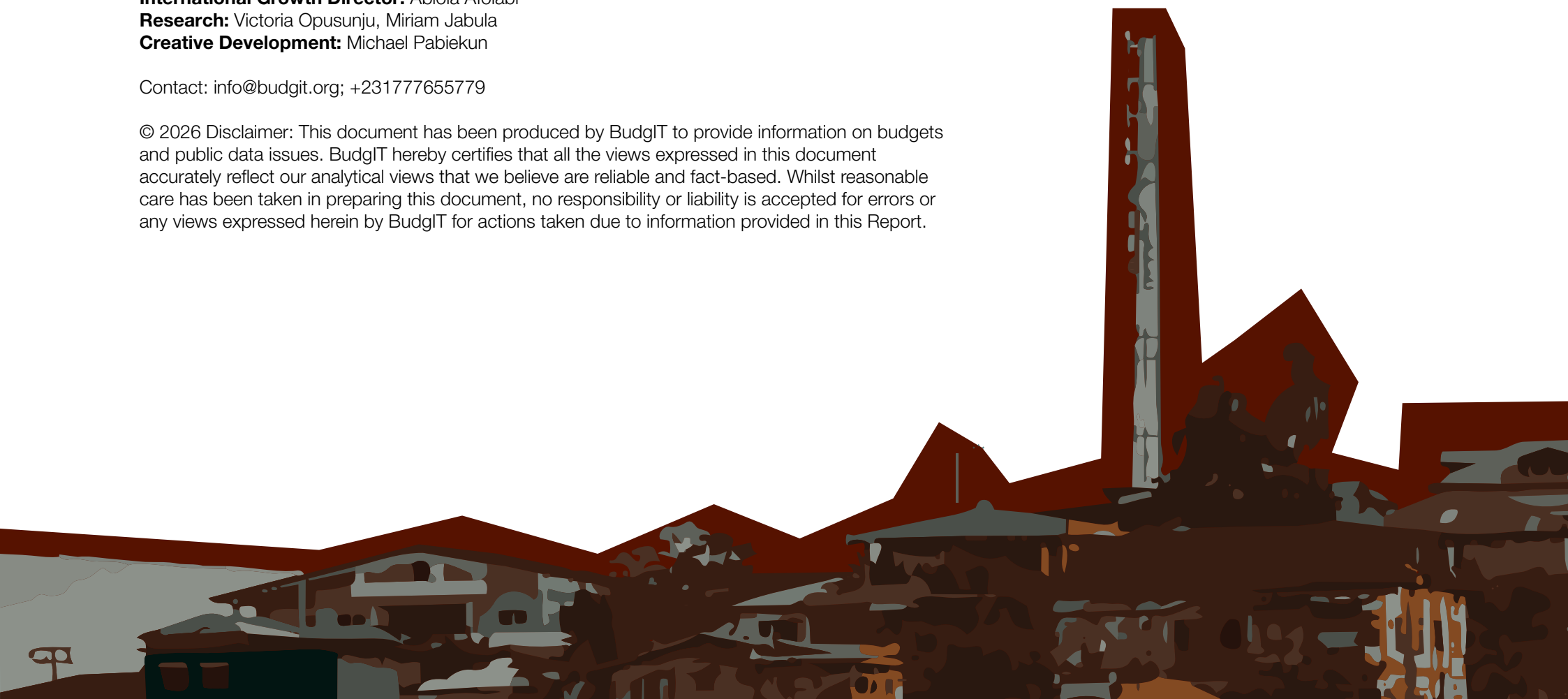
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Introduction

Twice a year, Liberia's government has to show its homework a report on how the national budget is actually doing. This one covers the first six months of 2026, January through June. Think of it like a family checking in halfway through the year: how much came in, how much went out, what's still owed, and whether the plans are on track. The short answer is that it was a strong six months, with more money collected than expected and spending kept under control — but a lot of the good news leans on a one-time stroke of luck, and the hardest work is still waiting in the second half. Let me walk you through it.



The Big Picture: A Bigger, More Ambitious Budget

The government set itself a much bigger budget this year — US\$1.30 billion, nearly 48% more than last year. It's like a household deciding to spend almost half again as much, betting that more income is coming. The most striking change is the government's new appetite for building things. It roughly tripled the pot of money set aside for roads, power plants, and schools, and that investment share of the budget doubled in a single year, from 12% to 24%. The report is honest that this is both exciting and risky. Building things is slow and complicated compared to paying salaries, so the whole budget's success now hangs on whether those projects actually get built.

