

GOVERNMENT OF LIBERIA  
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING



STRATEGIC PLAN  
2015 - 2018

June 22, 2015

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## Foreword

The establishment of the Ministry of Finance and Development Planning (MFDP) in 2013 was another important milestone in the transformation of the public sector in Liberia. Combining the knowledge leadership and the transactional mandates and functions of two key public entities responsible for economic development and fiscal policy management is a forward looking strategy that allows us to draw from the experiences of the past while fulfilling government's commitment to lifting Liberians out of pervasive poverty, vulnerability, and crisis within the framework of Liberia Rising 2030.

Like the Agenda for Transformation (AfT 2012-2017), completion of this strategic plan is a prefatory step towards attaining our national development goals. Its existence compels us to act in a manner that is of the highest and best interest of Liberia in dealing with the many constraints and opportunities that are laid before us.

The Ebola Virus Disease (EVD) outbreak in 2014 was unfortunate and imposed new and unexpected difficulties on the transition from recovery to development. But it strengthened our resolve to pursue our national development goals more aggressively and to better position the MFDP to handle the numerous challenges ahead. Increasingly, there is a recognition that business as usual will not lead to the desired results. As a new core ministry created from the ground up, MFDP will have to provide a new intellectual outlook to Liberia's development challenges.

Therefore, one of the critical outputs of this strategic plan is a comprehensive and independent mid-course review of the AfT. Another is leveraging intellectual leadership, in collaboration with other core institutions, to keep pace with changing demands internally and externally to be able to use fiscal and monetary policy instruments more effectively. Finally, there is a clear recognition that this ambitious vision will require an institution that meets and exceeds benchmarks for institutional effectiveness in the performance of its staff, its leadership, and in the use of publicly-provided assets.

I am pleased to confirm the commitment of the Government of Liberia to implementing all the sets of activities and producing all of the outputs identified in this strategic plan. Our goal statement adequately captures our resolve to ensure that by 2018, we would have built our capacity to deliver on our core business, accomplished deep-rooted macroeconomic stability, achieved greater efficiency and transparency in public financial management, and created a policy and administrative environment that fast-tracks broad-based private sector growth and development.

Our approach to the strategic planning process was highly participatory—drawing together the views of a wide range of internal and external stakeholders. Together, we sought to understand the environment in which this new entity will operate and the full scope of responsibilities falling within its remit. I would therefore like to thank all those who participated in the preparation for their excellent cooperation, commitment, and seriousness. Special credit goes to the MFDP Strategic Plan Technical Team and our team of facilitating consultants. Credit also goes to our key international partners in the process—the United Nations Development Programme, The World Bank, The International Monetary Fund, and the United States Agency for International Development. To all of you, I say thank you on behalf of the Government and People of Liberia.

Amara M. Konneh  
**MINISTER**

## Acknowledgements

Working with the African Center for Economic Transformation (ACET), a visioning workshop led to the formulation of the Mission, Vision and Core Values of the Ministry of Finance & Development Planning (MFDP). Subsequently, the organizational structure and staffing positions for the new entity were concluded and a merit based recruitment process began.

Key to commencing full scale operations, however, was the development of a strategic plan that will serve as a road map to the programmatic and operational priorities of the ministry with the hope to induce a new performance culture, a new way of thinking, and more service efficiency. The preparation of this Strategic Plan has been led by a technical team within the Ministry of Finance and Development Planning:

- James Kollie, Deputy Minister for Fiscal Affairs/Lead-MFDP Transition Team
- Rommel Watson, Assistant Minister for Administration
- Lee Mason, Assistant Minister for Regional & Sectoral Planning and Coordination
- D. Emmanuel Williams, Director for M&E, Regional & Sectoral Planning

The United Nations Development Programme provided essential support through funding for the strategic planning process as well as guidance by the following persons:

- Kamil Kamaluddeen, Country Director;
- Rose Muchiri, PM-DIM-NIM
- Myer Saye, Research Associate

Several key Ministries, Agencies and Commissions (MACs) have been engaged with MFDP either at the steering committee or working group levels to provide critical inputs. These include:

• Governance Commission	• Ministry of Internal Affairs
• Civil Service Agency	• Liberia Institute for Public Administration
• Ministry of Health & Social Welfare	• Ministry of Agriculture
• Ministry of Public Works	• Ministry of Education

Development partners and other organizations have been of immense assistance and have supported this process. Key partners that are also acknowledged here include:

• IBRD (The World Bank)	• International Monetary Fund
• African Development Bank	• USAID
• SIDA	•

The team of consultants provided by Devin Corporation utilized a highly participatory stakeholder's engagement approach to facilitate the development of this Strategic Plan. The team comprised:

- Melvin Crawford (Team Leader, Public Administration and Budget)
- Milton Weeks (Fiscal Specialist)
- O Natty B Davis (Economic Management Specialist)

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## Abbreviations and Acronyms

<b>ACET</b>	African Center for Economic Transformation
<b>ADB</b>	African Development Bank
<b>AFL</b>	Armed Forces of Liberia
<b>AFT</b>	Agenda for Transformation
<b>AIDS</b>	Acquired Immuno-Deficiency Syndrome
<b>AWP</b>	Annual Work Plan
<b>BDP</b>	(Department of) Budget and Development Planning
<b>BPHS</b>	Basic Package of Health Services
<b>BTI</b>	Bertelsmann Stiftungs Transformation Index
<b>CBL</b>	Central Bank of Liberia
<b>CSA</b>	Civil Service Agency
<b>CSF</b>	Critical Success Factor
<b>CSO</b>	Civil Society Organization(s)
<b>DA</b>	Department of Administration
<b>DBI</b>	Doing Business Index
<b>DEM</b>	Department of Economic Management
<b>DFA</b>	Department of Fiscal Affairs
<b>DMC</b>	Debt Management Committee
<b>DSA</b>	Debt Sustainability Analysis
<b>ESRP</b>	Economic Stability and Recovery Program
<b>EVD</b>	Ebola Virus Disease
<b>EXT</b>	Executive Management Team
<b>FDA</b>	Forestry Development Authority
<b>FDI</b>	Foreign Direct Investment
<b>GAC</b>	General Auditing Commission
<b>GC</b>	Governance Commission
<b>GDP</b>	Gross Domestic Product
<b>GEMAP</b>	Governance and Economic Management Assistance Program
<b>GoL</b>	Government of Liberia
<b>HDI</b>	Human Development Index
<b>HIPC</b>	Heavily Indebted Poor Countries
<b>HIV</b>	Human Immuno-Deficiency Virus
<b>HRM</b>	Human Resource Management
<b>IAA</b>	Internal Audit Agency

<b>IAS</b>	Internal Audit Secretariat
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>ICT</b>	Information and Communication Technology
<b>IEF</b>	Index of Economic Freedom
<b>IFMIS</b>	Integrated Financial Management Information System
<b>IFRS</b>	International Financial Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>IPCU</b>	Internal Program Coordination Unit
<b>IPFMRP</b>	Integrated Public Financial Management Reform Program
<b>IT</b>	Information Technology
<b>LACC</b>	Liberia Anti-Corruption Commission
<b>LBO</b>	Legislative Budget Office
<b>LDA</b>	Liberia Development Alliance
<b>LEC</b>	Liberia Electricity Corporation
<b>LEITI</b>	Liberia Extractive Industries Transparency Initiative
<b>LIMPAC</b>	Liberia Macroeconomic Policy Analysis Capacity Building Project (LIMPAC)
<b>LIPA</b>	Liberia Institute for Public Administration
<b>LISGIS</b>	Liberia Institute of Statistics and Geo-Information Services
<b>LNP</b>	Liberia National Police
<b>LPRC</b>	Liberia Petroleum Refining Company
<b>LRA</b>	Liberia Revenue Authority
<b>M&amp;C</b>	Ministries and Commissions
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MACs</b>	Ministries, Agencies, and Commissions
<b>MCI</b>	Ministry of Commerce and Industry
<b>MDG</b>	Millennium Development Goals
<b>MFDP</b>	Ministry of Finance and Development Planning
<b>MHSW</b>	Ministry of Health and Social Welfare
<b>MIA</b>	Ministry of Internal Affairs
<b>MLME</b>	Ministry of Lands, Mines, and Energy
<b>MOA</b>	Ministry of Agriculture
<b>MOE</b>	Ministry of Education
<b>MOH</b>	Ministry of Health
<b>MoPEA</b>	Ministry of Planning & Economic Affairs
<b>MPW</b>	Ministry of Public Works
<b>MSME</b>	Micro, Small, Medium Enterprises

<b>MTEF</b>	Medium Term Expenditure Framework
<b>MW</b>	Megawatt
<b>NBoC</b>	National Bureau of Concessions
<b>NGDP</b>	Nominal Gross Domestic Product
<b>NIC</b>	National Investment Commission
<b>OM</b>	Office of the Minister
<b>PAAC</b>	Public Administration and Appropriations Committee
<b>PEFA</b>	Public Accountability and Financial Accountability (Assessment)
<b>PFM</b>	Public Financial Management
<b>PLHIV</b>	People Living with Human Imuno-Deficiency Virus
<b>PPCA</b>	Public Procurement and Concession Act
<b>PPCC</b>	Public Procurement and Concession Commission
<b>PRSII</b>	Poverty Reduction Strategy
<b>PSIP</b>	Public Sector Investment Program
<b>RGDP</b>	Real Gross Domestic Product
<b>RIA</b>	Roberts International Airport
<b>RSAP</b>	(PFM) Reform Strategic Action Plan
<b>SIDA</b>	Swedish International Development Agency
<b>SMART</b>	Specific, Measurable, Attainable, Realistic, Time-bound
<b>SMT</b>	Senior Management Team
<b>SOE</b>	State Owned Enterprises
<b>SOP</b>	Standard Operating Procedures
<b>SWG</b>	Sector Working Group
<b>SWOT</b>	Strength, Weaknesses, Opportunities, and Threats
<b>TMT</b>	Top Management Team
<b>TOR</b>	Terms of Reference
<b>TSA</b>	Treasury Single Account
<b>UN</b>	United Nations
<b>UNMIL</b>	United Nations Mission in Liberia
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	United States Dollars
<b>VAT</b>	Value Added Tax
<b>WAPP</b>	West African Power Pool

## EXECUTIVE SUMMARY

Understanding the progress made under the Governance and Economic Management Assistance Program (GEMAP) that supported the restoration of accountability in the management of public resources is essential to appreciating the driving forces leading to the creation of the Ministry of Finance and Development Planning (MFDP). Institutional collapse and the breakdown in service delivery, occasioned by a prolonged civil conflict characterized by the displacement of qualified civil servants for factional loyalists, posed the most significant threats to national stability immediately after the inauguration of the newly-elected government in January 2006. GEMAP provided the framework that enabled the Government of Liberia (GoL), supported by its development partners, to transition from a failed state to post-conflict recovery. Continuing the transition from post-conflict to a developing nation and ultimately attaining middle-income status requires institutional changes across the public sector to be able to address the complex economic and social development challenges that are ahead.

In this regard, the consolidation of the erstwhile Ministry of Finance (MoF) and the Ministry of Economic Affairs and Planning (MoPEA) into the MFDP (MFDP Act), and the establishment of an autonomous Liberia Revenue Authority (LRA Act) for tax administration and revenue collection, were the highpoints of a series of reform initiatives in public financial management (PFM). These initiatives commenced in 2006 and were escalated into the PFM Reform Strategy and Action Plan (RSAP). In 2009, the PFM Act was passed providing the framework that governs all matters related to the management of public finances, laying out fundamental procedures for the preparation, adoption, execution and final accounts of the national budget and related matters; and covering internal control, accounting and auditing of public finances, and assets and debt management.

The Act creating the MFDP was signed in September 2013. It defines the powers and functions of the MFDP as follows:

*The Ministry shall formulate, institutionalize and administer economic development, fiscal, and tax policies for the promotion of sound and efficient management of financial resources of the government.*

The newly formed MFDP comprises 4 departments, 8 divisions (including the Comptroller and Accountant General), and 28 units as well as 8 specialized units directly falling under the Office of the Minister. While it is rapidly evolving into a leader in performance and results orientation among Liberia's Ministries and Agencies (M&A's), there is a general acknowledgement that remaining true to its foundational principles will require an institution with clearly defined benchmarks for organizational effectiveness which exceed by far the usual low expectations of the people of Liberia.

The **vision** of the MFDP is therefore stated as follows:

*“To be a dynamic and efficiently managed institution of public finance, economic management and development planning to achieve sustainable economic growth and transformation”*

The **mission** of the MFDP is to promote inclusive sustainable growth and development through efficient resource allocation, equitable wealth distribution, prudent financial management, integrated development planning, coordinated economic management, and well-formulated and implemented policies.

Environmental scans and Strengths, Weaknesses, Opportunities and Threats (SWOT) analyses were undertaken during the preparation of this strategic plan. The analyses were used to inform, identify, and critically think through priorities and to identify possible objectives at the department, division, and unit levels.

The SWOT findings provided clues to the likelihood of success in implementing the Strategic Plan and highlighted areas of concern from the MFDP staff and key external partners' perspective. The strategic planning process encouraged discussion about mitigation measures and how they could be integrated into work plans to improve service delivery to internal and external clients.

Drawing the above information and analyses together, the goal of the MFDP for the period 2015 to 2018 is therefore framed as follows:

*Over the next 3 years, we will build our capacity to deliver on our core business and accomplish:*

- *Deep-rooted macroeconomic stability by maintaining favorable fiscal, monetary, trade, and exchange rate policies*
- *Efficiency, innovation, responsiveness, and transparency in public financial management, and*
- *A policy and administrative environment that fast-tracks broad-based private sector growth and development thru the framework of the Agenda for Transformation (AfT)*

Five strategic priorities and 25 intended outputs were also identified. These comprise the core elements of the strategic plan. The strategic priorities 2015 to 2018 are as follows:

- *Project a more positive image that rebrands MFDP while leveraging our core ministry's position to effect more profound change in the way public service is considered and delivered*
- *Using a consultative approach, formulate and install a more efficient and effective tax policy regime; improve and rollout the IFMIS and supporting modules; integrate treasury management functions at the MACs and county levels to ensure full compliance with the PFM and associated laws and regulations by the end of 2016/17 fiscal year*
- *Set into place systems for quarterly monitoring and annual reviews of development in the domestic sectors of the economy and the global environment, the domestic investment climate, and price trends to inform new economic modeling and guide fiscal, aid, and monetary policy development*
- *To create a budget framework with the execution matching the appropriations, achieving a minimum of 75% alignment of national priorities with sector development strategies, with all public resources and expenditure reflected on budget and in IFMIS, and with increased public access through published budget information*
- *Ensure appropriate resourcing of all MFDP departments through sustained staff re-profiling and professional development, optimum and austere utilization of financial resources within the budgetary framework, and proper logistical support and services while championing the implementation of the strategic plan*

Seven critical success factors (CSF) were also identified. These are the core areas of the MFDP that will need special attention to drive the MFDP towards fulfilment of its mission and achievement of its strategic priorities. CSF's fall into 4 categories—leadership, people, processes & resources, and values.

No new structure is envisaged for implementing the strategic plan. No major policy or procedural modifications will be required. Instead, implementation will be rooted into existing structures with oversight, progress measurements, and reporting responsibilities broadened at the operational level. This will ensure that implementation of the plan remains in focus and at the center of the MFDP work going forward. This will be accomplished as follows:

- A consolidation of annual department work plans (AWP) will form the work plan for the MFDP. Department work plans will in turn draw on the 3-year results matrix and will be updated based on annual internal assessments of progress towards producing the intended outputs listed in the strategic plan.
- Cascading annual division and unit work plans, supported by individual work plans, will provide the basis for operationalizing and aligning activities with resource allocation through the MTEF.
- Quarterly and annual reviews at the level of the Executive Management Team (EXT), and at the level of the Top Management Team (Deputy and Assistant Ministers), will ensure continual assessment, learning, and corrective actions, as the plan cycle unfolds.
- The PEFA self-assessment process and periodic implementation reviews, such as the Integrated Public Financial Management Reform Project (IPFMRP), will provide the substantive high level perspective to inform on progress on key objectives of the Strategic Plan. Implementation language will be included in all departmental reports. Summaries will be generated by the Internal Program Coordination Unit (IPCU) within the Department of Administration. The IPCU will be the locus for progress monitoring and measurements. The Deputy Minister for Administration is the internal 'champion' of the strategic plan.

The impact of the Environmental Virus Disease (EVD) outbreak was also taken into consideration during the strategic planning process. The immediate impact will be felt on the resource envelope available for implementing the activities and producing the outputs of this strategic plan. To mitigate the associated risks, the MFDP will learn to do more with a smaller and more technical staffing envelope. The greatest impact of EVD, however, is expected to be on the assumptions and baselines underpinning the AfT. While the outbreak challenges the core assumptions about Liberia's development, there are grounds for optimism.

The foregoing provides greater impetus to rethink Liberia's development model—reducing the reliance on natural resource led growth, reducing the dependency on aid, broadening the economic base, expanding the delivery of basic social services, and expanding access to self-improvement opportunities for a largely youthful population. But even more compelling is coming to grips with what works in the Liberia context and what changes are essential to achieving stronger results and more impactful outcomes through spending agencies as well as through partnerships at the regional and global levels. As a new core ministry created from the ground up, MFDP will have to bring this new intellectual outlook and leadership to Liberia's development challenges. This strategic plan marks the beginning.

## SECTION 1: INTRODUCTION

### The Political Economy of Liberia

This section provides a high level perspective of recent political and economic development in Liberia. It presents information on those key economic and political indicators which form the backdrop and need to be considered during the implementation of the MFDP Strategic Plan. Data come from several international and domestic sources, including the International Monetary Fund (IMF), the World Bank (WB), and various global indexes including the Bertelsmann Stiftung's Transformation Index (BTI), the UNDP Human Development Index, The Index of Economic Freedom, the Failed States Index, *et al.*

Other key sources of information include: the Central Bank of Liberia (CBL), The National Investment Commission (NIC), and the Liberia Institute of Geo-Information Services (LISGIS). Information is also drawn from internal reports and the national frameworks developed by the MFDP and other government entities. These include: the Liberia Rising Vision 2030, The Agenda for Transformation (PRSI), working drafts of the Economic Support and Recovery Program (ESRP), MFDP capacity development plan, progress reports on the Public Financial Management (PFM) reform and the Agenda for Transformation (AfT), and The MFDP Visioning Workshop Report.

### **Economic trends over the past 3 years**

Over the past 3 years, the Liberian economy experienced a strong recovery after the declines of the 1990s and early 2000s. This rapid recovery reflects the impact of public investments and policy choices made over a very short period of time—prioritizing the rebuilding of road networks to allow access to markets and suppliers; upgrading of the telecommunications and electrical infrastructure to make it easier to do business, increasing access to basic social services, etc.. This growth has also been made possible by the stabilization of the macroeconomic environment.

The early recovery strategy was to ensure that fiscal prudence would characterize public investments and operations to create confidence and attract high levels of private investment. Furthermore, by restarting and automating critical government operations, the interaction of the people, business, and the Government became much easier.

As a consequence, new jobs were created and living standards improved. Registration and startup of new businesses became easier and the negotiation and signing of new concession contracts became more transparent and accountable. Investments were made in human capital improvement. The economic growth also reflects the revival of private initiatives to rebuild and recover productive assets made dormant by years of civil conflict—as a result of the growing optimism about the direction of the country.

### **GDP Patterns**

Table 1.1 provides a summary of overall activity from FY2011/12. This is the original forecast driving the Poverty Reduction Strategy (PRS) and its successor framework—The Agenda for Transformation. Though it rose from a narrowed base, between 2011 and 2013 the Liberian economy ranked among those with the strongest growth rates in the world.

