



Workplan for fiscal transparency indicators Liberia

1. Introduction

In the context of the Fiscal Openness Accelerator Project (FOA Project)—launched by the International Budget Partnership and the Global Initiative for Fiscal Transparency with the objective of building the technical capacity of selected governments to improve their fiscal transparency and to implement mechanisms for public participation—the Ministry of Finance and Development Planning of Liberia has signed a Memorandum of Understanding which includes, among other actions, that the “Ministry **will receive technical assistance to build capacity** to enhance the budget comprehensiveness and reliability by taking steps towards publishing key budget and audit reports in a timely manner, ensuring key audit reports are publicly available within 12 months of dissemination of the government's end-of-year report, and ensuring the criteria and procedures used to award natural resource extraction contracts and licenses are consistent with the requirements set by law or regulation”.

To measure progress for the FOA Project per country, a set of indicators were selected, based on the findings of the Fiscal Transparency Report (FTR) of the United States Department of State and the Open Budget Survey (OBS). These indicators are general, which means they are applicable to all the selected countries, and country-specific, which are particular to the country. The indicators for Liberia are the following:

1.1. General indicators

1.1.1. Timely publication of the eight key budget documents as assessed by the OBS

Currently, as assessed by the OBS 2019, Liberia publishes in a timely form three of the eight key budget documents; while four are either published late, not published online, or produced only for internal use; and one is not produced.

- Indicator: Public availability of budget documents, OBS
- Target(s) for the country¹:
 1. Publication of the EBP at least two months in advance of the budget year and in advance of the budget being approved by the legislature (OBS EBP-2 target B)
 2. Publication of the enacted budget within two months after approval (OBS EB-2 target A)
 3. A citizens' version of budget documents is published for at least two of the four stages of the budget process (OBS 67 target B)
 4. Publication of the audit report within 12 months, after the end of the budget year (AR-2, target B)
- Next progress assessment: OBS 2021

¹ Targets are in line with the diagnosis and actions contemplated in section 1.2 of the workplan.



1.1.2. Improve the comprehensiveness of the budget reports

In the transparency pillar of the OBS 2019, Liberia obtained 38 out of the 100 possible points. While it is an improvement of two points from the previous OBS assessment, this positions the country below the global average of 45 points and 23 points behind the threshold to consider the information provided as “sufficient”².

In the same line, the comprehensiveness within the actually published documents still requires focalized attention. While a strong document is the Enacted Budget that obtained 84/100 points in the OBS, the Executive Budget Proposal, which has a bigger role in the Survey only obtained 54/100 points and the Year-End report obtained 48/100.

- Indicator: Document content score, OBS
- Target(s) for the country:
 1. At least 61 for the Executive Budget Proposal (currently 54)
 2. At least 61 for the Year-End report (currently 48)
- Next progress assessment: OBS 2021

1.2. Country-specific indicators

1.2.1. Improve the coverage of fiscal reporting

The FTR 2019 found that “foreign assistance receipts, largely project-based, were neither adequately captured in the budget nor subject to the same audit and domestic oversight as other budget items”. This is in line with the findings of the PEFA assessment performed in 2016 (PI-6 ii), which states that “Information on donor financed projects included in fiscal reports is seriously deficient and does not even cover all loan-financed operations”.

- Indicator: Extent of unreported government operations, PEFA PI-6 ii
- Target(s) for the country:
 1. Revenue from donors outside government financial reports is less than 5% of total BCG revenue. Change from D to B+
- Next progress assessment: PEFA 2020³

1.2.2. Improve transparency of revenues related to natural resources

The FTR 2019 found that the budget documents made it difficult to identify natural resource revenues, additionally there have been reports of corruption and inconsistent application of regulations for awarding natural resource extraction licenses and contracts in practice. Finally, it concluded that basic information on some, but not all, natural resource extraction awards was publicly available. This is in line with the finding of Liberia’s Extractive Industries Transparency

² For the OBS, a minimum of 61 points is the threshold for considering the published information as sufficient.

³ Monitor progress due to COVID-19 possible changes in the assessment timeline.



Initiative (EITI) report of 2017-2018 that provided several observations about the data availability and timeliness.

- Indicators:
 - Liberia is required to disclose the following information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report during the accounting period covered by the EITI Report: (i) a description of the process for transferring or awarding the license; (ii) the technical and financial criteria used; (iii) information about the recipient(s) of the license that has been transferred or awarded, including consortium members where applicable; and (iv) any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards. This information should be disclosed for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations pertaining to companies that are not included in the EITI Report. Any significant legal or practical barriers preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them. Where licenses are awarded through a bidding process during the accounting period covered by the EITI Report, Liberia is required to disclose the list of applicants and the bid criteria. (EITI requirement 2.2)
 - Liberia is required to maintain a publicly available register or cadastre system(s) with the following timely and comprehensive information regarding each of the licenses pertaining to companies covered in the EITI Report: (i) license holder(s), (ii) where collated, coordinates of the license area, (iii) date of application, date of award and duration of the license, (iv) in the case of production licenses, the commodity being produced. Any significant legal or practical barriers preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them. (EITI requirement 2.3b)
- Target(s) for the country:
 1. Validation of Requirement 2.2 of EITI
 2. Validation of requirement 2.3b of EITI
- Next progress assessment: EITI Report 2021