Where the Money Came From

On the money coming in, this is where the story shines. The government aimed to collect about US\$708 million by mid-year and brought in nearly US\$761 million, beating the target by 7.5% and nearly doubling last year's figure.

But the report is refreshingly upfront about the catch: a big slice of that was a one-time US\$210 million payment from mining companies — essentially a large upfront fee for a mining deal. It's wonderful, but a bit like a surprise inheritance; you can't count on it again next year. The genuinely encouraging part is that even if you set that windfall aside, the government's regular tax income still grew about a third, which means the tax system is actually getting better at its job, not just getting lucky. A few areas stood out — international trade and customs came in strong, and the Ministry of Labour more than doubled its target on work permits — while property taxes and a few agency fees fell short.

Where the Money Went

Where did the money go? By mid-year the government had spent about 44% of the budget, which is slightly under the halfway mark you'd expect at six months — and that's normal.

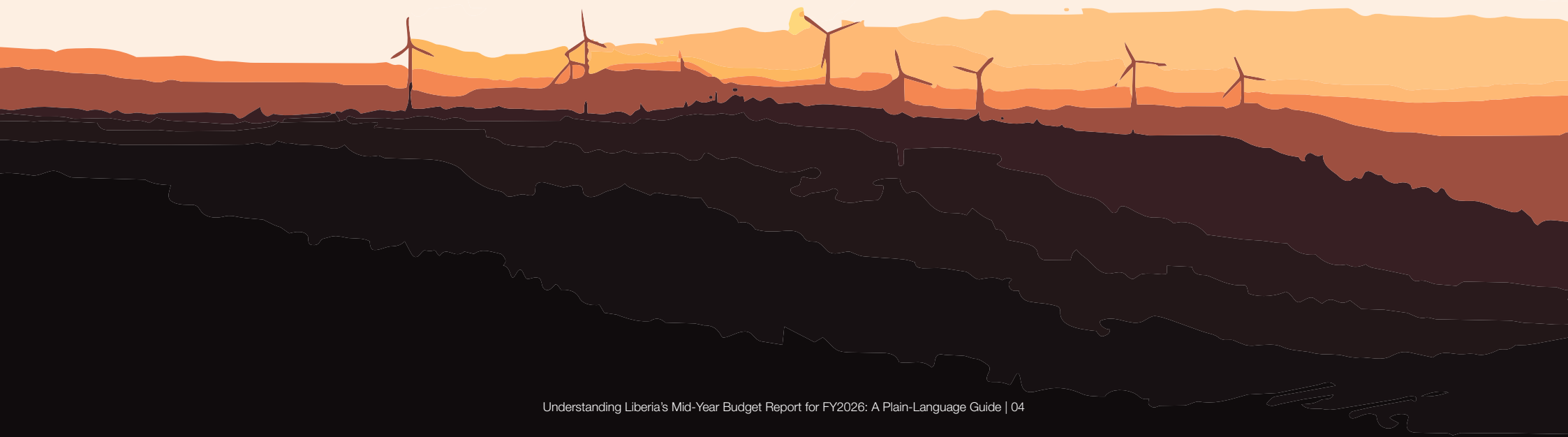
The day-to-day costs like salaries, services, and debt payments were right on pace. Critically, the government stayed completely current on its debts, which keeps it in good standing with lenders like the IMF. The slower part was those big construction projects, which ran at only 37%. That's not alarming on its own, since major projects naturally take time to get going early in the year, but it's the budget's main soft spot.

One idea worth holding onto is what the report calls “budget rigidity.” Almost 60% of the government's recurring money is locked into just two things — paying workers and paying debts — leaving very little wiggle room. So when a border crisis flared up in Lofa County, the government had to pull money away from construction projects to deal with it. That's the trade-off a tight budget forces.