Real GDP (RGDP) grew from \$1.4 to \$1.6 billion from the 2011/12 to the 2013/14 fiscal year. Anticipated growth to slightly more than US\$1.9 billion by the 2016/17 fiscal year

underpinned the assumptions of the Agenda for Transformation. Output (NGDP) grew steadily in all productive sectors from \$1.6 billion in FY2011/12 to slightly more than \$1.8 billion in FY2013/24—prior to the Ebola Virus Disease (EVD) outbreak.

The service sector is the largest contributor to GDP. Agriculture is the source of livelihood for slightly more than 3 out of every 4 Liberians and remains the second largest contributor. Combined, they contributed nearly 87% of GDP between 2011 and 2014.

**Table 1.1: Summary of Overall Economic Activity**

	Past	Aft First MTEF				
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>RGDP—2008 USD</b>	1398.0	1502.8	1595.8	1698.9	1812.6	1924.7
<b>NGDP</b>						
<b>Basic Prices</b>	1472.4	1574.8	1664.2	1760.8	1869.7	2016.9
<b>Market Prices</b>	1597.0	1718.4	1826.8	1942.6	2070.5	2236.8
<b>Output—NGDP MP</b>						
<b>Agriculture</b>	691.7	702.4	725.8	755.0	785.2	829.8
<b>Manufacturing</b>	203.5	241.6	257.2	278.0	305.1	330.8
<b>Services</b>	701.8	774.5	843.8	909.6	980.2	1076.2
<b>Expenditure</b>						
<b>Consumption</b>	1214.5	1572.1	1457.1	1573.6	1699.4	1890.2
<b>Investment</b>	560.0	437.4	364.9	406.2	454.8	450.6
<b>Government</b>	516.4	647.2	669.7	731.5	778.5	803.4
<b>Recurrent</b>	480.6	485.4	502.3	548.6	583.9	602.6
<b>Capital</b>	35.8	161.8	167.4	182.9	194.6	200.9
<b>Imports</b>	-1129.0	-1617.0	-1565.0	-1848.8	-2150.4	-2403.0
<b>Exports</b>	435.0	681.0	883.8	1071.8	1288.2	1495.5

The formal economy has been largely concessions based, with rubber and iron ore making the largest contribution to foreign currency earnings. While the restart of these operations has been critical to the initial growth spurt, the intent is to diversify and generate growth from other economic areas going forward.

Real GDP growth rate of around 6.6% was anticipated during the AfT period. Nevertheless, the GoL target was a rate 1.7% higher (or at least 8.3% per annum) in order to achieve middle income status by 2030. The level of investment anticipated with that growth rate was around USD \$600 million per year; and achieving the targeted growth rate would have required an additional USD \$150 million per year.

## Trade and Currency

Table 1.1 also shows the value of export and imports forecasted over the AfT period. The value of imports was expected to slowly increase in the immediate future in line with past performance; however, exports were increasing at a more rapid rate. From the 2010/11 fiscal year to the 2012/13 fiscal year, the trade deficit rose from US\$694 to US\$936; but it reduced to US\$681 in the 2013/14 fiscal year. Table 1.2 sets out the full balance of payment data (including forecasts) and the anticipated drawdown in contributions from the UN Mission in Liberia (UNMIL). It shows significant trade imbalances well into FY2016/17. The impact of UNMIL drawdown, though severe up to the 2014/15 fiscal year, would moderate thereafter.

**Table 1.2: Balance of Payment**

	Past	PRS MTEF					
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	
Imports	-1129.0	-1617.0	-1565.0	-1848.8	-2150.4	-2403.0	
Exports	435.0	681.0	883.8	1071.8	1288.2	1495.5	
Current Transfers (net)	1007.5	1178.5	859.0	811.2	791.5	728.0	
Income (net)	-141.0	-288.5	-394.3	-430.5	-528.9	-612.3	
Services (net)	-817.5	-860.0	-856.0	-874.9	-899.9	-919.7	
UNMIL	-380.0	-304.0	-237.8	-177.3	-109.0	-42.9	
Private	-437.5	-556.0	-618.3	-697.5	-791.0	-876.8	
<b>Current Account</b>	<b>-645.0</b>	<b>-906.0</b>	<b>-1072.5</b>	<b>-1271.2</b>	<b>-1499.6</b>	<b>-1711.4</b>	
HIPC Debt Relief	0.0	0.0	0.0	0.0	0.0	0.0	
FDI (net)	626.0	862.0	1008.8	1209.8	1416.2	1613.5	
Portfolio (net)	0.0	0.0	0.0	0.0	0.0	0.0	
Other Investment (net)	28.0	54.0	68.5	80.5	100.1	121.4	
SDR	0.0	0.0	0.0	0.0	0.0	0.0	
Amortization	-5.0	-6.0	-6.0	-6.0	-6.0	-6.0	
Disbursements	17.0	40.0	63.5	86.5	106.1	127.4	
Private financing (net)	16.0	20.0	11.0	0.0	0.0	0.0	
<b>Capital Account</b>	<b>654.0</b>	<b>916.0</b>	<b>1077.3</b>	<b>1290.3</b>	<b>1516.2</b>	<b>1734.9</b>	
Change in Reserves	-20.5	-13.5	-4.8	-19.0	-16.6	-23.5	
Net use of Fund Credit	10.5	3.5	0.0	0.0	0.0	0.0	
Exceptional	0.0	0.0	0.0	0.0	0.0	0.0	
Financing	-10.0	-10.0	-4.8	-19.0	-16.6	-23.5	
Overall	-1.0	0.0	0.0	0.0	0.0	0.0	
<b>Errors and Omissions</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

A large increase in exports was anticipated in the 2014/15 fiscal year assumed to align with further concession activity and forestry exports beginning with the completion of the Greenville Port dredging. The change in imports reflects the ongoing high level of partner activity in Liberia.

### **Economic Resilience**

Liberia's capacity to respond to economic shocks is tenuous at best. Highly dependent on exports of its natural resources, the economy is vulnerable to global commodity price fluctuations and external volatility. There is also a mismatch between agricultural production and consumption--with the sector producing largely rubber, coffee, oil palm, and cocoa for exports; with high level of dependency on food imports (especially rice) for consumption. Moreover, because all fuel related products are imported, any change in the global prices will have impact across many domestic areas--energy, transportation, cost of food, and overall price inflation on the local market.

Despite these vulnerabilities, Liberia improved significantly on doing business indicators--ranking with Rwanda among the fastest places to start a business in Sub-Saharan Africa according to the World Bank's Doing Business Report. Liberia also ranked 5 positions higher on the 2013 report than on the 2012. On the 2015 report, however, Liberia at 46.61 scored below the regional average of 51.87 (measured against Distance to Frontier Score of 100)<sup>1</sup>. Sierra Leone and Guinea scored 54.58 and 47.42 respectively. Liberia ranked 174 of all countries.

The major contributors to the low scores of Liberia were: i) protection for minority investors, ii) registering property, iii) enforcing contracts, iv) resolving insolvency, and v) getting electricity. Year to year changes in the overall ranking, however, do show positive movement on all of the key indicators of doing business except resolving insolvency. The outbreak of Ebola Virus Disease (EVD) in the sub region in March 2014 changed all that.

### **Impact of the EVD Outbreak**

Liberia is experiencing its worst ever disease outbreak. With 43% of the estimated EVD-related caseload, Liberia is at the epicenter.<sup>2</sup> Notwithstanding a significant decline in new transmission rates from a peak of 325 per week to 199 and a 60% decline in occupancy at treatment centers by the end of November 2014,<sup>3</sup> the threat that EVD could become endemic to the sub region remains real. The current outbreak in the sub region has claimed many invaluable lives.

The outbreak has seriously affected economic activities throughout the country as well. Productive activities in domestic food production, artisanal and commercial mining, the hospitality industry, and transport services are all on a decline. Concessionaires have scaled back operations as expatriate staffs depart the country. With public and private institutions maintaining only essential staff in order to avoid close contact at work places, productivity in the various sectors of the economy has been adversely affected. A recent survey indicates that 46%, or nearly half, of Liberia's workforce at the time of the outbreak is no longer working since the outbreak.<sup>4</sup>

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<sup>1</sup> World Bank: *Doing Business 2015-Going Beyond Efficiency*

<sup>2</sup> WHO, November estimates

<sup>3</sup> The Greenbaum Foundation; *Liberia – Ebola New Cases (Probable & Suspected)*, Dec 4, 2014

<sup>4</sup> Liberian authorities and World Bank survey results, October 2014

The services sector, the largest contributor to GDP, has been hardest hit. Hotels, restaurants, and travel and transportation services have been seriously affected by the departure of the expatriate community. The suspension of flights by some regional and international airlines, the closure of markets and regional borders, and travel restrictions between parts of the country due to the quarantine are also wreaking havoc on the economy and on the future forecasts.

Economic activities are expected to deteriorate further for the remainder of 2014, and may even worsen in 2015. **Real GDP growth for 2014** was expected to decline from **5.9 to 2.5** per cent. Estimates have been revised to **1 per cent**<sup>5</sup>; while growth is expected to be **zero** per cent in 2015 due to further contraction in mining activity, as well as agriculture and services. This weakened economic performance has already impacted not only the government's fiscal position, but all key sectors of the economy.

### **Potential Impact of EVD outbreak on Government Fiscal Position**

As Government struggles with declining economic activity, it faces the challenge of declining domestic revenue in the face of increased spending pressures. Government Revenue for FY 2014/2015 is expected to decline by approximately 16 per cent from an original projection of US\$559.3 million to about US\$473.3 million. The downward adjustment is in anticipated tax and non-tax revenue performance by about US\$86.0 million--due largely to the decline in various tax kinds and other administrative fees and charges from those sectors that are hardest hit by the EVD crisis.

At the same time, expenditure is projected to increase to US\$605.9 million, driven largely by US\$76.2 million of additional expenditure demands, tempered by some US\$33.2 million of savings being put into place on top of the draft budget, and by US\$60 million cost of recovery measures, in the form of an agricultural stimulus (US\$35 million) and unconditional cash transfer program (US\$25 million) to help those most affected by the crisis.

Taken together, the declining economic activities, accompanying low revenue performance, and increased spending needs for FY 2014/2015 will create a financing gap of about US\$306.6 million in Government operations for the fiscal year. Additional expenditure demands arising from the crisis could see further increase in the financing gap over the year; whilst the demand for further short-term response measures could mean the total short term cost is nearly impossible to predict.

This financing gap is expected to be covered in part by around US\$156.6 million of additional budget support from development partners. However, key recovery measures of the emergency Economic Stabilization and Recovery Program (ESRP)--the agricultural stimulus and cash transfer program -- are currently unfunded. The epidemic is also expected to have further detrimental impacts on the Government's fiscal position in FY 2015/2016, increasing the need for ongoing budget support and adversely affecting the implementation of the Government's Public Sector Investment Plan (PSIP), which is guided by the Agenda for Transformation.

### **Potential Impact of EVD Outbreak on the Economy**

Mining activities, largely driven by iron ore exploitation, is expected to contract from a projected sector growth rate of 4.4 per cent in 2014 to about -5.9 per cent. Growth in agriculture and fisheries, which provide the largest employment in the economy, is revised

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<sup>5</sup> Liberian authorities and IMF staff estimates, 2014.

downward from previous estimate of 3.5 per cent to 0.8 per. Real growth in manufacturing output is expected to decline to about 4.2 per cent, down from the previous estimate of 9.6 per cent, as a result of contraction in the construction activities and lower demand for locally-manufactured beverages—due largely to the decline in activities in the hospitality industry. As a result of decline in the activities at hotels and restaurants, the services sector growth rate has now been revised downward from 8.1 per cent to 2.9 per cent for 2014.

Anecdotal evidence further suggests that construction activities have reduced significantly since the middle of August with the sector expected to contract by more than 50 per cent for the second half of 2014. This contraction is expected to lead to about 65 per cent decline in cement production in the second half of the year, compared to 116 per cent increase during the first half of the year.

The declining economic performance in 2014 is expected to spill over into 2015 with even more dire consequences. Overall GDP growth has now been revised downward from early forecast of 6.8 per cent to no growth due to anticipated contraction in activities in the key sectors of the economy—mining, agriculture, and services. Due to the delay in expansion of activities at one major iron ore concession, for example, growth in mining output previously projected at 4.8 per cent for 2015 is now expected to contract to (negative) -8.9 per cent. Growth in agricultural output is expected to decline from 5.3 per cent to 1.5 per cent, while the forestry sector will contract from expected growth of about 6.5 per cent to (negative) -3.0 per cent; manufacturing could decline from a projected 10.1 per cent to no growth at all. Finally, growth in services could fall from 7.7 per cent to about 2.2 per cent in 2015.

With reduced exports, coupled with lower domestic production, prices of basic commodities have begun to rise with 2014 end-of-year inflation now expected to be 14.7 per cent. This places tremendous pressure on low income earners who will now see the purchasing power of their Liberian dollars considerably reduced. Moreover, the country's balance-of-payment position is expected to deteriorate due to low exports and increased importation of food, health, and fuel related commodities.

## **Human Development**

Ultimately, development is about people and their wellbeing. Results from the 2008 Liberia National Population and Housing Census revealed a skew towards groups 19 years old and below. More than 50% of the population is comprised of young adults—aged between 15 and 34 years. The Census projects a doubling of the population of approximately 3.5 million (2008) to 7 million in 34 years. The 2014 mid-year population of Liberia was estimated at 4.2 million. With an overall sex ratio of 102.3, the same result as the 1984 census, the proportion of males and females continues to be just about equal. The average household size, however, reduced from 6.2 to 5.1 persons from 1984 to 2008.

Fertility levels, while below the levels of the 1980s, are still very high. There is some evidence that the fertility rate has declined from 7.1 in 1984 to 5.8 in 2008, and 4.7 in 2013—and is trending downward. During this time, infant mortality also reduced—from 144 deaths per 1,000 live births in 1984 to 78 deaths per 1,000 live births in 2008 and to 44 in 2013. Pre-Ebola deaths among children less than 5 years old fell from 222 out of 1,000 in 1986 to 94 out of 1,000 in 2013.

Driven in part by large scale internal migration during the civil conflict and by the absence of livelihood opportunities in rural areas, about 49% of households now live in urban areas and 51% live in rural areas. Despite a high urban density (especially Greater Monrovia), people

are reluctant to return to rural areas where there is a higher level of poverty and fewer economic opportunities.

Using an income threshold of USD \$1 a day, about 64% of the Liberian population live on less. This varies from 68% in rural areas to 55% in urban areas. Using \$1.25 per day the proportion rises to about 84%. At \$2 per day, the proportion rises to 94%.

Access to education and other self-improvement opportunities is also a facet of human development. Among the population older than age 15, only 19% have attained some level of primary education, while 15% have attained some level of secondary education. Nevertheless, the number of students completing primary and secondary education has increased over the years; as a result, youth today are significantly more educated than in previous years. According to the 2008 census, 69% of the population between the ages of 15 and 24 are literate.<sup>6</sup> This is fairly high among African countries.

Significant disparities continue to exist between urban and rural areas and among the different regions of Liberia. While urban dwellers have an average literacy rate of 70%, about 58% of their rural counterparts are literate. At the sub-national level, literacy rates range from a low of 36% in Grand Bassa County to a high of 73% in Montserrado County. The quality of education remains another area of concern. As of the 2007/2008 National School Census Report, only 41% of the teachers in Liberia were trained. And average student performance on standardized tests continues to fall. About 43 percent of Liberians are believed to be functionally illiterate—one third of all females have never had any form of education

The current crisis, co-incident to the EVD outbreak, is evidence that access to basic health and sanitation is still a major challenge. Available data showed a significant increase in the number of health facilities in Liberia, including those managed by the state, NGOs and private individuals and organizations by 2013. Notwithstanding, large percentage of the population, especially the rural and urban poor, still had limited access to health and social welfare services. The result is poor health outcomes, in particular a high incidence of malaria, high maternal mortality, and high child mortality. The government established a package of free basic health care of acceptable quality--the Basic Package of Health Services (BPHS), and has made it available at 70% of the health facilities since 2010. However, lack of access to quality health care services, and water and sanitation services, remain a major concern.

Taken together, the above indicators put Liberia's 2014 Human Development Index (HDI) at 0.412--below the average of 0.493 for countries in the low human development group and below the average of 0.502 for countries in Sub-Saharan Africa. Neighboring Guinea and Sierra Leone ranked 179 and 183 respectively. Relative to all other countries, Liberia ranked 175 of 187.<sup>7</sup> This is down from 182 of 187 countries in 2011. When the value of the 2014 HDI is discounted for inequality, however, Liberia's HDI loses nearly 34% of HDI-- falling to 0.273. On a positive note, life expectancy has risen consistently over the decade—from 55.1 years in 2005 to 61 years in 2013. Other positive indicators of progress are the increase in the mean years of schooling by 2.4 years and expected years of schooling by 4.1 since 1980.

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<sup>6</sup> According to the 2010 Liberia Labor Force Survey, the literacy rate among those in the 15–24 year age bracket was 79.3 percent.

<sup>7</sup> UNDP, 2014 Human Development Report

## Progress on Political Governance

While the economic trend remains worrisome at best, significant progress has been made on the political front. The country remains stable. Two general elections (and several by-elections) have been held, in 2005 and in 2011, in full compliance with the Liberian constitution; and another peaceful election for half the members of the Liberian Senate (the upper house) was held on December 20, 2014 with candidates contesting the 15 soon to be vacant seats. Elections have generally been free and fair, with relatively high levels of participation, and with the voters exercising universal suffrage--to choose and change their leaders and representatives.

Liberia's 2014 status index on the Bertelsmann Stiftung's Transformation Index (BTI) is 5.48 on a scale of 1-10. Progress has been made both in economic and political transformation. For 2014, Liberia ranks 95 and 53 of 129 countries in the rankings, respectively. On the management index, Liberia ranks 25 of 129 countries with a score of 6.24 out of 10.<sup>8</sup>

The BTI measures progress towards political transformation and a market economy. The implications of these rankings are therefore significant. First, Liberia's multi-party democracy appears to be maturing. Second, democratic institutions—including those responsible for the rule of law and providing legislative oversight of the current administration are improving. Third, there has been substantial improvement in freedom to start and do business—notwithstanding lower than expected average score on the Heritage Foundation Index of Economic Freedom (52.4 vs. 84.1 average for economies categories as “free”). Lastly, efforts to reform and reduce the inefficiencies in the regulatory environment are having the desired impact on the economic outlook and performance; and on political stability and predictability.

The outlook for the next five years points to continuing political stability; though the country will remain heavily dependent on aid partners for support to rebuild basic institutions, to build up its human capital, and to reform its market systems. Critical benchmarks going forward will be the drawdown of the UNMIL peacekeeping force and transfer of all law enforcement responsibilities to the government, the completion of the process of reviewing and amending the 1986 constitution, and the holding of general and presidential elections in 2017.

Of the three, progress on the constitutional reform will be the most consequential. A successful process will likely see changes in tenure of office and devolution of power from central to subnational institutions. It will also meet a key condition for local empowerment initiatives and improved governance to be able to take hold at all levels. Widely accepted as the legitimate expression of the will of the people of Liberia, a popularly-accepted revised constitution could well serve as the basis for nation building.

## Agenda for Transformation

The *Agenda for Transformation* (AfT) outlines the five-year development strategy of the Government of Liberia. The period covered is 2012 to 2017; as such the framework is in its mid-term. It follows the *Lift Liberia* Poverty Reduction Strategy (PRS), which raised Liberia from post-conflict emergency reconstruction and positioned it for future growth. While *Liberia RISING 2030* expresses the broad aspiration for the country, the AfT defines the

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<sup>8</sup> Bertelsmann Stiftung, BTI 2014 — Liberia Country Report. Gütersloh: Bertelsmann Stiftung, 2014.

initial steps toward that vision. Liberia Rising 2030 has as its goal creating a vibrant and inclusive middle-income economy; one in which more than half of the workforce is employed in the formal sector. This will be led—but not dominated by—the concessions economy, which is integrated into a more prosperous Liberian economy.

The AfT in itself will—in its five year timeframe—not be able to achieve all that Liberia is poised to do. However, the AfT sets out precise goals and objectives that Liberia will achieve in the next five years as a significant and necessary first step towards the long-term goals. As such, the AfT provides the medium-term planning framework to guide public investment programs and ensure an inclusive growth that will reduce marginalization and build human, social and physical capital. The AfT is consistent with the principles of the Paris Declaration, the Accra Agenda for Action, and the New Deal for Engagement in Fragile States.

During the period 2000 to 2011, 33 countries successfully made the transition to middle-income status. Lessons learned from these success stories relevant to Liberia are as follows:

- *Favorable external environment.* Strong global demand and high prices for primary commodities in the years leading up to the late 2000s improved terms of trade and fueled income growth.<sup>9</sup>
- *Improvements in the business environment.* Almost all countries that transition to middle income achieved positive improvements in the absolute level of their business environment and governance indicators.
- *Gains in human development.* Each crossover country experienced an improvement in the HDI during the 2000s, even after excluding GNI per capita from the index to focus on the other measures of performance.<sup>10</sup>
- *Dividends of sustained peace.* Nine of the 33 countries that transitioned experienced a period of war in the 15 years leading up to 2005, but were not at war in 2010. These countries experienced somewhat higher average short run GNI/capita growth compared to the group as a whole; however, they had significantly lower average 18-year growth.

### **AfT Pillars Summary**

While the baselines and assumptions underpinning the AfT have been adversely impacted by the EVD outbreak, implementation of its interventions remains the central priority of government. Furthermore, it is hoped that the success of the ESRP will put the country back on track in the shortest possible time.

The AfT builds on the gains made on the PRS and addresses the remaining constraints to growth so that Liberia can achieve middle-income status by 2030. Beyond income growth, the AfT supports initiatives that allow a greater proportion of the population to share in the benefits of growth and experience a better quality of life. Therefore, in addition to *wealth creation*, the second key objective is to increase *inclusiveness* for a more equal and just society. Three groups of outcome indicators measure progress toward these objectives:

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<sup>9</sup> The commodity prices index for all commodities published by the International Monetary Fund marked an increase from 63.2 in 2002 to 152.2 in 2010 (with 2005=100). Source: International Finance Statistics (IFS).

<sup>10</sup> The only exception was Lesotho where the HDI declined due to a recorded decrease in average life expectancy.

1. Per capita income and consumption measures
2. Millennium Development Goal (MDG) indicators
3. Census indicators of unmet basic needs.

The AfT comprise 5 pillars. Each pillar has its own goals and strategic priorities supporting and linked to the 2 key objectives. Directly linked to these are the strategic goals and objectives of each relevant sector within the pillar. On Pillar V, the cross-cutting issues are embedded into and across the other 4 pillars. Table 1.3 outlines the high-level goals by sector. The pillars of the AfT are as follows:

1. Pillar I: Peace, Justice, Security, and Rule of Law
2. Pillar II: Economic Transformation
3. Pillar III: Human Development
4. Pillar IV: Governance and Public Institutions
5. Pillar V: Cross-cutting Issues

**Table 1.3: Pillar, Sectors, and Goals**

Sectors	Goals
<b>Pillar I: Peace, Justice, Security, and Rule of Law</b>	
Security	Maintain a secure and safe environment to enable sustainable socio-economic growth and development.
Peace and Reconciliation	Ensure long term peace and stability through managing tensions in society to reduce the risk of future conflict, increasing social cohesion and ensuring that the principles of human rights are upheld.
Justice and Rule of Law	Build the effectiveness and integrity of legal institutions, increase equitable access to justice and strengthen the rule of law for the social and economic benefit of all Liberians
Judicial Reform	Protect the rights and dignity of all through a strengthened, credible and independent Judiciary delivering transparent justice
<b>Pillar II: Economic Transformation</b>	
Private Sector Development	Promote and sustain private sector development through enhanced economic competitiveness and diversification, increased value addition and an improved administrative and policy environment
Macroeconomic Issues	Maintain fiscal, monetary, trade and exchange rate policies that entrench macroeconomic stability and support efficient public expenditure management, expand inclusive private-sector growth and job creation.
Infrastructure	
Agriculture and Food Security	
Forestry	
Mineral Development and Management	

Pillar III: Human Development	
Education (MoE)	Ensure equal access to a high quality free and compulsory basic education and a variety of post-basic education and training opportunities that lead to an improved livelihood
Education (NCHE)	Ensure equal access to a high quality free and compulsory basic education and a variety of post-basic education and training opportunities that lead to an improved livelihood and/or tertiary education.
Health and Social Welfare	To improve the health & social welfare status of the population of Liberia on an equitable basis.
Social Protection	Build a social protection system for improved protection of the poorest and most vulnerable households and groups from poverty, deprivation and hunger, and enhanced resilience to risks and shocks.
Water and Sanitation	Increase access to safe water supply and sanitation and improve hygiene practices.
Pillar IV: Governance and Public Institutions	
Political Governance	<i>Nation-building and Decentralization:</i> Engage with citizens to ensure equitable, peaceful, transparent and inclusive democratic institutions and enhanced political governance at national and local levels.
Public Sector Modernization and Reform	<i>Civil Service:</i> Independent, accountable, merit-based and performance oriented, well-structured public sector with improved service delivery
Economic Governance	<i>Public Financial Management &amp; Transparency:</i> Strengthen public institutions to ensure revenues and government assets are well managed, free from corruption and monitored with increased transparency and accountability of public and private institutions.
Pillar V: Cross-Cutting Issues (for Specific Population Groups)	
A. Gender Equality	Improve the socio-economic and political status and capacity of women in Liberia
B. Child Protection	Ensure the protection of children's rights; shield them from the effects of vulnerability and discrimination; and provide a safe environment where they can realize their full potential
C. Disability	Improve access to equitable social, political, and economic opportunities and provide full and equal enjoyment of all human rights and fundamental freedoms for PWD
D. Youth Empowerment	To empower young people as full participants in all aspects of Liberian society.
E. Environment	Improve management of the environment to ensure that it contributes to sustained economic development and growth in all sectors and at all levels
F. HIV/AIDS	Reduce the spread of HIV and AIDS and mitigate its impact on persons living with HIV and AIDS (PLHIV) and their families

G. Human Rights	To combat human rights abuses and advance the welfare of all Liberians, irrespective of sex, ethnicity, geographical location, political affiliation and socioeconomic condition
H. Labor and Employment	To promote the sustainable creation of decent jobs for Liberian men, women and youth, including the people with disabilities

### **Role of the MFDP within the Framework of the AfT**

The MFDP plays 3 major roles in the framework of the AfT. First, and given its mandate, the MFDP is a core ministry in the implementation process. It has to lead, coordinate, and monitor progress towards achieving the objectives laid out in the AfT—and accordingly advise the President of Liberia and inform the Liberian National Legislature. Second under two of the five pillars of the AfT—Economic Transformation and Governance and Public Institutions, the MFDP has specific execution roles and responsibilities given its mandate and function. And finally, given its role in budget planning, execution, and oversight responsibility for prudent fiscal management within the government, the MFDP has a facilitative role in the implementation of the sets of activities of the remaining pillars of the AfT. Each pillar has strategic and implementation plans for the relevant sector(s) that are typically led by the Ministries and Agencies (M&A’s) with related mandates.

Visioning, oversight, and coordination of the AfT at the national level are within the remit of the Liberia Development Alliance (LDA) Steering Committee—chaired by the President of Liberia. A secretariat at the MFDP gathers and reviews the implementation plans, ensures consistency with the Medium Term Expenditure Framework, receives quarterly implementation reports from M&A’s--to validate and consolidate for presentation to the Steering Committee.

The MFDP also chairs the national monitoring and evaluation (M&E) steering committee at the level of the Deputy Minister for Budget and Development Planning (BDP). The committee draws together heads of planning department/units at M&A’s, the technical coordinator of sector working groups (SWG’s), and representatives from the private sector, civil society organizations (CSO), and aid partners to oversee the technical aspects of implementation of the M&E system to support informed policy decisions and choices. Supervision of a national M&E unit, which is part of the AfT secretariat, also falls within the remit of the BDP.

### **Achievements made under Lift Liberia-PRS I**

Starting from a state of post-conflict instability, weak state institutions, and an economy left in shambles by decades of looting and neglect, the *Lift Liberia* PRS achieved significant success. Perhaps the most critical achievements have been the maintenance of peace and security, and the re-establishment of civil governing institutions throughout the country.

Two relatively peaceful and democratic elections have been held (2005 and 2011). As part of the PRS, Liberian security institutions, primarily the Armed Forces of Liberia (AFL) and the Liberia National Police (LNP) were rebuilt and reformed into more professional and capable institutions. Although challenges remain and Liberia continues to rely on the support of a large peacekeeping force, the country is fairly well positioned to take full responsibility for

maintenance of security over the coming years. Improved peace and stability allowed Liberians to return to their farms, (re)start businesses, and return home safely.

Access to and delivery of justice improved also as a national and sub-national level case management system was rolled out. Public defenders were deployed throughout the country; and the ranks of trained magistrates were replenished for the first time in 20 years. Policies that increasingly put power in the hands of local communities are taking hold with the passing of the Community Rights Law, endorsement of a National Decentralization Policy, and the creation of county-level branches for M&A's for improved service-delivery.

Improving governance, strengthening justice and restoring confidence in the rule of law, were also major achievements under the PRS-I. The Liberia Anti-Corruption Commission (LACC), the Public Procurement and Concession Commission (PPCC) and the Liberia Extractive Industries Transparency Initiative (LEITI) were institutionalized. To make government institutions more transparent, capable and oriented toward service delivery, a comprehensive Civil Service Reform Strategy to rationalize the size of the civil service and the functions and mandates of 9 ministries and agencies (M&As) were completed.

Under the PRS, efforts also focused on building the capacity of health, education, and social services institutions and their service delivery. About 439 schools were constructed, renovated or rehabilitated and furnished, while teachers were re-trained. Pay and grade adjustments were made to match teachers to their qualifications. School curricula were modernized and aligned with West African standards. The number of functioning health facilities increased from 354 to 550; and the number of health workers increased from approximately 5,000 to more than 8,000.

To revitalize the economy, the three-pronged economic strategy of the PRS focused on 1) rebuilding critical infrastructure; 2) reviving traditional resource sectors; and 3) establishing a competitive business environment. Initial actions in these areas have set the stage for near term growth. Infrastructure and basic services received more than USD \$500 million of direct investment with key pieces of infrastructure renovated or reconstructed (including airports, ports and roads). During the PRS period, nearly 2,500 kilometers of paved and laterite roads were reconstructed or rehabilitated; electrical generation capacity increased from practically zero to 23 megawatt (MW); 48 kilometers of power transmission and distribution lines were constructed or renewed; and implementation on the regional West Africa Power Pool (WAPP) cross-border electrification project began.

Liberia attracted leading global firms to reinvest in forestry, rubber and mining. As a result, exports increased from USD \$175 million in 2006 to USD \$295.2 million in 2011. In addition, Liberia attracted foreign direct investment (FDI) in several non-traditional sectors including petroleum, oil palm, hotels, finance, industry and infrastructure. FDI is poised to reach USD \$16 billion and create more than 100,000 jobs over the next several years.

However, these investments alone will not suffice to diversify the Liberian economy, nor create jobs for the roughly 500,000 Liberians who will graduate from schools over the next five to 10 years. Therefore, establishing a more competitive market environment for firms in Liberia has been a strategic priority.

The Tax and the Investment Codes were reformed to make them more competitive and beneficial to growth. Business registration and start up processes were streamlined; a One-

Stop-Shop for customs clearing was established; and implementation of more proactive industrial policies started as a way of facilitating the growth of local micro small and medium enterprises (MSME).

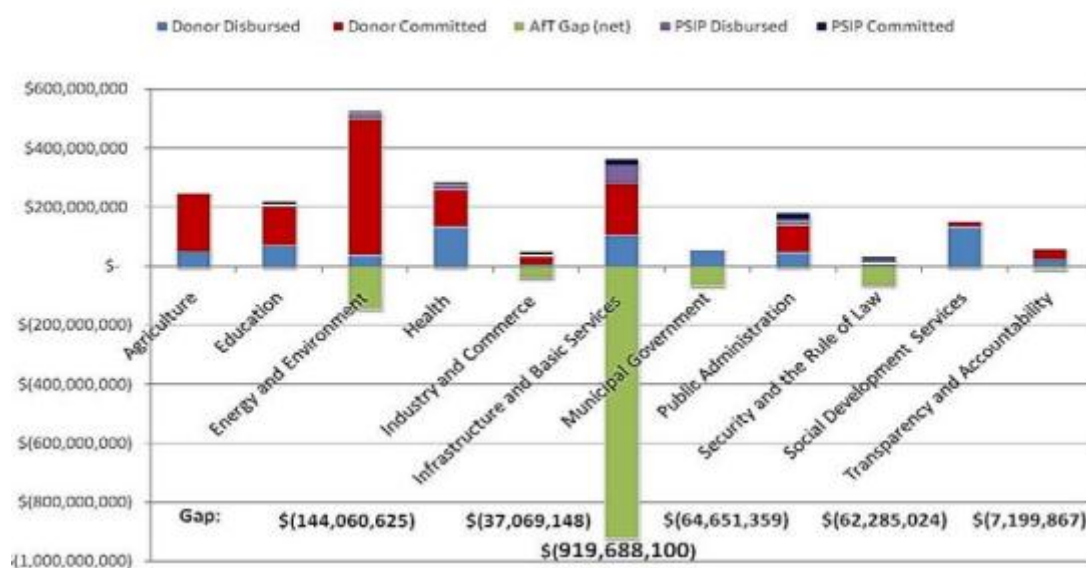
Creating a stable macroeconomic environment conducive to growth was also a strategic priority under the PRS. A cash-based balanced budget regime was maintained. Significant increases were made in government revenue. A multi-year financial planning framework was introduced; and as a consequence USD \$4.9 billion of cumulative debt relief under the Heavily Indebted Poor Countries (HIPC) initiative was achieved. These actions and their follow-up in the coming years will create the right incentives to trigger further growth in employment, the GDP, and public and private investment.

Under the *Lift Liberia* PRS, great strides were made towards full recovery, but all goals were not met largely as a result of the enormous institutional and human capacity deficits. Moreover, in the process of addressing institutional concerns, some important opportunities for achieving immediate measurable results were missed. This AfT places greater focus on interventions to target the most pressing problems and binding constraints, while capitalizing on the lessons learned from the *Lift Liberia* PRS.

### Achievements made under the AfT Year One

The approximate cost of the AfT over the five year period (2012 to 2017) was placed at US\$3.2 billion. By the end of year one, US\$2 billion in financing (63%) had been secured. Of the total secured, US\$774 million had been disbursed largely to fund the Public Sector Investment Program (PSIP). Figure 1 shows commitments and disbursements against AfT funded programs by the end of 2013. The largest shares have gone to infrastructure and basic services and to energy and environment.

**Figure 1.1: Commitments and Disbursements against AfT Interventions**



Assessments of implementation on funded projects show 11 were delayed and 13 completed satisfactorily. Overall completion rate against strategic objects is 53% across all 5 sectors of the AfT. The highest completion rate (68%) is in the Peace, Security, and Rule of Law pillar. The least (36%) is in the Governance & Public Institutions pillar.<sup>11</sup> Table 1.4 is a summary of Year 1 Pillar achievement at the end of 2013.

**Table 1.4 Agenda for Transformation One Year Progress**

<b>Pillar</b>	<b>Total Strategic Objectives</b>	<b>Total Interventions</b>	<b>Year 1 Interventions</b>	<b>Completed to Date</b>	<b>Year 1 Completion Rate</b>
Peace, Security, and Rule of Law	17	169	76	52	68%
Economic Transformation	32	323	47	26	55%
Human Development	17	191	29	16	55%
Governance & Public Institutions	27	204	58	21	36%
Cross Cutting Issues	85	394	67	32	48%
<b>Total</b>	<b>180</b>	<b>1281</b>	<b>277</b>	<b>147</b>	<b>53%</b>

### Public Sector Reform Agenda

The consolidation of the erstwhile Ministry of Finance (MoF) and the Ministry of Economic Affairs and Planning (MoPEA) into the MFDP, and the establishment of an autonomous Liberia Revenue Authority (LRA) for tax administration and revenue collection, were the highpoints of a series of reform initiatives in public financial management (PFM). These initiatives commenced in 2006 and were escalated into the PFM Reform Strategy and Action Plan (RSAP).

In this section, highlights of the reform environment within which MFDP operates are presented. The focus remains on PFM, but progress in this area is constrained by lack of clarity of roles and responsibilities for executing the reforms, deficient systems and accountability mechanisms, lack of clear mandates of MACs, and weakness in operational capability of spending entities, especially at sub-national levels.

While the goals and objectives of Liberia Rising 2030 and the AfT which guides this strategic plan are broadly aspirational, this section situates them in realism. The intent therefore is to anchor the strategic priorities and objectives of the MFDP for the period 2015 to 2020 into the broader context within which it must operate and thereby ensure that the objectives outlined herein are specific, measurable, attainable, realistic, and time-bound (SMART).

<sup>11</sup> MFDP, The Agenda for Transformation Year One Progress Report 2013 (Draft document)

## Public Financial Management (PFM) Reforms

PFM reforms began in earnest in 2006, with the support of external partners, to restore the basic functions of manual PFM systems and to modernize the systems to implement the poverty reduction and development strategies. A PFM Law was enacted in August 2009 providing the legal basis for the RSAP. The RSAP (2011-2014) addressed the following themes:

- improve budget credibility and assure consistency between the strategy and services delivered to the public;
- improve budget coverage and budget execution;
- strengthen revenue mobilization and revenue administration;
- enhance transparency and accountability in PFM, including legislative oversight and the GAC;
- enhance controls and respect for the PFM legal framework to sanction non-compliance; and
- strengthen treasury management to increase efficiency in service delivery, enhance the value of financial resources, and reduce waste

A revision was approved in October 2014 extending the RSAP to 2016. The revision also extended support to priority programs of the AfT. In budget execution improvements emphasis now shifts to installation and rollout of robust IT systems (IFMIS). A 7<sup>th</sup> theme was added for fiscal decentralization as part of the implementation process for the national decentralization policy. The RSAP is now the locus for implementation of the PFM reforms.

On the IMF-led 2012 Public Expenditure and Financial Accountability (PEFA) Assessment, the scores show improvement in 26 of the 30 indicators. On 12 of the 30, the results showed improvements higher or equal to those achieved in 2007.<sup>12</sup> Improvements were recorded in revenue administration, arrears, debt management, procurement, and accounts reconciliation. Unfortunately, there were deficiencies found in many other areas. Therefore, the overall conclusion of the assessment was “the PFM system is not yet sufficiently effective to promote operational efficiency in the delivery of government services”.<sup>13</sup>

In July 2011 the Integrated Financial Management Information System (IFMIS) was implemented and rollout to M&A’s began in July 2012. It has now been implemented in some form in 19 M&A’s. The Human Resource Management (HRM) module has also been introduced. The vast majority of transactions at the level of spending agencies follow commitment procedures; but there have been notable situations where other regimes have been applied.<sup>14</sup>

In addition to the PFM Law and new fiscal principles to guide policy and strategic priorities, which provided the comprehensive legal framework, the following specific areas have been strengthened:

- A more coherent and consistent Chart of Accounts,
- Implementation of International Accounting Standards,

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<sup>12</sup> IMF, Liberia: Public Expenditure and Financial Accountability (PEFA) Assessment, Sept 2012

<sup>13</sup> IBID

<sup>14</sup> IBID

- Integrated Tax Administration System,
- Automation of Customs systems.
- Improvement in business processes for efficient service delivery
- IFMIS Infrastructure installation nearing completion
- A new monitoring and evaluation framework to monitor the success of MFDP programs and of spending agencies
- Introduction of the Debt Sustainability Analysis (DSA) in the framework of the Debt Management Committee (DMC)

Since fiscal year 06/07, the budget has been managed using a cash-balanced policy. While the policy was effective in restricting government spending to available resources and improving overall fiscal discipline, it imposed severe negative influence on the efficiency and level of success of public expenditure—and on attaining the desired impact from PRS-aligned projects. Furthermore, the credibility of the MTEF also suffered as spending agencies found it less important to focus on their budget preparation and management because the actual allotments have been limited to the level of available cash.<sup>15</sup> Delays in approval of the budget at the level of the Liberia National Legislature also undermined cash and procurement planning of implementing agencies and contributed to low levels of budget execution.