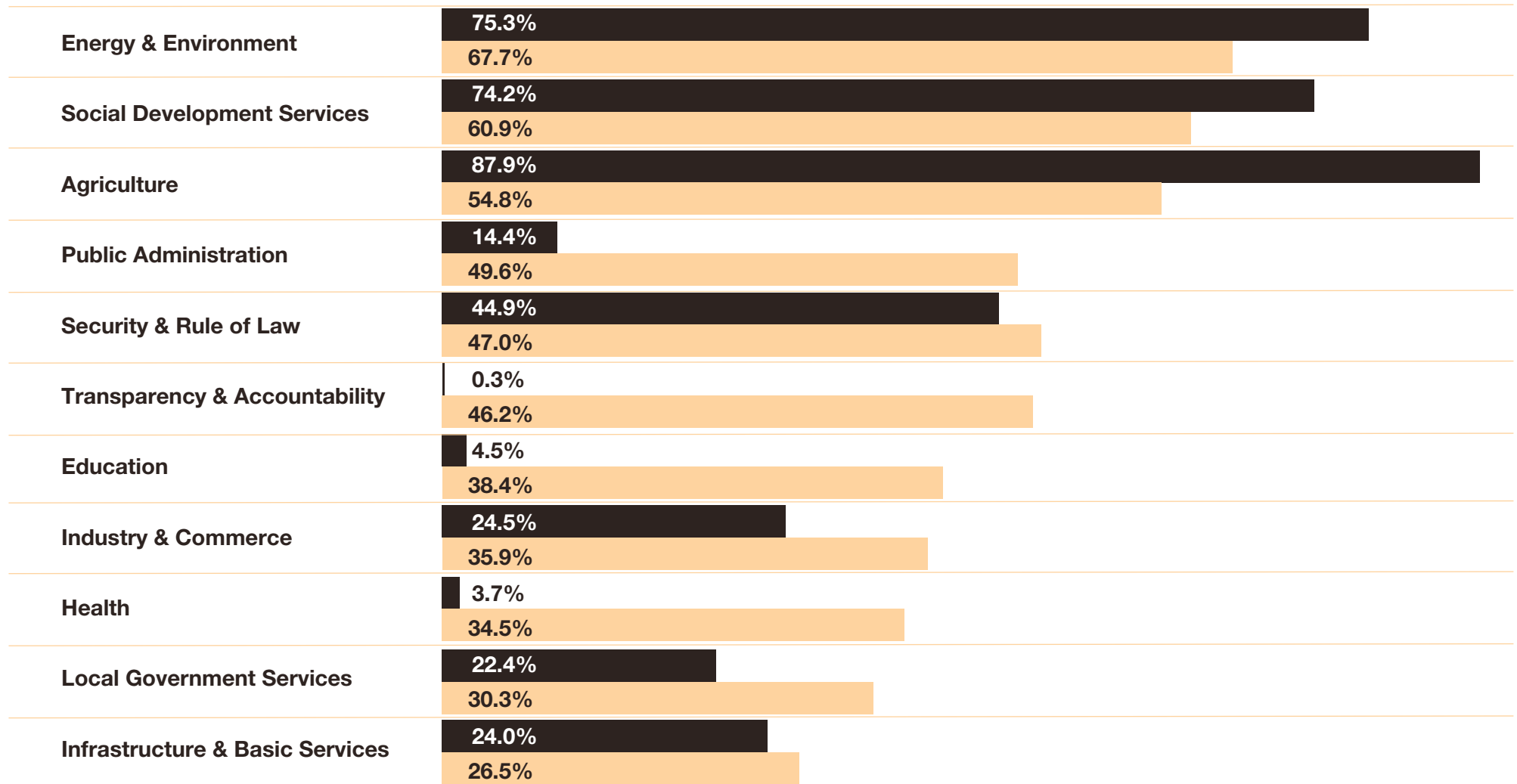
Performance by Sector: Winners and Laggards

The sectors performed unevenly. Energy and Environment was the clear winner, delivering strongly on power projects – the report points to it as proof that government can build well when projects are properly prepared.

Agriculture, oddly, executed its investment budget best of all, even though it was the only sector whose overall budget got cut this year despite being called a priority — a contradiction the report flags honestly. At the other end, infrastructure, health, education, and public administration all moved slowly on their building projects, which piles pressure onto the second half.



Sector Performance at Mid-Year



The two columns tell two different stories, and the gap between them is the whole point.

The first column, overall spending rate, measures how much of a sector's total budget was spent in the first six months. Since we're at the halfway point, roughly 50% would be "on pace." Anything well above that means a

sector is moving fast; well below means it's lagging.