Therefore, corresponding modifications had to be made to the cash management and commitment control systems to be able to finance short term deficits using various fiscal and monetary instruments in collaboration with the Central Bank of Liberia. The budget now contain core and contingent components to ensure that recurrent spending is funded through certain revenue streams and capital spending is funded through specific restricted sources.

The results of the 2014 PEFA self-assessment shows improvement of 13 of 30 indicators; but significant challenges remain. Unpredictable aid inflows and variations between expenditure outturns and approved budget remain substantial in the aggregate and at the level of individual spending agencies for the past 3 fiscal periods.

In addition to calling for a more aggressive push forward on all PEFA indicators, the review pointed out new PFM reform areas to which the government intends to give priority. Some activities stalled because pre-conditions for their success were not met which include, implementation of the MTEF, undermined by an annual budget that lacked credibility and adopted with significant delays by the Legislature.

Other reforms lacked political support and direction – for example, implementation of the proposed TSA and county treasuries. Following recommendations on their implementation, the government has since adopted and is implementing new action plans for both. The revised strategy further calls for a strong emphasis on institution-building, enhanced coordination between entities such as the MoF, the CBL and line ministries, and above all capacity building and training as key areas that will enable the government to gain traction in the PFM reforms.<sup>16</sup>

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<sup>15</sup> IBID

<sup>16</sup> IBID

## **Public Procurement**

To maximize on the benefits derived, value, and the efficiency of public spending, the Public Procurement and Concessions Act (PPCA 2005, 2010) was passed and a Commission (PPCC) was established to help spending agencies design and execute spending plans. Significant progress has been made in training, in rolling out a framework to govern public procurement, and in staffing the PPCC and spending agencies with appropriately trained professionals. But the system is undermined by significant gaps in execution.

First, the concession component of the act has never been fully developed. Second, there is a general mismatch between procurement plans and the budget allotment and cash management processes—so that some M&A's that need resourcing to achieve critical benchmarks on their work plans do not receive them while other M&A's have idle cash—more than they need for their existing level of operation during an allotment period. Therefore, it is common practice for spending agencies to borrow from vendors against future allotments—forcing them to gerrymander the procurement process so that the lender becomes the presumptive winner of the bidding exercise.

Finally, the government lacks uniform specifications for the goods and services it procures—especially in consumable supplies. Spending agencies are forced to develop their own specifications internally and these vary from agency to agency, making it difficult for potential suppliers to stock in quantity, and thereby forcing agencies to take delivery of products and services that are available—but substandard.

Currently M&A's lack systems and guidance to track assets, resulting in risks of accountability and corruption; misuse and damage of assets pose a particular concern. The General Services Agency (GSA) is responsible for public asset management. GSA continues to retrospectively catalogue assets already acquired, but has yet to establish systems for recording and tracking newly procured assets. Some of these issues were addressed under the PRS, but there is a large unfinished agenda as part of the broader objective of achieving more efficiency in procurement and use of publicly-owned assets.

## **Reduction in Corruption and Misuse of Public Resources**

While public concerns about endemic corruption are high, the systems of justice and regulatory control have also been too weak to take on the corruption problem. Civil Society Organizations (CSOs), on the other hand, are too weak to mobilize around this issue to apply enough pressure to trigger public and private action. A Legislative Budget Office (LBO) has been established to provide additional oversight of the budget implementation process. But capacities at the LBO remain limited.

Payroll control has been an area with significant weakness. In March 2014, the CSA completed the biometric verification and enrollment exercise. This should reduce and eventually eliminate fraud in government payroll. Approximately 3,200 ghost names have been deleted as part of the verification exercise. The payroll is considered 99% clean as of March 2014. The annual projected savings is expected to be US\$4.71 million.<sup>17</sup> Supplementary payrolls are expected to be cleaned by December 2014 and will go live in IFMIS by January 2015.

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<sup>17</sup> IPFMRP; Report Second Implementation Review and Support Mission, June 2014

Given the strategic and cross-cutting nature of anti-corruption issues, numerous public sector agencies are expected to implement priority interventions in the context of the Aft. These include MFDP, which will provide overall coordination in close collaboration with the Ministry of Justice (MoJ), the Liberia Anti-Corruption Commission (LACC), the National Bureau of Concession (NBoC), the Liberia Institute of Public Administration (LIPA), State Owned Enterprises (FDA, LPRC, RIA), spending agencies that are responsible for the largest percentage of the national budget (MFDP MPW, MOE, MOH, MLME), PPCC, the Enforcement and Prosecution Unit of the General Auditing Commission (GAC) and legislative bodies (to enhance budget oversight and accountability). In addition, strategic CSOs need to become actively engaged in carrying out and coordinating more demand-side aspects of anti-corruption interventions.

### **State-Owned Enterprises (SOE)**

The PFM legal framework includes effective oversight of 23 active and dormant SOE's. This is not fully implemented. Nevertheless, for the first time a SOE Annexure was added to the 2013/14 annual budget. Quarterly and Semi-Annual Portfolio Reports are now prepared covering financial activities at 11 SOE's. Of the 11, activities at only 5 are actively accounted for in the portfolio reports.

Generally, the 2013/14 semi-annual report reveals rising operating costs and significant reduction in capital spending from 9 to 1 percent and in dividend contribution to the public consolidated fund. While there is overall growth in SOE revenue, there is a more rapid growth in expenses. And most of the growth in expenditure went to non-capital items. Weak board oversight and poor management are cited as key constraints.

Some SOE's have adopted the International Financial Reporting Standards (IFRS); but only one presented annual financial report in accordance with those standards for the 2012/13 fiscal year. Only 2 of the 14 submitted reports addressed the requirements of the PFM Law and GAC. Half of the SOEs had strategic or business plans. None of the plans were aligned with budgets submitted to the MFDP.

SOE borrowing now falls fully within the remit of the Debt Management Committee and DSA's are also required prior to the approval of new loan obligations. A Reporting and Coordination unit has now been established in the office of the Minister MFDP to support the PFM reform with respect to governance, policy formulation, and oversight of operations of SOE's.

### **Partners Engagement in the Strategic Planning Process and the Aft**

Stakeholders mapping exercise was implemented as part of the strategic planning process. The exercise identified internal and external stakeholders for engagement at one or more levels. The criteria used for selecting and shortlisting of entities (and individuals) are as follows:

- **Enhancing legitimacy**—stakeholders that can enhance the value of the strategic plan as a valuable and widely accepted document to help guide decision making going forward. These actors will also have well-established footprints and network of relationships;

- **Significant capacity**—stakeholders that have significant capacity to make informed and constructive inputs to the process-while acknowledging the wider range of interested parties that could support or resist the implementation of the strategic plan. These actors will also demonstrate institutional stability;
- **Learning and awareness**—stakeholders that can provide an audience for the subsequent dissemination of the strategic priorities, goals, and objectives that are derived from this process;

Several approaches were used to encourage robust stakeholder participation and draw honest reactions to all proposals. These approaches are broadly placed into three categories based largely on perceived roles and interests. The approach used was appropriate for the stakeholder:

- **Information provision:** This relates primarily to document sourcing; and clarification and disseminating information on the process, on strategic priorities, and on the environmental scan
- **Consultation:** This refers to gaining feedback on drafts and developing perspectives on key aspects of the plan that stakeholders are ready to advocate for and support.
- **Active involvement:** This concerns direct participation of stakeholders in shaping views during the public meetings and validation exercise as an act of collective creative visioning around possible future events impacting Liberia. This secured the widest range of opinions and perspectives from stakeholders.

Prior to the EVD outbreak, estimated disbursement from the 19 donors providing data on their expenditure was expected to reach US\$785 million in FY2013/14. Total aid inflow is expected to exceed the national budget.<sup>18</sup> Up by 27% from FY2012/13, more than half of the assistance would go towards capital investments under the Economic Transformation pillar of the AfT. Another 28% of the total disbursements go to support for the human development pillar. Partners funding for PFM Reform flows through the pool fund which supports the reform project. The current project budget is approximately US\$28 million. Of the four modalities for support-budget, pool, trust, and project aid, only 8% flow through direct budget support against a government target of 20%.

Consultations held at high and technical levels with external partners during the development of this strategic plan gathered information and views on the strategic issues and priorities for the MFDP going forward. The consultative process also sought to determine the likely level of support for implementation of the plan as it becomes more widely available. A summary of the stakeholders' expectations informing the strategic plan are as follows:

**Taking on the national transformation agenda:** Any MFDP Strategic Plan should not only represent the aspirations of the entity but must also take on board the national transformative agenda. Critical attention must be paid the AID component of the management of the MFDP as AID represents the larger portion of the development expenditure and slightly more than 50% of the overall national public expenditure. Therefore aid must be better leveraged to further support the local development dialogue and the development budget during its planning and execution phases. Other components of

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<sup>18</sup> MOF; FY2013/14 Mid-Year Development Assistance Report

bilateral aid coordinated and captured by the Ministry of Foreign Affairs, currently outside the MFDP remit, also need to be included in the overall resource envelope.

It is important to ensure the scrupulous implementation of the Agenda for Transformation (AfT)--drawing strong partners' buy-in, while equally developing the successor framework. Regarding the Economic Stabilization and Recovery Plan (ESRP), it should be broken into two separate components and reflected in the budget (2014/15 and 2015/16):

1. The EVD response and its priorities:
  - (a) Putting money back into the hands of the population to stimulate spending through cash transfers and other social programs
  - (b) Enterprise recovery (private sector)
  - (c) Budgetary support in response to short falls
2. Review of delays in large capital projects to reprioritize and account for any possible loss of committed resources

Capacity constraints will continue to be a challenge in this environment. The Strategic Plan must recognize the need to continue building and retaining internal capacity, while simultaneously carrying out the transactional processes of the MFDP. The new MFDP also has the opportunity to build an internal culture featuring staff level performance reviews for improvement in professional development, leading to professional satisfaction and positively impacting staff retention.

Going forward, MFDP must do more than just keep the budget. It must transition to managing the development process—play an active role in policy and program choices, transition the country from postwar to a normal development context in broad and substantive terms, and see MFDP effectiveness more in terms of the ability of sector M&A's to deliver.

**Focus on completing the existing agenda:** Of major concern is the absence of effective leadership in managing the aid partners at the strategic and operational levels. MFDP needs to engage the external partners more substantively and concerns are raised about the effectiveness of the LDA framework. There is a need for a more interactive platform where government and external partners can interact, discuss relationships, and focus on completing the existing agenda such as PFM reform, improving efficiency of public resource use, effective cash budgeting and IFMIS, etc.

The handling of the EVD outbreak might be symptomatic of a deeper institutional crisis in health. The purported success story in that sector might well have been largely promoted by external partners because they were so heavily involved in the sector. These concerns also provide an opportunity to review and rethink interventions in other sectors. Therefore, there is an urgent need for the mechanism for sharing, questioning, seeking opinion, and reaching agreement on the strategy going forward and who will pay for it. This is clearly within the responsibility of the MFDP.

**Keeping the basics in sight:** In an effort to make progress towards becoming a middle income country it is easy to lose sight of basics. If the MFDP can focus on identifying and carrying out its basic functions very well, it will be an enormous contribution to the

development process in Liberia. The strategic planning effort should focus therefore on how to use the available resources efficiently to attain the MFDP goals.

**More technical less political:** Partners are looking to see the new MFDP positioned as a more technical and less political entity. Internally, that should be reflected in continuous reviews and evaluation of process, products, and services during the implementation of the plan. Externally, it should lead reforms in both the economic and social development arena. The strategic priorities should reflect clearly the two critical components of planning and leading the development agenda of the country. Furthermore, these priorities should be people centered—improving service delivery to the people and achieving the desired development outcomes.

**Striking a balance between components of the mandate:** The Strategic Plan should clearly and adequately reflect the three distinct components of the mandate—development planning, economic management, and transactional activities. In these regards the external partners should be used as tools to achieve the broader agenda of the MFDP and the government. Furthermore, MFDP should leverage its planning and development arms to strengthen planning, monitoring, and evaluation functions across sector ministries and agencies (M&A's).

### **Lessons Learned From Previous and Ongoing Reforms**

Lessons learned from the PFM reforms are not well documented. While the responsible staff may recount with certainty the major challenges, failures, and successes, much of this information is anecdotal. The best source of consistent and documented assessment is the PEFA framework. The most recent assessment was implemented by the staff from January to March 2014. The findings are as follows:

The 2014 PEFA self-assessment shows improvement of 13 of 30 indicators; but significant challenges remain. Unpredictable aid inflows and variations between expenditure outturns and approved budget remain substantial in the aggregate and at the level of individual spending agencies for the past 3 fiscal periods.

Despite the rollout of the MTEF in FY2012/2013, the predictability of funding and the alignment with the priorities articulated in the AfT remain weak.<sup>19</sup> Moreover, a combination of factors—poor planning and cost (capital and recurrent) estimations, delays in budget approval and execution, and reallocations during the spending process is undermining service delivery.

Though fiscal risks remain high—especially where findings of audit reports remain unaddressed, progress on other fronts needs to be accelerated. These include implementation of MTEF, coordination between entities, enhanced revenue forecasting and collection with the establishment of the LRA, etc.

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<sup>19</sup> MFDP, Public Expenditure and Financial Accountability (PEFA) Self-Assessment Report, October 2014

## SECTION 2

### OVERVIEW OF THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

The section begins with a review of the construct leading to the development of the vision and mission statements, and the core values of the MFDP. It draws from the PFM and related reports, the Acts creating the General Auditing Commission (GAC), Liberia Revenue Authority (LRA), and the Public Procurement and Concession Commission (PPCC); the PRS progress reports and results and its successor framework (AFT).

Understanding the key goals and results of the Governance and Economic Management Assistance Program (GEMAP) that supported the restoration of accountability in the management of public resources is essential to appreciating the driving forces leading to the creation of the MFDP. Institutional collapse and the breakdown in service delivery, occasioned by a prolonged civil conflict characterized by the displacement of qualified civil servants for factional loyalists or political appointees, posed one of the most significant threats to national stability. The continuing inability of M&As to effectively execute their budgets as planned, demonstrated in poor expenditure performance, is largely a continuation of the capacity challenges.

GEMAP provided the framework that enabled the GoL, supported by its development partners, to transition from a failed state to post-conflict recovery. Continuing the transition from post-conflict to developing nation and ultimately attaining middle-income status will not be possible solely through consistent high digit GDP growth. Institutional changes across the public sector must take hold.

This section also summarizes the findings and recommendations contained in a medium term staff training needs assessment undertaken for the erstwhile Ministry of Finance (MoF) in August 2011 and an internal capacity review and development plan for 2012/13. Drawing on these findings and recommendations provide perspectives to anecdotal information on prevailing circumstances existing across government entities.

Key findings from the assessment pointed to significant human capacity gaps in a) knowledge and skills, and b) attitude and motivation. The review of 2012/13 went further to observe that:

- Many staff had trouble following simple instructions, despite many being university educated
- Many staff did not display a clear understanding of what their key responsibilities were, nor were they able to point to any notable achievements they have had in their work
- Staff in technical positions exhibited very poor writing skills. This was particularly alarming when the mistakes were made in technical areas which the staff member supposedly had a relevant university degree
- Many job audit responses revealed that most staff spent large amount of time doing processing activities. Due to bottlenecks and slow work rate, much of this did not result in specific output or deliverables
- Interns/volunteers with decent qualifications appear to have no path into paid positions while seemingly less qualified staff occupies core posts.

The creation and effective operations of the MFDP is expected to begin the next phase of a major civil service reform process. Legislative approval in 2013 creating the MFDP and repealing those creating the Ministries of Finance and Planning and Economic Affairs clearly demonstrated the government's commitment to improving public resource and financial management. MFDP's relevance in the national development process is therefore both leading and catalytic. However, the expected outcomes will only come about if the MFDP moves away from a business as usual orientation and acts and executes its responsibilities differently. In February 2014 a two-day visioning workshop was held as part of the process of rolling out the new ministry. The vision, mission, and cover values provided below is the outcome of that visioning processes:

## Vision

*“To be a dynamic and efficiently managed institution of public finance, economic management and development planning to achieve sustainable economic growth and transformation”*

## Mission

The Ministry of Finance and Development Planning (MFDP) is established to promote inclusive sustainable growth and development through:

- Efficient resource allocation
- Equitable wealth distribution
- Prudent financial management
- Integrated development planning
- Coordinated economic management
- Well formulated and implemented policies

## Mandate

The mandate of the ministry is well articulated in the Ministry of Finance and Development Planning Act (2013). The Act which repealed the former Acts relating to defunct Ministry of Finance and the Ministry of Planning and Economic Affairs defines the powers and functions of the ministry as follows:

*“The Ministry shall formulate, institutionalize and administer economic development, fiscal and tax policies for the promotion of sound and efficient management of financial resources of the government”*

In addition to the act establishing the ministry, there are other auxiliary laws and regulation that legally consolidates the authority, duties, and responsibilities of the Ministry. These include:

**The LRA Act:** Replaces the Department of Revenue at the former MoF “for the purpose of assessing and collecting national revenues as specified in the Revenue Code or related Law...and educating taxpayers”

**The PFM Act:** Governs all matters related to the management of public finances, lays out fundamental procedures for the preparation, adoption, execution and final accounts of the national budget and related matters.... It also includes internal control, accounting and auditing of public finances, assets and debt management

## Core Values

The success of the strategic plan - and for that matter any initiative of the MFDP - hinges on the firm values of the staff and leadership. Core values are those that the Ministry is expected to identify with, live by, and demonstrate on a daily basis in the discharge of its duties. They are “the essential and enduring tenets of an organization, a small set of timeless guiding principles that require no external justification; they have intrinsic value and importance to those inside the organization.”<sup>20</sup> The core values of MFDP are:

- 1. Transparency** To act visibly, predictably and understandably to promote participation and accountability. Simply making information available is not sufficient to achieve transparency.
- 2. Accountability** Ensuring that individuals within the organization are answerable for all of their actions and that there is redress when duties and commitment are not met.
- 3. Integrity** Adherence to moral and ethical principles; ZERO TOLERANCE FOR CORRUPTION.
- 4. Service orientation** Timely, courteous and consistent delivery of services to customers (Service Standards). CUSTOMER FOCUSED
- 5. Effective Communication** A two way process in which the message delivered is understood as intended.
- 6. Innovation** The process of introducing and translating new ideas, tools and methods into goods or services that create value.
- 7. Commitment** Employees who are dedicated, loyal and obligated to the organization’s vision and mission.
- 8. Teamwork** The process of working collaboratively with a group of people in order to achieve a goal.
- 9. Result Focused** An organization that remains centred on achieving SMART (S=Simple, M=Measurable, A= Achievable, R= Relevant and T= Timely) goals and outcomes.
- 10. Efficiency** The ability to do or produce something without wasting materials, time or energy.

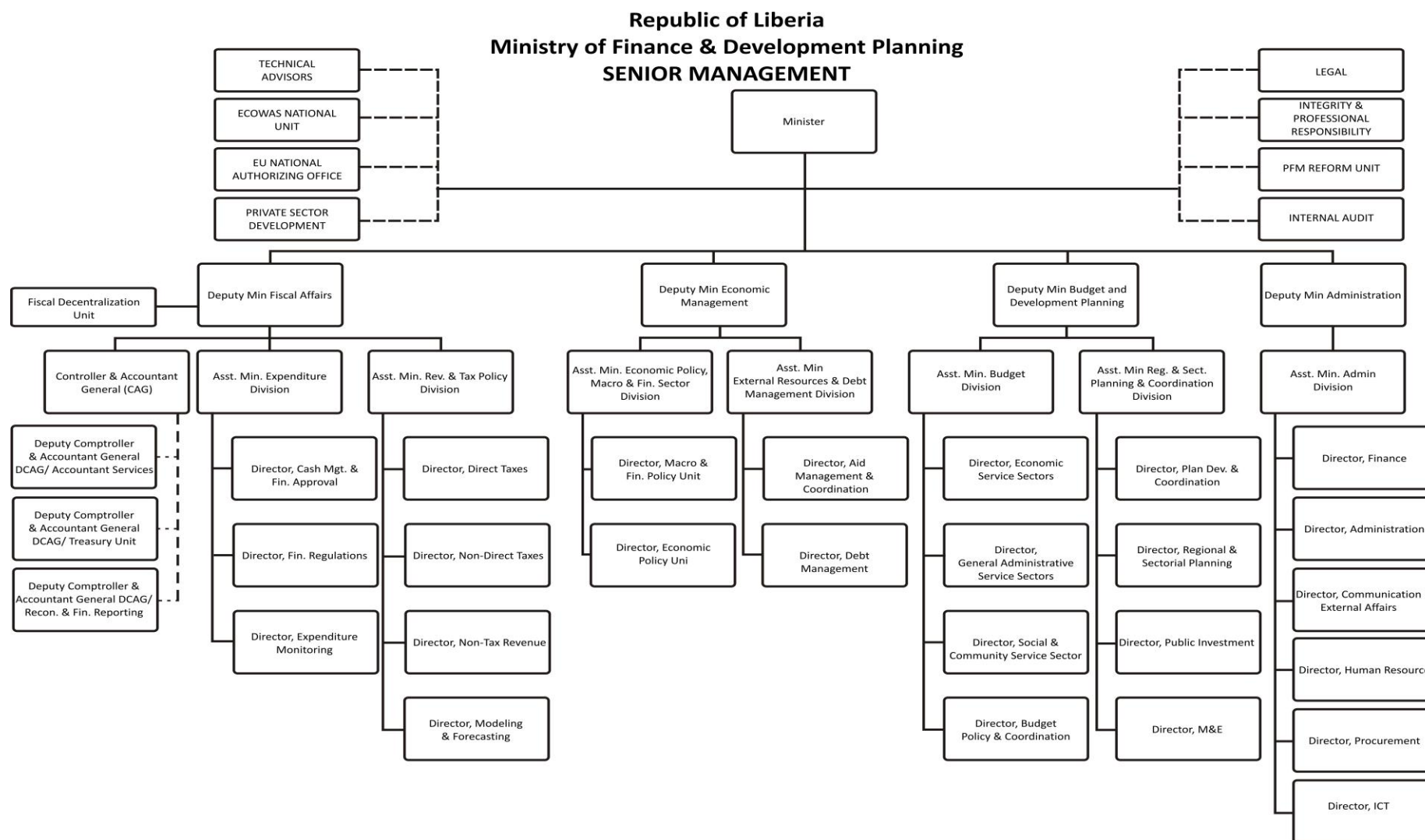
## Organisational Structure

The final organizational structure of MFDP comprises 4 departments, 8 divisions (including the Comptroller and Accountant General), and 28 units as well as 8 specialized units directly falling under the Office of the Minister.

Figure 2.1 is the organizational structure. The mission and functions of the each of the departments are also included in this section in the following order: i) Department of Fiscal Affairs, ii) Department of Economic Management, iii) Department of Budget and Development Planning, and iv) Department of Administration.

<sup>20</sup> James C. Collins and Jerry I. Porras – Harvard Business Review 1996.

**Figure 2.1: Organizational Structure of the Ministry of Finance and Development Planning**



### **Department of Fiscal Affairs**

The mission of the Department of Fiscal Affairs is to provide progressive, evidence-based and practical policy advice to achieve inclusive, sustainable growth and development through:

1. Sound revenue and tax policies
2. Timely and efficient financial reporting
3. Prudent and effective expenditure management
4. Coordinated tax administration
5. Enforced adherence to the implementation of the legal and regulatory framework of PFM and associated laws

The functions of this department include:

1. Financial reporting
2. Donor funds reporting
3. Cash management
4. Expenditure Monitoring
5. Fiscal Decentralization
6. Direct/Non-Direct Taxation Monitoring
7. Concession Negotiations
8. Revenue Forecasting

### **Department of Economic Management**

The mission of the Department of Economic Management is to formulate, coordinate and monitor the country's economic policies and programs.

Its functions are to:

1. Coordinate, monitor and review the developments in the domestic sector, including production and price trends and the investment climate.
2. Monitor and review the country's domestic and foreign trade practices, remittances, current account and balance of payments position and foreign direct investment trends.
3. Ensure fiscal and monetary policy consistency in collaboration with the Central Bank
4. Ensure prudent management of both domestic and external debt matters.
5. Develop, implement and monitor Liberia's Aid Policy.
6. Coordinate with bilateral and multilateral partners and develop sound policies and programs for borrowing to achieve Liberia's development goals.

### **Department of Budget and Development Planning**

The mission of the Department of Budget and Development Planning is to coordinate the formulation and implementation of development plans and the efficient allocation and utilization of financial resources.

Its functions are to:

1. Formulate and frame the annual budget
2. Monitor the budgetary position, including release of contingent provisions and undertaking mid-course reviews and corrections where required
3. Match the demand for budgetary allocations to the ministries and agencies with the receipts from taxes and other sources

4. Prepare development plans and provide guidance to all government agencies for formulating development programs and projects
5. Undertake research on development and sector policy issues
6. Coordinate appraisal and approval of public investment proposals
7. Ensure a strong interface between planning, evaluation and quality assurance

### **Department of Administration**

The mission of the Department of Administration is to manage and coordinate the implementation of internal and external administrative policies and activities, while upholding high standards for customer service and efficiency to achieve organizational goals.

Its functions are to:

1. Provide legal guidance and advice to the Ministry
2. Collect, analyse, record and report on relevant financial data necessary for the Ministry's internal policy decisions
3. Provide standard bookkeeping and accounting services for the Ministry
4. Develop the Ministry's budget
5. Manage payments of salaries and wages, pensions and coordinate other employee benefits.
6. Set policies for and manage all of the Ministry's procurement activities
7. Be responsible for the attraction, selection, training, assessment, and rewarding of employees.
8. Ensure adherence to organizational culture, and ensuring compliance with employment and labour rules and regulations.
9. Set policies for talent management, succession planning, and labour relations.
10. Manage and maintain an inventory of the Ministry's assets
11. Manage cleaning, security, transportation services in the Ministry.
12. Manage, maintain and service, the IT infrastructure and services of the Ministry.
13. Coordinate both internal and external communications of the Ministry
14. Manage the Ministry's strategic plan (including the PSIP) and implementation
15. Provide excellent customer service to both internal and external customers
16. Maintain clear, complete, and updated, employee records.

### **Parastatals and Statutory Boards**

The MFDP has other semi-autonomous agencies and statutory boards that support the delivery of its mandate. These institutions are directly under the purview of the Minister and have within their enabling documents defined institutional arrangements for interaction with the Minister. The institutions with their corresponding core functions are summarized in Table 2.1.

**Table 2.1 Parastatal/Board(s) and their Mandates**

<b>Parastatal/Board</b>	<b>Mandate</b>
Liberia Revenue Authority	Tax code administration and revenue collection
Liberian Development Alliance	Execution of the Agenda for Transformation

### SECTION 3 MFDP SITUATIONAL ANALYSIS

This section presents the internal assessment of the MFDP. It combines findings from capacity assessments conducted by consulting firms on the erstwhile MoF and the MPEA with the MFDP staff assessment of the institutional context in which they currently work. In this section, the crucial human resource issues and challenges confronting the MFDP as well as opportunities that exist to create a more efficiently run institution are highlighted.

The process of establishing the MFDP saw the consolidation of core public finance, economic management and development planning functions and the separation of revenue administration and collection services. The decision was to create an entirely new and appropriate organizational and staffing structure for the MFDP as opposed to merging mandates, functions, and corresponding organizational units. This opened space to create an entirely new organization dedicated to performing its core functions professionally. The new organizational structure is comprised of approximately 700 positions arranged into 4 departments (plus the Office of the Minister).

Staff audits conducted in 2012 uncovered critical gaps in knowledge, attitudes, skills, aspirations, and behaviours at the former institutions. Efforts are underway to improve overall capability through recruitment, separation, and training, but some of the old characteristics of the public sector will have to be addressed over the medium term at MFDP given the capacity challenges facing the entire country.

Nevertheless, the new MFDP is rapidly evolving into a leader in performance and results orientation among Liberia's M&A's. Fulfilling its vision will require an institution with clearly defined benchmarks for organizational effectiveness which exceed by far the usually low expectations of the people of Liberia. The evolving institutional character and core strengths must shape the strategic choices made going forward. The core values must be demonstrated in all interactions by, with, and on behalf of MFDP's various publics.

Therefore, environmental scans and Strengths, Weaknesses, Opportunities and Threats (SWOT) analyses were undertaken by the MFDP staff as part of the individual department workshops leading to this strategic plan. The analyses were used to inform, identify, and critically think through prioritization and objectives setting at the division level.

The SWOT findings provide clues to the likelihood of success in implementing the Strategic Plan and highlight areas of concern from the staff perspective. Finally, the strategic planning process encouraged discussion about mitigation measures and how they could be integrated into each department's work plan to improve service delivery to internal and external clients.

The staffs were presented with the same set of questions corresponding to each of the four areas of assessment. These questions can be seen in Table 3.1. The questions served as guides for the discussion. Workshop participants were free to develop their own ideas or come up with other questions and observations based on their own unique perspective. These could be outside of the limitations imposed by these questions. Table 3.2 presents the key findings of the self-assessment process.

**Table 3.1: SWOT Analysis Questions**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• What positive attributes of the department makes it successful and can contribute to good service delivery?</li> <li>• What resources does the department have access to which improve its ability to deliver on its mandate?</li> <li>• What do stakeholders see as the departments strengths? How are those being leveraged? What can be done to catalyse those which are not being leveraged?</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• In what ways is the department inefficient or ineffective?</li> <li>• Where are the weaknesses in service delivery</li> <li>• What are the current practices or policies currently being implemented poorly or which should be amended in general?</li> <li>• What do stakeholders see as the department’s weaknesses?</li> <li>• Where are the gaps in the department’s interactions with other institutions or stakeholders?</li> <li>• What resources the department lacks which hinder its ability to play its role in the AFT</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• What are the potential opportunities are available for the department that have not yet been taken advantage of?</li> <li>• What changes are occurring in the environment which may create some opportunities for improvements/reform/better service delivery in MFDP?</li> <li>• What relationships present a chance for better cooperation/closer collaboration that re currently not being optimized?</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• What are the current impediments to achieving the goals of the Ministry?</li> <li>• Which stakeholders pose a challenge to the Ministry’s or department’s operations now or in the future?</li> <li>• What changes are occurring in the environment which may negatively impact our service delivery?</li> <li>• What are, if any, the resource constraints that threaten our operations and program execution?</li> </ul>

## SWOT Analysis

While there were significant variations in the results of the SWOT assessments across departments and divisions, views tended to aggregate around a few areas.

### Internal Factors Analysis

Internal factors analysis fell into three broad categories—i) the legal framework and business processes, ii) human resource capabilities and constraints, and iii) access to basic logistics. These are summarized as follows and listed in Table 3.1 as presented by the staff.

### **The Legal framework and business processes**

The existence of the PFM Law and related regulations puts MFDP in a strong position to influence processes, outputs, and outcomes internally and at all spending entities. Access to a visioning framework, coupled with strong political will to implement the component programs and projects, is also strength. The new more holistic approach to planning and priority setting at the MFDP is also seen as a strength that could potentially flow over into all M&A’s.

The roll out of IFMIS and the requirement that all spending entities process transactions through this framework is also strength. Upgraded databases (when completed) and significant improvements in the quality to data generated are also strengths. Other factors and frameworks cited that put MFDP in a strong position to fulfil its mission include the National Aid Policy, the Medium Term Debt Management Strategy, and a communication plan.

Lack of experience in managing and leveraging the available tools is a weakness—given that a large proportion of the staffs are fairly new. Documented standard operating procedures (SOP) are absent for most operational areas. Moreover, central databases (or access to) do not exist to query for informed decision making. And the mechanisms to validate data provided by external partners are weak. Under appropriation for debt service projections and counterpart funding, coupled with passive monitoring of disbursement information, is a clear weakness in service delivery.

In spite of the new energy and sense of mission being drawn into the new entity, staffs at divisional levels lack the independence to discharge their functions and mandates properly on a daily basis. As a consequence, actual outputs rarely align with the plans. Moreover, lengthy bureaucratic processes, frequent delays in the approval processes, and inadequate coordination internally and externally are weaknesses that will hamper the MFDP in implementing the strategic plan. Lastly, some of the guiding frameworks have significant gaps or are becoming outdated and/or may be overtaken by emerging events. And some frameworks, such as PSIP, face special challenges in the planning, execution, and monitoring of the components.

The process of de-concentration of service delivery, in keeping with the National Decentralization Policy, is weakened by the lack of political will. No implementable guidance exists for this process. Delays due to limited staff capabilities at the level of central M&A's are exacerbated by weak county level engagement and coordination.

### **Human resource capabilities and constraints**

Each position at MFDP now has clear terms of reference (TOR) that can be linked to outputs and targets in the strategic plan. This makes it possible to demand greater accountability for resource and time use. The younger, more technically inclined, more professional and energetic team being put together will be a major resource going forward. The emerging skills and attributes in the staff reflect diversity, results orientation, and mission-mindedness. More effective leadership, more willingness to work as teams at all levels, and a sense of commitment are now becoming core characteristics of the workforce. Notwithstanding the continuing coordination challenges, there is already considerable improvement in coordination of work and accessibility across units within each department and at the unit/stakeholder level when viewed against past practices.

Formal staff and unit appraisal systems either do not exist or whatever exists is not consistently applied. Virtually all monitoring and progress measurements are made at the high level. These are weaknesses that could potentially undermine progress towards establishing a performance-based culture. Furthermore, there is still limited subject matter expertise in critical areas among the newly hired staff. The staff recruitment and separation process has been slow. Reinforcing the knowledge gap is limited access to timely information. One of the potential effects could be a delay in the migration to the new structure. This also makes it difficult to deliver services in a timely manner.

The culture of poor customer service and inefficiency in service delivery, reminiscent of the former ministries, continues to be a weakness. This translates into poor attendance, a lack of accountability for use of time, indiscipline, and poor supervision at the unit levels. Front line staffs dealing with various publics are especially prone to behaving in a manner characteristic of the old institutions. The culture of impunity still exists and will undermine efforts to change the orientation and outlook of civil servants.

## **Access to Basic Logistics**

Significant improvements have been made in providing basic IT equipment that is vital for staff performance. Contemporary database tools with relatively well organized storage methods—manual and electronic—are now available. A professional work environment is emerging. Moreover, the availability of the budget resources to upgrade the work environment and improve general services (transport, security, maintenance, consumable supplies) is an added advantage and strength—taking into comparison the situation at the former ministries.

Offices remain over-crowded undermining efforts to create an environment conducive for productive work. Basic logistical supplies are slow in coming, and when provided, are opened to abuse due to a lack of systems for monitoring the use of government assets. Ultimately, this is self-reinforcing with repeated shortages of basic supplies and increases in the operating cost of government.

### External Factors Analysis

External factor analysis identified opportunities and threats to the implementation of the strategic plan in two broad areas: i) emergent relationships with external partners and national level politics, and ii) the re-engineering and restructuring exercise.

### **Emergent relationships with external partners**

Available capacity building programs at various international institutions (IMF, WB, etc.), and domestically within the framework of LIPA, is a critical opportunity for building a cadre of professional civil servants at the MFDP. Supporting this is improving relationship with aid partners and with other government entities with shared responsibility for fiscal and monetary policy making and management (i.e. CBL, MCI, NIC). At the operational levels, improving relationships and coordination with the other entities (i.e. GAC, GSA, PPPC) to oversee spending and control of government assets is another opportunity to tap while in pursuit of the MFDP strategic objectives. The existence of sector working groups (SWG) within the AfT implementation structure provides an opportunity to strengthen relationships at the professional and technical levels across government institutions.

Nevertheless, the tendency to stake territorial claims over mandates and functions within government is a potential threat to achieving the MFDP objectives. The impact of this is demonstrated by the continuing difficulty getting spending entities to adhere to approved appropriations and to align their activities with the AfT and/or their own approved strategic plans. Mistrust and political influence in setting and adhering to agreed priorities leads to delays in the approval and execution of the national budget. Not only will it undermine the ability to achieve the intended results and impact of public resources, it will also undermine MFDP's own ability to perform its functions and produce its deliverables.

### **The re-engineering and restructuring exercise**

The re-engineering of government business processes across line institutions and at both the national and subnational levels presents an opportunity to meet all the strategic objectives outlined in the MFDP plan. First and foremost, bloated public institutions will be right-sized across the board. Secondly, the quality of the civil service will be exponentially improved. Third, new structures such as a strengthened LBO, a secretariat supporting the PAAC, the IAS, and new guidelines for the GAC and the civil service are still untapped opportunities for promoting more accountable governance. Finally, the public outcry for better service delivery and their determination to change elected officials who supposedly are not

delivering on their commitments is an opportunity that can potentially have far ranging impact on improving governance over the long term.

Revenue shortfalls and difficulties in budget execution are threats to implementation of the strategic plan. Difficulties in execution and implementation of plans at the county level, occasioned by severe capacity limitations, will slow progress especially in areas such as fiscal decentralization and intergovernmental fiscal transfers. Inability to set and adhere to priorities will also threaten progress towards MFDP’s strategic objectives.

Furthermore, there is a disconnect between the County and Social Development Funds and the County Development Agendas—and a disconnect between the various groups responsible for planning and implementing at those two levels. Horizontal and vertical flows of credible and actionable information have been a source of frequent delays. And finally, relationships with spending entities, development partners, and the Liberian National Legislature are improving, but working with and through these stakeholders to achieve the targets of the plan will pose a continuing challenge well into the future.