The second column, investment rate, zooms in on just the money meant for building things roads, power lines, clinics, school buildings. This is the harder, slower kind of spending, and it's where the real test of the budget lies.

A few things jump out once you look at both columns together:



Energy and Agriculture are the quiet success stories.

Energy spent two-thirds of its budget and delivered three-quarters of its construction plan. Agriculture is even more striking; it built out nearly 88% of its investment projects, the best in government, even though it was the one sector whose overall budget got cut this year. These show that when projects are properly prepared, Liberia can execute.



Some sectors look fine on the surface but are hollow underneath.

Look at Public Administration: an overall rate of 49.6% seems perfectly healthy. But its investment rate is only 14.4%. That means the sector is paying its salaries and running costs just fine, while its actual building projects have barely started. Transparency & Accountability is the most extreme version, a respectable 46% overall, but essentially zero investment delivered (0.3%).



The sectors people care about most are lagging on building.

Health (3.7%) and Education (4.5%) have almost non-existent construction progress. These are large, important sectors, so their slow investment delivery drags down the whole picture and means a crush of building work is now stacked up for the second half of the year.



Infrastructure is the overall laggard

It sits at the bottom at 26.5%, weighed down by slow-moving road and bridge contracts that are still working their way through the early paperwork-and-mobilization stage.

So the single most useful lesson from this table is to never trust the first column alone. A sector can look like it's spending fine while quietly failing to build anything and in a budget that bet big on construction this year, the second column is where the government's real promises will be kept or broken.

The Economy Behind the Numbers

The wider economy was unusually kind. Growth sped up to 5.5%, prices cooled, and the Liberian dollar got stronger – a rare triple win for a small country like this, and faster growth than almost any comparable country or region.

The worry, which the report keeps returning to, is that nearly all that strength comes from mining. When one sector is carrying everything, a dip in global demand for iron ore would hit both the economy and the budget at once.

A Closer Look at Debt and Outside Help

Debt is one of those words that sounds alarming, but for a government it's a normal tool the question is never simply "is there debt?" but "is it affordable, and is it under control?" On both counts, Liberia's mid-year picture is cautious but reasonably steady.

Here's where things stood at the end of June. Liberia owed about US\$2.84 billion in total. To make sense of that number, the report compares it to the size of the whole economy, and it works out to roughly half of what the country produces in a year. There's an internationally watched line at 60% that lenders treat as a warning zone, and Liberia sits just under it. So the country is carrying a heavy load, but not yet in the danger area.



A useful way to picture the debt is to split it in two. A little under 60% is external debt money owed to foreign lenders like the World Bank and other countries. The rest, just over 40%, is domestic debt money borrowed at home, mostly from Liberia's own central bank and commercial banks. During this half-year, the domestic portion grew a bit faster than the foreign one, which simply reflects the government leaning on local lenders to help cover its costs during the period.

What stands out is how seriously the government took paying its debts on time. Over the six months it paid out about US\$119.5 million in debt service, notably more than the same period last year and staying current on these payments was actually the most reliably executed part of the entire budget. That discipline matters for a reason that isn't obvious at first: paying lenders punctually is how a country keeps its reputation intact, which keeps future borrowing cheaper and keeps partners like the IMF comfortable. Think of it like a person guarding their credit score. It's less about this month's bill and more about staying trusted for the long run.

The report is also honest about the risks. Liberia is officially rated at "high risk" of overall debt distress, meaning its ability to comfortably carry debt is considered weak. Because of that, the government is

playing it safe in two deliberate ways. First, when it borrows from abroad, it sticks to cheap, long-term loans with generous repayment terms rather than expensive commercial borrowing. Second, it's carefully managing when repayments fall due, spreading them out so it never faces a sudden pile-up of bills it can't handle all at once.

This is also where outside help comes in. Beyond what it borrows, Liberia relies on development partners for grants and low-cost loans. For the full year they were expected to provide about US 370m, and around roughly 43% of that had arrived by mid-year, led by the World Bank. Together with the government sown spending of US 735m flowed into the economy over the half year, a meaningful boost on top of what the country raised on its own.

The honest worry hanging over all of this is what happens if that cheap foreign money starts drying up. If the generous external funding slows, the government would be forced to borrow more at home, which can crowd out loans that would otherwise go to private businesses. For now, though, the strategy is working: by running a surplus this half-year, the government avoided heavy borrowing altogether, which is the best possible way to keep a debt problem from growing.