**Table 3.2: MFDP Internal Factors Analysis**

<b>Strengths</b>	<b>Weakness</b>
<ul style="list-style-type: none"> <li>• Fairly good, competent, and qualified staff</li> <li>• Result-orientation and attention to detail</li> <li>• Effective leadership and strong political will</li> <li>• Teamwork</li> <li>• Professional work environment</li> <li>• Holistic planning approach</li> <li>• Accessibility of staff</li> <li>• Access to funding</li> <li>• Access to strategic visioning instruments</li> <li>• Detailed TORs for staff available</li> <li>• PFM Law and Regulations providing strong legal mandate</li> <li>• Available finance/budget</li> <li>• Right staff/right positions</li> <li>• Attractive wages/salary</li> <li>• Available ICT infrastructure</li> <li>• Audit Monitoring system</li> <li>• Integrated Financial Management Information System (IFMIS)</li> <li>• General Services in place (transport, security, &amp; maintenance/supplies, etc.)</li> <li>• Communication plan in place</li> </ul>	<ul style="list-style-type: none"> <li>• Logistical constraints and Limited office space</li> <li>• Slow pace of adjustment to new structure</li> <li>• Slow processing and poor customer service</li> <li>• Weak internal coordination amongst units of the division</li> <li>• Lack of adherence to budget plans and late completion of budget requests</li> <li>• Weak sectoral engagement/coordination and coordination</li> <li>• Slow recruitment process for vacant posts</li> <li>• Lack of proper stakeholder coordination and inclusion</li> <li>• Limited subject matter specialist positions</li> <li>• Poor PSIP planning, execution and monitoring</li> <li>• Weak county level engagement and coordination</li> <li>• Sectoral decentralization weak in execution</li> <li>• Poor access to relevant information/data</li> <li>• The lack of a consistent appraisal system that rewards exceptional performance</li> <li>• Inefficiency in service delivery</li> <li>• Lack of accountability, monitoring, and tracking</li> <li>• Poor attendance and staff discipline</li> <li>• Divided loyalty/interest</li> <li>• Absence of updated HR data/records</li> <li>• Inability to identify needs and set priorities</li> <li>• Poor supervision</li> <li>• Lack of periodic/consistent performance review</li> </ul>

Table 3.3: MFDP External Factors Analysis

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Willingness of some MACs to work with the Department</li> <li>• Better PSIP planning, execution and monitoring</li> <li>• Capacity building opportunity for MACs</li> <li>• Consolidated Sector Working Group (SWG)</li> <li>• Existence of the AFT</li> <li>• Requirements of the PFM Law</li> <li>• Public outcry for improved service delivery</li> <li>• Post EVD rethinking, re-evaluation</li> <li>• Untapped relationships with LBO/Legislature</li> <li>• Untapped relationships with external partners</li> <li>• Untapped relationships with SWG</li> <li>• Creation of MFDP as model to drive the national transformation agenda (for ex: competitive recruitment process)</li> <li>• External partner relationship with CSA, etc.</li> <li>• Standardize systems within MFDP( for ex.: general procurement services)</li> <li>• Rebranding of the image of MFDP</li> </ul>	<ul style="list-style-type: none"> <li>• Unwillingness of some MACs to cooperate</li> <li>• Political Influence and interference</li> <li>• Legislative delays in the passage of the national budget</li> <li>• Difficulties in gathering relevant reports form MACs</li> <li>• Difficulties in implementing development at the county level</li> <li>• Disconnect between County Development Fund and County Development Agenda</li> <li>• Disconnect between the county and national planning groups</li> <li>• Lack of clear and consistent directions/priorities for Divisions to follow</li> <li>• Limited access to donor sponsored project documents/activities</li> <li>• The uncertainties arising from the EVD outbreak</li> <li>• Legislative interference in projects and programs</li> <li>• Lack of authority and support of senior managers</li> <li>• Lack of trust and credibility among the MACs</li> <li>• Inability to set priorities early and adhere to them with rapidly changing priorities during budget execution</li> <li>• Slow business processes at other departments of MFDP</li> <li>• Unreliable power source(ex: LEC/Generators)</li> </ul>

## Gap Analysis

In this section the core functions of each department are taken into consideration. An attempt is made to identify the gaps and quantify the impact that exists at the MFDP that could result in diminished service delivery. The gaps are derived largely from the deliberations during the SWOT analyses. They can be found in Tables 3.4 following. This informs the setting of the strategic objectives of the MFDP going forward.

**Table 3.5: Gaps and Mitigation Requirements**

<b>Key Function of the Department</b>	<b>Status Quo: How things currently operate</b>	<b>Gaps Identified</b>	<b>Mitigation Measures</b>
<b>Department of Fiscal Affairs</b>			
Establishment and monitoring of tax and revenue policy and execution of the national budget	Tax and revenue policy monitoring system still under development,  Poor customer service  Limited assessment of impact of tax and revenue policy choices	<ul style="list-style-type: none"> <li>• Loopholes in tax policy still resulting in revenue loss</li> <li>• Inadequate implementation of PFM law</li> <li>• Slow response time to stakeholder issues</li> </ul>	<ul style="list-style-type: none"> <li>• Complete review of and amendments to the revenue code to ensure harmony among the various laws (PFM Act, IAA Act, PPCC Act, Revenue Code and the draft local government bill).</li> <li>• Introduce VAT</li> <li>• Initiate new and updated Administrative Regulations</li> <li>• M&amp;As revenue collection recorded by fiscal reports</li> <li>• Staff training</li> </ul>
Government accounting, cash management and treasury	Treasury management procedures are still not fully automated and financial reporting process hampered by inadequate data collection and reporting of M&A's	<ul style="list-style-type: none"> <li>• GAC disclaimer(s) of financial statements;</li> <li>• Financial reporting data to M&amp;A's</li> <li>• Cash management, annual spending and borrowing plans are not linked</li> <li>• TSA is not based on a mutually agreed framework with CBL;</li> <li>• Absence of basic financial management and control systems at county level</li> </ul>	<ul style="list-style-type: none"> <li>• Provide automatically reconciled monthly accounts using IFMIS and expenditure plan report</li> <li>• Shift from cash rationing to cash planning</li> <li>• Agree with CBL on TSA framework</li> <li>• Implement fiscal de-concentration subsequently followed by full devolution</li> </ul>

<b>Department of Economic Management</b>			
Monitoring the status of and changes in the domestic and global economy	Multiple agencies play a role in producing different data sets and reports	<ul style="list-style-type: none"> <li>Data are not validated, harmonized between sources, and placed in a format that can influence policy decisions</li> </ul>	<ul style="list-style-type: none"> <li>Set into place appropriate systems for periodic data and information sharing</li> </ul>
Knowledge leadership on what works in the Liberia context to advice on economic policy and transformation	Policy decisions and program designs tend to be donor-driven	<ul style="list-style-type: none"> <li>Lack of clear understanding of results and impact derived from public spending (and the sustainability, replicability, and scalability of results)</li> </ul>	<ul style="list-style-type: none"> <li>Provide support for more research through LIMPAC</li> </ul>
Develop, implement, and monitor aid and debt policies, coordinate monetary policy and the financial sector	Most activities are reactive in response to situations or requests; CBL intervenes	<ul style="list-style-type: none"> <li>Absence of a framework for robust discussion and harmonization between key aid partners, regional institutions, and economic policy management institutions</li> </ul>	<ul style="list-style-type: none"> <li>Revise and update aid policy, revise and update debt management policy and tools; leverage tools to strengthen coordination role</li> </ul>
<b>Department of Budget and Development Planning</b>			
Preparing, framing, and implementing the annual budget	Budget processes have been documented and are followed;	<ul style="list-style-type: none"> <li>Process leads to long delays in the approval process and shortens the period for actual budget implementation and contributes to low budget execution rate</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened relationship with LBO, improve transparency in the allocation and alignment of resources with national and local priorities; Review and rationalize Business process and MTEF framework</li> </ul>
Preparing, coordinating and monitoring development plans and providing guidance to all other government entities	Implementation of the AfT guides all current development initiatives	<ul style="list-style-type: none"> <li>Coordination of execution in the context of AfT needs to be strengthened;</li> <li>Content of progress monitoring report is too thin for evidence-based planning</li> </ul>	<ul style="list-style-type: none"> <li>Initiate formal mid-course review of AfT; begin preparatory activities for possible successor framework</li> </ul>

<b>Department of Administration</b>			
Ensure vision, the mission, and values expressed in the strategic plan are adhered to; and the target outputs are produced	New effort; no strategic plan currently exists	<ul style="list-style-type: none"> <li>Lack of results orientation and good customer service tradition</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring of outputs and activities in strategic plan, staff training and in-service training</li> </ul>
Provide general administrative and financial services, human resource management, and manage all procurement actions for MFDP	<p>budget execution requires 32 steps 7 approval levels</p> <p>Implementation of PFM, PPCA, and civil service guidelines</p>	<ul style="list-style-type: none"> <li>Knowledge gaps on the content of the guidelines and business processes; No concerted effort to address culture of impunity</li> </ul>	<ul style="list-style-type: none"> <li>Review and rationalize budget execution process</li> <li>Training and closer monitoring of staff</li> <li>Enforce 48 hour turnaround response time on all client request</li> </ul>

## SECTION 4 MFDP STRATEGIC OBJECTIVES

MFDP will focus on 5 strategic priorities over the next 3 years. These priorities correspond to the mandate and core functions of each department as laid out in the enabling legislation. They also correspond to the three key roles of the MFDP in the context of the AfT. Feedback from the visioning exercise, information and views gathered from consultation with key external partners, and internal consultations within MFDP informed the priority setting exercise. The objectives are framed in terms of what can be realistically accomplished within the period July 1, 2015 to June 30, 2018.

Presidential and Legislative elections are scheduled to be held in October 2017. Therefore the planning period runs into the first year of the new administration. Making a commitment to produce results beyond the inauguration of a new government in January 2018 became an issue during this exercise. But the impact of the newly elected government on the national budget is unlikely to be felt until the 2018/19 fiscal year. Most of the results would have been fully realized or be close to realization at that point. Any residual set of activities relates to systems and processes that conform to the PFM Law and other regulations enacted by the Liberian National Legislature and enforced throughout this strategic plan. The impact of the EVD outbreak was also taken into consideration during the environmental scan. The immediate impact will be felt on the resource envelope available for implementing the activities and producing the outputs of this strategic plan. Its greatest impact, however, is expected to be on the assumptions and baselines underpinning the AfT. While the outbreak challenges the core assumptions about Liberia's development, there are grounds for optimism.

Democratic practices are taking hold in Liberia. The country is on an irreversible course. Accompanying the force for greater democratization and accountability in the use of public resources is the growing public demand for better service delivery and for greater participation in the economic life of the country. Any administration that fails to respond to these demands will be voted out of office. The current EVD outbreak took many precious lives and devastated families but there is a growing recognition that Liberia will remain vulnerable to recurrent crisis well into the future and the systems rebuilt after years of conflict must become robust enough to mitigate risk and prevent loss of gains in the event of a future crisis. Finally, Liberians are a resilient people with innate ability to rise above crisis.

The foregoing provides greater impetus to rethink Liberia's development model—reducing the reliance on natural resource led growth, reducing the dependency on aid, broadening the economic base, expanding the delivery of basic social services, and expanding access to self-improvement opportunities for a largely youthful population. But even more compelling is coming to grips with what works in the Liberia context and what changes are essential to achieving stronger results and more impactful outcomes through spending agencies as well as through partnerships at the regional and global levels.

As a new core ministry re-created from the ground up, MFDP will have to provide a new intellectual outlook to Liberia's development challenges. Therefore, one of the critical outputs of this strategic plan is a comprehensive and independent mid-course review of the AfT. Another is leveraging intellectual leadership, in collaboration with other core institutions, to keep pace with changing demands internally and externally to be able to use fiscal and monetary policy instruments more effectively. Finally, there is a clear recognition that this ambitious vision will require an institution that meets and exceeds benchmarks for institutional effectiveness in the performance of its staff, its leadership, and in the use of publicly-provided assets. MFDP proposed priority objects and outputs are as follows. The full results matrix, including target start and completion dates, is provided as Annex I.

## Goal Statement (July 1, 2015 to June 30, 2018)

### GOAL STATEMENT

Over the next 3 years, we will build our capacity to deliver on our core business and accomplish:

- Deep-rooted macroeconomic stability by maintaining favorable fiscal, monetary, trade, and exchange rate policies
- Efficiency, innovation, responsiveness, and transparency in public financial management, and
- A policy and administrative environment that fast-tracks broad-based private sector growth and development thru the framework of the Agenda for Transformation (AfT)

### Office of the Minister

The Ministry of Finance and Development Planning (MFDP) is established to promote inclusive sustainable growth and development. Through the Office of the Minister and 8 support units, high-level strategic leadership is provided to achieve MFDP's goals. By PFM Law (2009 enacted), the Minister is responsible for all technical matters related to the proper functioning of the public financial management system. The strategic objectives and intended outputs of the Office of the Minister are therefore structured as follows:

<p><b>AfT Pillar</b></p> <p><b>All pillars</b></p>	<p><b>Priority Objective:</b> Project a more positive image that rebrands MFDP while leveraging MFDP's core ministry position to effect more profound change in the way public service is considered and delivered over the strategic plan period July 1, 2015 to June 30, 2018</p>	<p><b>Intended Output 1:</b> An improved, effective, and efficient communications think-tank, fully functional and proactively serving as a spokes organ of MFDP in the dissemination of information, programs, policy, and regulations to enhance public engagement by the end of FY2015/16</p> <p><b>Intended Output 2:</b> A robust system for action tracking, timely briefing and effective engagement installed and guiding the operations of all MFDP units and departments reporting to the Minister starting in FY 2015/16</p>
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## Department of Fiscal Affairs

The mission of the Department of Fiscal Affairs is to be a forward looking department that will provide quality and practical policy advice to achieve inclusive sustainable growth and development. The AfT Pillar supported, the strategic objectives, and intended outputs of the Department of Fiscal Affairs are structured as follows:

<p><b>AfT Pillar II,IV</b></p>	<p><b>Priority Objective:</b> Using a consultative approach, formulate and install a more efficient and effective tax policy regime; improve and rollout the IFMIS and supporting modules; integrate treasury management functions at the MACs and county levels to ensure full compliance with the PFM and associated laws and regulations by the end of 2016/17 fiscal year</p>	<p><b>Intended Output 1:</b> Amended revenue code with new and Up-dated Administrative regulations published by the end of FY2015/16</p> <p><b>Intended Output 2:</b> IFMIS installed and in-use in all M&amp;As by the end of FY2016/17</p> <p><b>Intended Output 3:</b> Enhanced revenue estimation and forecasting systems, model &amp; tools implemented by the end of FY2015/16</p> <p><b>Intended Output 4:</b> Fully executed budget on the basis of the cash management framework—cash planning &amp; treasury single account; and establishment of county treasuries as a key component of the fiscal decentralization plan starting FY2016/17</p> <p><b>Intended Output 5:</b> Fully compliant annual financial reports with published reports on public expenditure tracking by the end of FY2016/17</p> <p><b>Intended Output 6:</b> A PFM monitoring tool developed and executed by the end of FY2016/17</p>
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## Department of Economic Management

The mission of the Department of Economic Management is to formulate, coordinate and monitor the country’s economic policies and programs. The Aft Pillar supported, the strategic objectives, and intended outputs of the Department of Economic Management are structured as follows:

<p><b>Aft Pillar</b></p> <p><b>II</b></p>	<p><b>Priority Objective:</b> Set into place systems for quarterly monitoring and annual reviews of development in the domestic sectors of the economy and the global environment, the domestic investment climate, and price trends to inform new economic modeling and guide fiscal, aid, and monetary policy development beginning 2015.</p>	<p><b>Intended Output 1:</b> Capacity development plan for consistent improvement of skills in data collection, analyses, modelling and reporting developed and rolled out beginning the 2015/16 FY</p> <p><b>Intended Output 2:</b> Robust donor coordination mechanism in place and national leadership provided on external resource use in the context of the new aid policy starting FY2015/16</p> <p><b>Intended Output 3:</b> Publish and distribute annual economic assessment reports starting FY2015/16 to include-- trade analysis reports, financial and non-financial institutions performance assessment reports, Growth Target Review report, ECOWAS Trade Levy (ETL) accession impact assessment report, Liberia’s introduction of VAT system impact assessment report, and Liberia’s WTO accession impact assessment report.</p> <p><b>Intended Output 4:</b> Continue the publication of economic reports, including quarterly fiscal outturn reports, Annual Economic Review (AER) reports, Budget Framework Papers (BFP), Budget Option Papers (BOP), monthly Economic Review briefings.</p> <p><b>Intended Output 5:</b> A Common Assessment Framework for budget support operations developed and fully functional and The New Deal Compact developed and endorsed in FY2016/17</p> <p><b>Intended Output 6:</b> A domestic debt market developed and formalized; and a sustainable debt portfolio--that supports GoL’s financing needs at the minimum possible cost subject to the acceptable level of risk, created by beginning of FY2017/18</p>
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## Department of Budget and Development Planning

The mission of the Department of Budget and Development Planning is to coordinate the formulation and implementation of development plans as a basis for the effective management and monitoring of the efficient allocation and utilization of financial resources. The Aft Pillar supported, the strategic objectives, and intended outputs of the Department of Budget and Development Planning are structured as follows:

<p><b>Aft Pillar</b></p> <p><b>II</b></p>	<p><b>Priority Objective:</b> To create a budget framework with the execution matching the appropriations, achieving a minimum of 75% alignment of national priorities with sector development strategies, with all public resources and expenditure reflected on budget and in IFMIS, and with increased public access through published budget information</p>	<p><b>Intended Output 1:</b> a fully staffed, equipped, technically trained team built in FY2015/16 and engaging effectively with spending entities, LBO, Legislative Ways, Means &amp; Finance Committees, and development partners</p> <p><b>Intended Output 2:</b> All Legislative proposals supported by recurrent cost and other fiscal analyses required by PFM Law and forming part of the budget formulation process starting FY2016/17</p> <p><b>Intended Output 3:</b> Budget documents widely and publicly disseminated each year with stakeholders adequately engaged and their views reflected in budget framework beginning FY2016/17</p> <p><b>Intended Output 4:</b> Aft Midterm review completed, findings/recommendations disseminated to LDA Steering Committee, and EVD-induced realignment of sector strategic plans and Aft priorities completed in FY2015/16</p> <p><b>Intended Output 5:</b> In collaboration with LIPA, appropriate training modules developed and training conducted to improve implementation rate of the Aft by 30% and to instigate preparatory work for the next generation national development plan by end of FY2016/17</p> <p><b>Intended Output 6:</b> Operational and situational analyses of key MACs and county planning and M&amp;E units completed and the Inter-division and sectoral coordination mechanism strengthened to support future development project implementation by end of FY2017/18</p>
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## Department of Administration

The mission of the Department of Administration is to manage and coordinate the implementation of internal and external administrative policies and activities, while upholding high standards for customer service delivery and efficiency to achieve organizational goals. The Aft Pillar supported, the strategic objectives, and intended outputs of the Department of Administration are structured as follows:

<p><b>Aft Pillar</b>  <b>II,V</b></p>	<p><b>Priority Objective:</b> Ensure appropriate resourcing of all MFDP departments through sustained staff re-profiling and professional development, optimum and austere utilization of financial resources within the budgetary framework, and proper logistical support and services while championing the implementation of the FY2015 to 2018 strategic plan</p>	<p><b>Intended Output 1:</b> a well-organized and centralized recruitment system set into place, a pool of professional and talented employees recruited with on boarding procedures completed, and a Performance-based staff appraisal and reward system developed, adopted, and rolled out across all departments by the end of FY2015/16</p> <p><b>Intended Output 2:</b> Systems and protocols to strengthen internal control and capacity to detect and prevent fraud, systemic waste, and abuse—including fixed asset register(s), identification procedures of all MFDP’s vehicle and other fixed assets, standardized fleet management, and ICT usage policy installed and fully in use by end of FY2015/16</p> <p><b>Intended Output 3:</b> A healthy and sanitized work environment with access control system to regulate movement of customers, employees, and visitors at MFDP installed by end of FY2015/16</p> <p><b>Intended Output 4:</b> Enhanced, transparent, and well-organized business and workflow processes designed, documented, and implemented across all MFDP departments starting FY2016/17</p> <p><b>Intended Output 5:</b> Systems, forms, and formats to track and periodically report in real time on all MFDP’s projects, programs, and activities in the context of the strategic plan--using installed IT platform/portal by the end of FY2017/18</p>
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## SECTION 5 STRATEGIC PLAN IMPLEMENTATION OUTLINE

Successful implementation of this plan will be grounded on a clear strategic focus, strong and engaging partnerships internally and externally, and effective coordination. While these will be essential elements, they will not be sufficient conditionality for success. Institutional effectiveness within MFDP and across the government will have to improve just as well or even more so. Learning to do the basics well from the level of central institutions all the way to local government will also be an essential part of this effort. Resource sharing through some form of fiscal decentralization and/or intergovernmental fiscal transfers, and or outplacement of competent staffs, will provide the means at the level where they can impact the lives of Liberians more decisively and can develop abilities to do interventions where it makes more business sense.

The PFM Law and progress on the PFM and the civil service reform initiatives provide great points of departure. Completing the reforms and embedding the new systems and practices across spending entities will ensure that gains are irreversible; and will go a long way in changing the public administration culture. This section presents an implementation plan clarifying how and when the MFDP will successfully operationalize the strategic objectives. A results framework laying the intended outputs, indicative activities, inputs, and relevant start and completion dates are provided as Annex I. The framework also shows the Division/Unit of the MFDP charged with leadership responsibility.

Most changes will come over the medium to long term. Most of the immediate challenges however are in the realm of staff performance. But there are “low hanging fruits” that can ensure quick wins. MFDP will take advantage of those immediately even though the official start of the plan period is July 2015. These are presented in Table 5.1 below.

**Table 5.1: Short Term Solutions to Staff Performance Issues**

Staff Performance Management Issue	Medium to Long Term Solution	Quick Win(s)
Job descriptions for new positions do not reflect the Aft or the Strategic Plan	Review and update organizational structure within the context of the enabling legislation but taking the strategic priorities of MFDP into focus	Embed the strategic plan outputs into the unit annual work plan and the individual staff work plan starting February-March 2015
Performance appraisal systems do not exist	Migrate to a CSA-recommended appraisal system	Finalize and rollout the staff development and performance management system (SDPMS) by February-March 2015
Absence of a performance culture and customer service orientation	Establish a clear and transparent correlation between MFDP department level planning, 360 degree appraisals at unit levels, results, promotions and reward; train on content and operational processes	Train (and re-train) mid-level supervisors (directors/assistant directors on supervision skills) introduce perception surveys, and rollout annual recognition and merit-based rewards policy to motivate staff starting March-April 2015

No new structure for implementing the strategic plan is envisaged. No major policy or procedural modifications will be required to implement the Strategic Plan. Instead, implementation will be rooted into existing structures with broadening of reporting responsibilities at the operational level. This will ensure that implementation of the plan remains in focus and at the center of the MFDP work going forward. This will be accomplished as follows:

- A consolidation of annual department work plans (plus the Office of the Minister) will form the work plan for the MFDP. Department work plans will in turn draw on the 5-year results matrix and will be updated based on annual internal assessments of progress towards producing the intended outputs listed in the strategic plan.
- Cascading annual division and unit work plans, supported by individual work plans, will provide the basis for operationalizing and aligning activities with resource allocation through the MTEF.
- Quarterly and annual reviews at the level of the Executive Management Team (EXT), and at the level of the Top Management Team (Deputy and Assistant Ministers), will ensure continual assessment, learning, and corrective actions, as the plan cycle unfolds.
- The PEFA self-assessment process and periodic implementation reviews, such as the Integrated Public Financial Management Reform Project (IPFMRP), will provide the substantive high level perspective to inform on progress on key objectives of the Strategic Plan. Implementation language will be included in all departmental reports. Summaries will be generated by the Internal Coordination and Program Unit (ICPU) within the Department of Administration. The ICPU will be the locus for progress monitoring and measurements.

The overall implementation and coordination framework of the strategic plan is as follows in Table 5.2. Under the overall supervision of the LDA Steering Committee, the EXT will take on the responsibility of overseeing the success of the strategic plan. The TMT comprised of all Deputies and Assistant Ministers will provide technical and operational level guidance ensuring the sets of outputs and activities are incorporated into department, division, and unit level work plans; and that appropriations are made in the MFDP budget.

The Department of Administration, under the leadership of the Deputy Minister, will champion the implementation, review, modification, and progress reporting processes. With support from the IPCU will ensure ownership at the highest levels and consistency in the follow-up over the five year period.

The internal auditor, Integrity and Professional Responsibility Unit, and PFM Reform Units will play supporting roles. The MFDP will coordinate and work closely with the CSA, GSA, GAC, IAA, LBO, PAC Secretariat, The Ways and Means Committees of the Liberian National Legislature and with representatives of CSO's in the implementation of the plan. CSO's will be given access to annual implementation progress reports and will be invited to make queries and suggestions on all aspects of the plan—including possible recommendations for re-prioritization and re-phasing of sets of activities as they deem appropriate.

**Table 5.2: Implementation and Coordination Framework**

<b>Level</b>	<b>Main roles/ functions</b>	<b>Composition</b>
<b>A) High/Strategic Level</b>		
<b>1) LDA Steering Committee</b>	<p>Scrutinizes overall progress of MACs in meeting strategic goals and objectives of AfT, based on measureable outcomes.</p> <p>Assures transparency and accountability in the application of public funds.</p> <p>Provides overall policy direction to MACs to meet AfT goals and objectives, as well as helping to resolve inter-sectoral and inter-ministerial constraints to meeting key goals and objectives.</p> <p>Helps to promote an enhanced culture of transparency and performance in MACs.</p>	Cabinet members of the Executive branch of Government, chaired by the President; supported by the LDA secretariat
<b>2) Executive Management Team (EXT)</b>	<p>Sets strategic priorities and guides the implementation of the plan at all levels</p> <p>Assumes full responsibility for success</p>	Minister and Deputy Ministers of MFDP
<b>3) Civil Society Organizations</b>	<p>Review the strategic priorities, intended outputs, and sets of activities and make recommendations as appropriate</p> <p>Participate in annual implementation progress reviews to ensure that citizen expectations for voice, the rule of law, accountability, and for development are prioritized throughout the plan period</p> <p>Advocate with other key stakeholders and help to disseminate information on the plan</p>	TBD
<b>B) Middle/Supervisory Level</b>		
<b>3) Top Management Team (TMT)</b>	<p>Harmonize operational plans at the departmental level while providing perspectives to divisional and unit level plans</p> <p>Coordinate with external actors and other M&amp;A's as and when necessary</p> <p>Define and measure success indicators and make recommendations to the EXT as the plan unfolds operationally</p>	All Deputy and Assistant Ministers, Office Manager in the Office of the Minister
<b>4) Deputy Ministers</b>	<p>Provide technical oversight and assumes supervisory responsibility for the implementation of the strategic plan at the departmental level</p> <p>Facilitate the interface between divisions and</p>	The Deputy Minister for Fiscal Affairs, the Deputy Minister for Economic Management, the Deputy Minister for

Level	Main roles/ functions	Composition
	<p>units and the embedding of the outputs and activities of the strategic plan in the work plan</p> <p>Coordinate with key external partners-CSA, GAO, IAA, PAC, LBO, GSA, LISGIS, Representatives from CSO's</p>	<p>Budget and Development Planning, and the Deputy Minister for Administration</p>
<p><b>5) Deputy Minister for Admin</b></p>	<p>Ensures production, harmonization/standardization, and dissemination of progress reports on the strategic plan in a timely manner, supervise the key reporting unit(s)</p> <p>Serve as in-house custodian and champion for implementation of the plan and ensures that allocations are included in the MFDP budget for implementation of the plan</p>	<p>Deputy Minister for Administration (supported by Assistant Minister for Administration and Director ICPU)</p>
<b>C. Operational Level</b>		
<p><b>6) Assistant Minister(s), Directors/Asst . Directors</b></p>	<p>Responsible for capturing strategic plan elements in operations at the division and unit levels</p> <p>Train staff on the plan and how their individual outputs relate to the strategic priorities of the MFDP</p> <p>Monitor performance and emerging situation at the operational level, making appropriate adjustments and corrections as necessary, and/or escalating situations that emerge to the supervisory level</p> <p>Highlight constraints to progress and recommend actions to improve implementation for the consideration by the Top Management Team</p> <p>Supervise all units and staff to ensure timely and efficient production of outputs</p> <p>Liaise with other units on a regular basis on relevant operational issues</p>	<p>8 Assistant Ministers (including Comptroller and Accountant General), 30 Directors, 46 Assistant Directors</p>
<p><b>7) Internal Coordination and Program Unit</b></p>	<p>Monitors progress towards the strategic plan objectives and, accordingly, provide periodic updates for the Deputy and Assistant Minister(s) for Administration</p> <p>Produce semi-annual administrative dashboards and business analytics to monitor and report on implementation of</p>	<p>Director, Assistant Director</p>

<b>Level</b>	<b>Main roles/ functions</b>	<b>Composition</b>
	<p>the plan for TMT, EXT deliberations and informed decision making</p> <p>Identify training needs to incorporate into staff development plan of MFDP</p>	
<b>8) Integrity and Professional Responsibility Unit &amp; PFM Reform Unit</b>	<p>Monitors progress on staff attributes and other characteristics, gather perception on the MFDP from staff and various publics</p> <p>Monitors progress on the staff handbook components</p>	Director, Assistant Director
<b>9) Internal Audit Unit</b>	<p>Monitor the conditions of staff-related records – attendance, leave, recruitment, payroll, staff and asset movements</p> <p>Advise the Minister and Deputy Minister for Administration on HR systems for documentation, record keeping, and fixed assets management</p> <p>Investigate internal complaints of malfeasance, misfeasance, and/or nonfeasance on the part of MFDP staff</p>	Internal Auditor, Assistant Internal Auditor
<b>10) County Admin.</b>	<p>Accede to the guidelines, systems, and business processes coming out of the PFM Reform and the (eventual) fiscal decentralization framework</p> <p>Maintain county treasuries and report in a timely manner</p> <p>Execute fiscal decentralization components of the strategic plan</p>	15 County Superintendents, 15 Development Superintendents, County Accounting and Procurement Officers

### Critical Success Factors

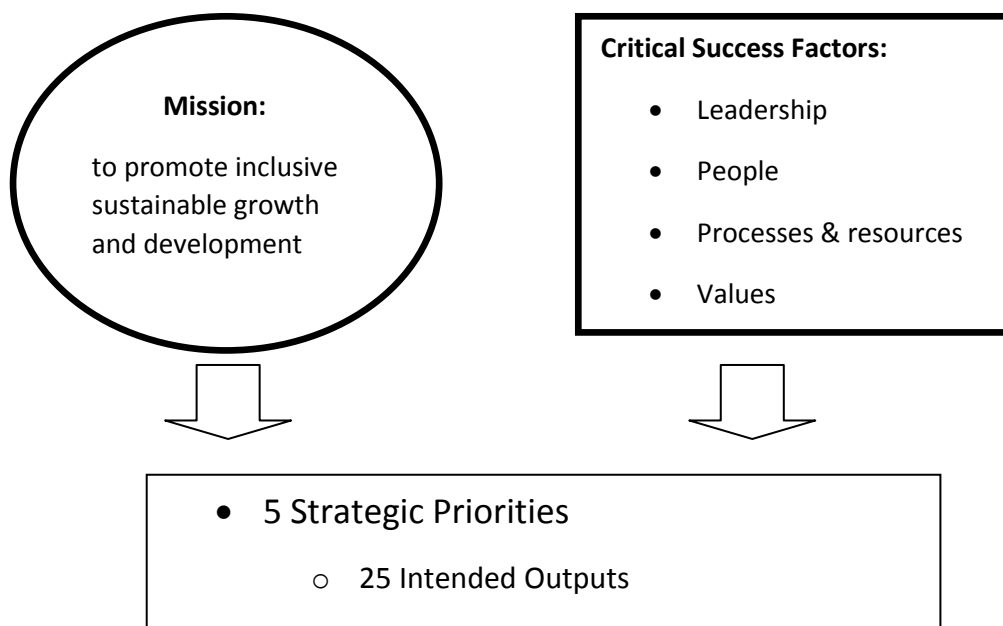
To ensure that the strategic plan is translated into action, results and impact, critical success factors that will ensure each department produces its intended outputs, have been taken into consideration. These provide the common points of reference to help direct and measure progress and ensure competitive performance of the MFDP.

The MFDP is established to promote inclusive sustainable growth and development through efficient resource allocation, equitable wealth distribution, prudent financial management, and integrated development planning. Also included in its mission are coordinated economic management, and well formulated and implemented policies. In order to achieve its mission, certain core areas of the MFDP need special attention. These include:

- Well-leveraged knowledge leadership on what works in the Liberia development context
- Sustained successful relationships with key points of contact in the Liberian National Legislature, M&A's, and other spending entities
- Speedier identification, recruitment, and training of staff with the right knowledge, skills, attitudes, and other attributes for sustained performance enhancements
- Comprehensive, transparent, and consistently applied staff performance appraisal and monitoring, promotion, merit rewards based on productivity, and better records management—all clearly linked to the mission of the MFDP
- Clear and publicly communicated business processes and standard operating procedures for basic service delivery that take uncertainty, unnecessary delays, and rent seeking out of basic service delivery to clients
- Consistently available financing within the limits of the resource envelope
- Leadership that models the MFDP core values in its interaction with various publics and with the staff—Transparency, Accountability, Integrity, Service orientation, Effective Communication, Innovation, Commitment, Teamwork, Result Focused, Efficiency

Figure 5.1 below illustrates how these elements come together to drive the MFDP towards fulfilment of its mission and achievement of its strategic goals and objectives. The 7 factors fall into 4 key categories—leadership, people, processes & resources, and values.

**Figure 5.1: Critical Success Factors**



## Human Resource Needs and Training

MFDP is currently undergoing a re-profiling exercise involving the recruitment and training of staff more appropriately matched to the post descriptions. A capacity development/training plan is currently in draft form and will be re-assessed and completed once the full staff complement is on board.

A Capacity Development Strategic Plan outlines the training requirements at each staff position in greater detail. This is a summary. For capacity development planning, positions have been clustered into 5 bands. Table 5.3 shows the bands and provides short narratives on basic skill levels and training needs.<sup>21</sup>

**Table 5.3: Training Clusters**

Description	Short Narrative
Ancillary	Requires no formal skill or qualification. Discipline and elementary skills of analysis needed
Clerical	Requires formal education usually to Senior Secondary School level (SSS). Discipline and simple skills of analysis and synthesis/generation of alternative solutions to non/routine problems
Technician	Requires formal specialized knowledge and skills beyond SSS but below tertiary level; Up to medium level of management of people and organizational goals. Advanced skills of analysis and synthesis
Professional	Requires formal degree and/or advanced vocational qualifications; medium to complex management of people and organizational goals; Advanced skills of analysis and synthesis
Senior Management	In addition to the requirements of the Professionals, this cluster requires complex management of people and organizational goals; part of a steering group responsible for formulation and communication of organizational strategy. Advanced skills of analysis and synthesis

## Risks and Mitigation

The most significant potential risk is further reduction in the overall resource envelope due to poor performance of key sectors of the economy. The likelihood is high therefore improved management of the overall resource envelope appropriated to MFDP will be essential to ensuring that the minimum level of performance needed for the implementation of this plan is maintained at all times. Moreover, the institutional structure will be reviewed periodically to ensure that the staffing level appropriately reflects the minimum

<sup>21</sup> MFDP, 2012/13 Capacity Development Strategic Plan

requirements. The goal will be to obtain an appropriate mix of high quality talent with a smaller staffing envelope.

Technology-related risks have been detailed in the IPFRMP review and security assessment report. The likelihood is moderate and mitigation measures are already being implemented through system upgrades, establishment of a new data center, and a disaster recovery site.

The risk of insecurity and politically-motivated violence is moderate. If there is an incident, it will most likely be local and not widespread—instigated by perceived unfairness and cheating before, during, and after the voting in national elections or bi-elections. While there is a fair amount of cynicism, the Liberian electorate now appreciates the power inherent in the electoral process – to select and change their leaders and representatives. Evidence from recent elections indicates that future processes will most likely be free and fair.

Another risk is a sudden change in leadership at the EXT level of the MFDP before the full rollout of the strategic plan—if this leads to significant implementation delays and changes to the framework. The likelihood is low and this can be mitigated by ensuring broad ownership of the plan at the level of the EXT and TMT. Therefore, a highly participatory approach has been used in the development of this plan. Table 5.4 summarizes the main risks and mitigation strategies and shows responsibility for leadership on the mitigation measures at the department and unit level.

**Table 5.4: Summary of Risks and Mitigation Measures**

Main Risk	Risk Level	Mitigation Measures	Lead
Further reduction in the resource envelope due to poor performance of the economy	High	<ol style="list-style-type: none"> <li>1. Improved management of MFDP appropriations</li> <li>2. Recruit an appropriate mix of high quality talent with smaller staffing envelope</li> </ol>	Deputy Minister for Administration
Technology disaster	Moderate	<ol style="list-style-type: none"> <li>1. System upgrades</li> <li>2. New data center</li> <li>3. Disaster recovery site</li> </ol>	IPFRMP Project Director
Politically-motivated violence	moderate	<ol style="list-style-type: none"> <li>1. Advocate for free, fair, and transparent administration of future elections</li> </ol>	Minister
Changes in EXT leading to implementation delays	Low	<ol style="list-style-type: none"> <li>1. Ensure broad ownership of the strategic plan at all staff levels</li> </ol>	Minister

## SECTION 6 MONITORING AND EVALUATION

Monitoring and evaluation (M&E) in the context of this Strategic Plan will achieve two goals: i) measure and inform on progress towards producing the intended outputs listed in the plan, ii) examine and determine the level of contribution, if any, to the results and outcomes produced under the AfT framework. Therefore, the approach is to avoid as much as possible additional layers of data collection, analysis, and reporting; building instead on the existing M&E framework for the AfT and for reporting against MFDP departmental operational plans.

Annex I provides the results framework. Included are intended outputs, measurable indicators, inputs needed, estimated start and completion dates, and the unit responsible for leadership in production of the outputs. Organized according to departments, this framework will also provide the basis for the Departmental, division, unit, and individual work plans. It will also provide the budget elements (inputs) to be costed, be phased into budget requests, and to form the MTEF basis. Further adaptations to the sets of activities to be implemented and specificity of the timelines are anticipated during the development of the work plans.

Throughout this document, and during the prefatory events, words conveying M&E concepts were used. Some definitions were drawn from the AfT M&E plan. Other common definitions are provided below. Definitions drawn almost *verbatim* from the AfT are as follows:

**Monitoring:** a continuous and systematic process of data collection and analysis implemented to inform managers and key stakeholders on progress in relation to the planned outputs, activities and inputs, as well as the use of allocated resources. Monitoring is structured around measureable indicators, which assess performance at the input, intervention/output or outcome levels. Targets provide the benchmarks against which progress is measured.