A Surplus, With an Asterisk

The bottom line is that the government finished the half-year with a surplus of about US\$183 million – it took in more than it spent, which meant it didn't have to borrow heavily, and that kept the economy steady.

But the report is honest that this surplus is a temporary snapshot. It's expected to shrink as construction finally ramps up and that one-time mining money stops recurring. That's actually the intended outcome, not a problem.

Challenges the Government Admits

What I find impressive is how candid the document is. It names its own problems — a frustrating online procurement system that vendors and agencies struggle to use, banks sitting too long on government money instead of passing it to the treasury quickly, and agencies asking for far more funding than they need (nearly a fifth of the whole budget in extra requests, though only a sliver was granted).

Real Results on the Ground

And behind the numbers there were real results people can see: Liberia's first big solar plant at Mount Coffee, a thousand young people placed in jobs through a new cadet program, a thousand vocational scholarships, school and university renovations getting underway, a completed water system in Bopolu, hundreds of kilometers of roads maintained, and support for persons with disabilities.

What This Means for Ordinary Liberians

Behind every figure in this report is a simple test: does life get a little better for the person who isn't reading budget tables? A budget is ultimately a promise about people's lives, clean water, lights that come on, a school worth attending, a job for a young person and this is where the numbers either become real or stay on paper.

On that test, the first half of the year delivered some things people can actually touch. For families who've lived with unreliable power, Liberia switched on its first large solar plant at Mount Coffee, and the national electricity company both cut its losses and connected more customers

meaning more homes and businesses with a steadier supply. In Bopolu, a completed water system brought clean water to dozens of new households, the kind of change that quietly improves health and frees up hours once spent fetching water.

For young people, who make up so much of the country, the budget funded a cadet program placing a thousand youths into real work placements and handed out a thousand vocational scholarships including some set aside specifically for commercial motorcyclists, a nod to the people who keep daily life moving. Vocational and training centres were reopened and hundreds more graduated. For students, renovation work began at the University of Liberia and several schools, so the next generation learns in better buildings. The report also shows a government trying to protect its most vulnerable: small-business grants and training went to persons with disabilities, thousands of adolescent girls were

reached through health and livelihood programmes, and trafficking victims were given shelter and support while their cases were pursued in court. On safety, security forces handled a border crisis and made a major drug seizure, the kind of action that, while it makes headlines, is really about ordinary people feeling safe in their communities.

None of this is the whole story, and the report is honest that some of the sectors closest to daily life health and education especially were slow to deliver on their bigger building projects. That matters, because a clinic half-built helps no one yet. But the thread running through the strongest results is clear: when the government moved quickly, it was often on the things people feel most directly, power, water, jobs, and support for those who need it most. That's the real measure of whether a surplus and a strong revenue year were worth it. Not the balance sheet, but whether a child has a classroom, a market woman has light to work by, and a young graduate has somewhere to put their skills to use.

Conclusion

Taken as a whole, this was a solid and disciplined first half of the year. The government collected more than it expected, spent within its means, paid its debts on time, kept the economy stable, and delivered a handful of things Liberians can actually see and feel, a solar plant, clean water, jobs for young people, and schools under renovation. These are real gains, and they deserve to be recognised.

But a good mid-year report is a checkpoint, not a finish line, and BudgIT Liberia urges citizens to read this one with both appreciation and caution. Much of the strong revenue rested on a one-time mining payment that will not return, and the government's biggest promise this year to build roads, clinics, schools, and power is exactly where progress was slowest, especially in the health, education, and infrastructure sectors that touch daily life most directly. The surplus on the

books today is expected and intended to shrink as that building work finally begins in earnest.

So the real test of FY2026 is still ahead. It will not be measured by the money already banked, but by whether the government can turn its ambitious plans into finished projects in the second half in the very sectors that have lagged so far. As the Finance Minister himself put it, the country is not yet where it aspires to be, but it is moving in the right direction. For our part, BudgIT Liberia will keep watching, keep translating the numbers into plain language, and keep asking the one question that matters most. In the end, a budget is judged not by its balance sheet, but by whether a child has a classroom, a market woman has light to work by, and a young graduate has somewhere to put their skills to use. That is the standard we hold this budget to and the standard every Liberian has every right to demand.