**Evaluation:** an assessment of a policy, program, project, or a plan and its direct contribution to the intended goals and objectives. Evaluations determine the relevance, impact, effectiveness, efficiency and sustainability of the results produced and the contributions of implementing entities. Evaluations feed into management and decision-making processes and make essential contributions to managing for results. There are different types of evaluations, such as impact evaluations, value for money audits and public expenditure reviews.<sup>22</sup>

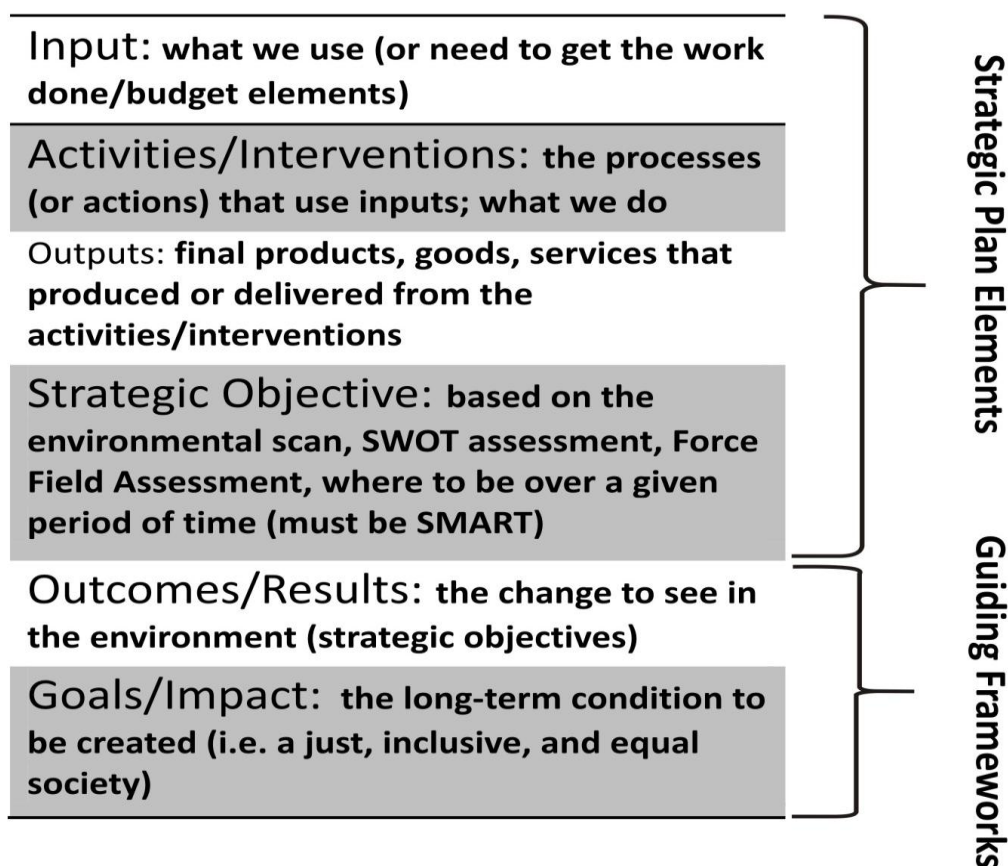
There are also different timings for evaluations-*mid course* and *terminal*. Mid-course evaluations provide an opportunity to review interim progress; review the baselines, assumptions, and logic underpinning the interventions; determine the likelihood and necessity of producing the outputs; and make recommendations on possible adjustments (if any) that can be made going forward. Terminal evaluations consider what has been accomplished during the implementation of the plan, what lessons have been learned, and what elements are replicable and/or scalable in the same and/or in other contexts.

Working (and simplified) definitions used for the guidance of those participating in the development of the results framework are shown in Table 6.1

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<sup>22</sup> GoL, Agenda for Transformation – Final Draft, Dec12

**Table 6.1: Working Definitions of M&E Concepts**



Key challenges and lessons learned from the PRS I and AfT experience also informed the development of this M&E outline. Therefore, all the strategic priorities of the MFDP are linked to pillars of the AfT. This will enable the M&E process to draw evidence from the reports and analyses generated by and through the SWG’s.

Evidence of progress will also be drawn from existing review and performance assessment processes. Table 6.2 provides a list of those reports and assessments and the contents. The list includes internal periodic reports and assessments done by the units of the MFDP, externally-led assessments done by key partners, planned independent assessments that will be performed by consultants, and externally-generate composite index reports.

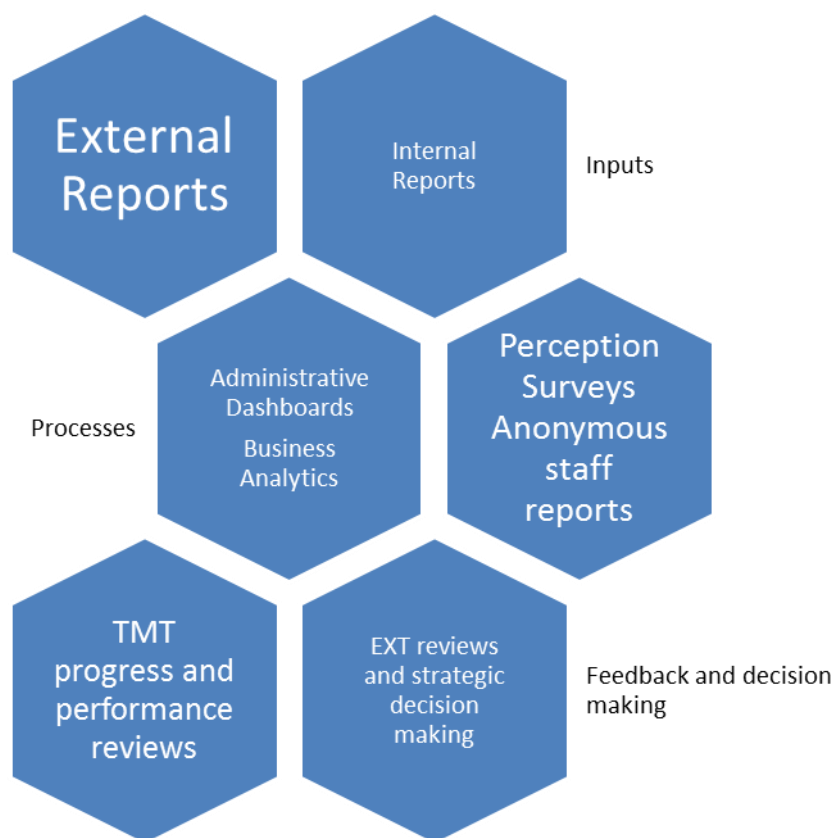
The ICPU will draw largely from these reports to populate and update the administrative dashboards and business analytics templates. In effect, these templates will provide summaries of progress on implementation of the plan; but also on other key variables useful to the TMT and the EXT on the overall performance of key indicators. Furthermore, the IPRU in the Office of the Minister will receive results of perception surveys and anonymous information and recommendation from staff placed in boxes across the MFDP premises.

Figure 6.1 is an illustration of the information building blocks starting with the M&E inputs, processes, and ending with outputs across structures of the MFDP. Presented as alternating hexagonal building blocks, it shows how the MFDP will use available data to inform on progress of the plan and make decisions. Table 6.3 shows the M&E roles and responsibilities.

**Table 6.2 Key Internal/External Reports and Assessment(s)**

<b>Key Report/Assessment(s)</b>	<b>Relevant Content</b>
<b>Internal</b>	
AfT Progress Report (Pillars I, II, IV, V)	Implementation (completion rates) of various projects and resource mobilization
PEFA Self-Assessment	Progress measurements against 30 standard public expenditure and financial accountability indicators
Fiscal Outturn Reports	Progress measurements against fiscal indicators
Annual PFM Performance Report	Progress measurements against 6 key themes
IFMIS Progress Reports	Progress reports on the rollout of integrated financial management
SOE Portfolio Reports	Financial conditions and compliance of SOE
AID Management Reports	Summary of development assistance
Annual Audit Report/Annual Financial Report	PFM compliance and progress against IFRS
Annual Economic Review Report	Analysis of economic performance
Budget Option Paper	Budget policy and execution reviews
Client Perception Survey(proposed)	Perspective of key external clients and staff on the performance of MFDP divisions and units
MFDP Capacity Development Plan Reports	Progress measurements on staff recruitment, retention, and training
Human Resource Records	Staff attendance and absences, leave, participation in training, disciplinary actions, retention and separation
<b>External</b>	
Bertelsmann Stiftung's Transformation Index (BTI)	External measurements of progress on political and economic governance
Index of Economic Freedom	External measurements of progress on various political and economic "freedoms"
Proposed Mid-Term Review of the AfT	Review of baselines, assumptions, and progress towards AfT goals
IPFMRP ISM AM & ML	Progress measurements against 5 components of integrated public financial management reform
Liberia Doing Business Report	WB annual assessment of policy and regulatory environment, measures and tracks changes against 11 areas in the cycle of a business
UNDP Human Development Report	Composite indicators on income, equity, wellbeing

**Figure 6.1: M&E Inputs, Processes, and Outputs**



**Table 6.3: M&E roles and responsibilities**

Level	Main roles/ functions	Composition
<b>1) Top Management Team (TMT)</b>	Define and key performance indicators, review and approve reporting templates for administrative dashboards and business analytics	All Deputy and Assistant Ministers, Office Manager in the Office of the Minister
<b>2) Deputy Ministers</b>	Facilitate the interface between divisions and units and the embedding of the outputs and activities of the strategic plan in the work plan  Coordinate with key external partners-CSA, GAO, IAA, PAC, LBO, GSA, LISGIS, Representatives from CSO's	The Deputy Minister for Fiscal Affairs, the Deputy Minister for Economic Management, the Deputy Minister for Budget and Development Planning, and the Deputy Minister for Administration

<b>Level</b>	<b>Main roles/ functions</b>	<b>Composition</b>
<b>3) Deputy Minister for Administration</b>	Review and approve reporting templates, Dissemination of progress reports on the strategic plan in a timely manner, supervise the key reporting unit(s)	Deputy Minister for Administration (supported by Assistant Minister for Administration and Director ICPU)
<b>4) Assistant Minister(s), Directors/Asst. Directors</b>	Monitor and report on performance at the operational level Supervise all units and staff to ensure timely and efficient production of reports	8 Assistant Ministers (including Comptroller and Accountant General), 30 Directors, 46 Assistant Directors
<b>5) Internal Coordination and Program Unit</b>	Design reporting templates, produce semi-annual administrative dashboards and business analytics to monitor and report on implementation of the plan for TMT, EXT deliberations and informed decision making	Director, Assistant Director
<b>6) Integrity and Professional Responsibility Unit &amp; PFM Reform Unit</b>	Monitors progress on staff attributes and other characteristics, gather perception on the MFDP from staff and various publics Monitors progress on the staff handbook components	Director, Assistant Director

MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

STRATEGIC PLAN  
**2015 – 2018**

**Annex**

February 24, 2015

**Table A1: Results Framework – Office of the Minister, MFDP**

<b>DEPARTMENT LEVEL PRIORITY OBJECTIVE:</b> Project a more positive image that rebrands MFDP while leveraging MFDP’s core ministry position to effect more profound change in the way public service is considered and delivered over the strategic plan period July 1, 2015 to June 30, 2018						
<b>Intended Outputs</b> <i>(What results/tangibles do you want to produce?)</i>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b> <i>(What will you need to undertake the activities?)</i>	<b>Timeline/Responsibility</b>		
				<b>Start date</b>	<b>Target Completion date</b>	<b>Responsible Division/Unit</b>
An improved, effective, and efficient communications think-tank, fully functional and proactively serving as a spokes organ of MFDP in the dissemination of information, programs, policy, and regulations to enhance public engagement by the end of FY2015/16	Enhance information dissemination within MFDP, steeping up response to public allegations and criticisms where necessary and create a proactive posture of the ministry.  A more corporate and service-oriented image of the MFDP projected  Strategic communications policy developed and rolled out	Timely information acquisition and dissemination  Plan, develop and manage ministry identity (Protocol and outreach, conferences, press stakeout and exhibition)  Upgrade and maintain the MFDP’s website  Create and design newsletters, press releases, media advisory, press briefings, video and photo documentaries	Technological internal electronic billboards within MFDP  Staff capacity building  Staff, consumable supplies, publication fees, media-related payments	January 2015	June 2018	DMA/OM
A robust system for action tracking, timely briefing and effective engagement installed and guiding the operations of all MFDP units and departments reporting to the Minister starting in FY 2015/16	Action tracker developed and in use  Ministry-wide awareness and higher national visibility  Finalize and implement special programs and projects-MCC, APR, APRM, NPoA, ECOWAS, NAO	Training, pre-audit disbursements, perceptions survey(s) for monitoring of professional standards and client perception	Staff, consumable supplies, related fees, consultants, technical assistance	July 2015	continuous	OM

**Table A2: Results Framework – Department of Fiscal Affairs, MFD**

<b>DEPARTMENT LEVEL PRIORITY OBJECTIVE:</b> Using a consultative approach, develop and rollout a de-concentrated and fully devolved structure for revenue and tax policy formulation and implementation that is compliant with the PFM and associated laws by the end of the 2016/17 fiscal year						
<b>Intended Outputs</b> <i>(What results/tangibles do you want to produce?)</i>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b> <i>(What will you need to undertake the activities?)</i>	Timeline/Responsibility		
				<b>Start date</b>	<b>Target Completion date</b>	<b>Responsible Division/Unit</b>
Amended revenue code with New and Up-dated Administrative regulations	2018	Stakeholders' consultation, workshops,	Consultants, venues, copies of the code, radio programs, logistics	2015	2018	Revenue & Tax Policy (RTP) Division
Enhanced revenue estimation and forecasting systems, model & tools	2017	Review the current system and identify the gaps; upgrade and migrate, to the new system, training,	Internet access, ICT infrastructure, revenue forecast Consultant,	2015	2017	Revenue & Tax Policy (RTP), Modeling & Forecasting Unit
IFMIS installed and in-use in all M&As	2018	Training, installed all modules, configuration, testing, acquisition of additional licenses,	Computers, printers(technological equipment) licenses, training manuals, venues, networking, infrastructures, consultant	2015	2017	PFM/RCU, Expenditure Division
Fully executed budget on the basis of the cash management framework—  • cash planning & treasury single account;	2018  Annually starting 2016	Consultations (CBL, Commercial Banks, M&As), formulation of the legal framework, Training  Consultation, peer review of system (best practices), clarify roles and responsibilities of cash management and budget ,	ICT platform, Consultants,  Training, travels, logistics, consumable supplies, consultants, etc.	2015  2015	2018  Annually starting 2016	CAG (TS, Financial reporting & reconciliation, CBL, Commercial banks, M&As  Cash Management and Financial Approval Unit/Expenditure Division

<ul style="list-style-type: none"> <li>Establishment of county treasuries as a key component of the fiscal decentralization plan of action</li> </ul>	2018	Consultations, workshops, training, roll-out phases: I-III	Printing & Publications, logistics, travels, radio programs( jingles, outreach activities), venues, best practices, consultant	2015	2019	Fiscal Decentralization Unit, (FDU) CAG office, RCU, RTP, GC, MIA, LRA, and others
	2016	Consultations, workshops, training, etc.	Printing & Publications, logistics, travels, radio programs( jingles, outreach activities), venues, best practices, consultant	2015	2016	Fiscal Decentralization Unit (FDU), RTP, CAG, Expenditure Division, RCU, LRA, MIA, GC
<p>Fully compliant annual financial reports with report on public expenditure tracking published</p> <p>PFM monitoring tool developed</p>	2020	Training, workshops, Public awareness of existing regulation, document management system, study tour	Venue, logistics, printing and publication, office equipment and supplies,	2015	2020	CAG, (financial reporting and reconciliation), expenditure Division, RCU, M&As
	Annually starting 2016	Data collection and research, stakeholders' consultation,	Logistics, travel, workshops, printing & publication, radio program( public awareness)	2015	Annually starting 2016	Expenditure Monitoring Unit
	2016	Research, stakeholders' consultation, peer review,	Logistics, training, travels, workshops, printing & publications, consultant	2015	2016	Financial Regulations, Expenditure Division
Setting up of phase 2 of a web-base voucher tracking system for all line Ministries & Agencies	Tracking of all vouchers online	Transaction will be easily traced by M&As to avoid congestion & and also reduce physical contact between clients & MFDP staff.	Cash for purchase of software, scanner, train staff & a consultant	2015	2017	ASU/CAGM&AS

**Table A3: Results Framework – Department of Economic Management, MFDP**

<b>DEPARTMENT LEVEL PRIORITY OBJECTIVE:</b> Set into place systems for quarterly monitoring and annual reviews of development in the domestic sectors of the economy and the global environment, the domestic investment climate, and price trends to inform new economic modeling and guide fiscal, aid, and monetary policy development beginning 2015						
<b>Intended Outputs</b> <i>(What results/tangibles do you want to produce?)</i>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b> <i>(What will you need to undertake the activities?)</i>	Timeline/Responsibility		
				<b>Start date</b>	<b>Target Completion date</b>	<b>Responsible Division/Unit</b>
Capacity development plan for consistent improvement of skills in data collection, analyses, modelling, and reporting developed and rolled out beginning the 2015/16FY	Undated annually	Develop training package (domestic & external) on economic data collection, analyses, modeling, & reporting	Liaise with capacity development institutions on training needs for staff capacity enhancement; Data on cost of training	January, 2015	December, 2015	EPMFS Division /EPU & MFPU
Robust donor coordination mechanism in place and national leadership provided on external resource use in the context of the new aid policy starting FY2015/16	Operationalized aid policy	Assess practices in other countries  Revise draft Aid Policy in the context of the new MFDP structure  Stakeholders' participation at all stages  Concerted Push and advocacy to approve policy	Study Tour to a relevant country  Consumables Training of Staffs Technical Assistance Regular stakeholders' meeting	FY 2015/16  FY 2015/16  FY 2015/16	FY 2015/16  Annually  FY 2016/17	AMCU  AMCU  Ministers
Publish and distribute annual economic assessment reports starting FY2015/16 to include-- trade analysis reports, financial and non-financial institutions performance assessment reports, Growth Target Review report, ECOWAS Trade Levy (ETL) accession impact assessment report, Liberia's introduction of VAT system impact assessment report, and Liberia's WTO accession impact assessment report	Annual Economic Review Report  Budget Framework Paper (BFP)	Collection and analysis of data from real, fiscal, and monetary sectors to inform in-depth analysis of the economy Publication of report  Collection and analysis of detailed fiscal data (revenue, expenditure, and debt) vis-à-vis global economic trends to assess periodic fiscal performance	Staff Statistical database Logistics (i.e. vehicles, computers, internet facilities, etc.)  Data from relevant institutions and units Statistical software Staff and Logistics	End of October	Mid-March	MFPU  MFPU

	Budget Option Paper	Analyze economic context, priorities and challenges for the forthcoming budget and provide a highlight policy decisions as reflected in draft budget Research and review various policies, budget execution reports, etc. and develop a draft proposal on budget strategy	Data from LRA, DFA, DMU, AMCU, CAG, IFMIS, DOBP, etc.  Data from LRA, DFA/CAG/IFMIS, Budget Department, DMU, AMCU, and others Imports data, customs revenue, prices of goods, etc.	End of October  2 <sup>nd</sup> week in January  1 <sup>st</sup> week in July	December  Last week in December  3 <sup>rd</sup> week in December	EPMFS DIVISION/MFPU  EPMFS DIVISION/EPU  EPMFS DIVISION/EPU
	Assessment report on Liberia's ECOWAS Trade Levy accession	Collect relevant data to analyze the impact of the levy on regional trade, prices, revenue generation, etc.	Imports data, customs revenue, prices of goods, etc.			
	Assessment report on Liberia's accession to the World Trade Organization	Collect data on trends of Liberia exports and imports to determine the volume/value of trade  Oversee the analysis on remittances, international trade and taxes and Balance of Payment position	Trade data  Data on remittances; international trade and investment	Nov 30 of each fiscal year	Jan 30 of succeeding fiscal year	EPMFS DIVISION/EPU
	Assessment Report of Liberia's introduction of VAT System	Collect relevant data to analyze the impact of the levy on regional trade, prices, revenue generation, etc.  Collect data on trends in revenue	Revenue and sales data			
	Updated macroeconomic database	Development of macroeconomic database, regular update to inform growth and other macroeconomic forecasts and frameworks	Logistics (i.e. vehicles, computers, internet access)			EPMFS Division/MFPU

Continue the publication of economic reports, including quarterly fiscal outturn reports, Annual Economic Review (AER) reports, Budget Framework Papers (BFP), Budget Option Papers (BOP), monthly Economic Review briefings.	Fiscal Outturn	Collection and analysis of data from real, fiscal, and monetary sectors to inform in-depth analysis of the economy; Publication of report(s)  Assess periodic fiscal performance; publications; Development of macroeconomic database	Staff, statistical database  Staff, statistical database	5 <sup>TH</sup> of succeeding month	10 <sup>th</sup> of succeeding month	EPMFS Division/MFPU
	Regular trade analysis report	Oversee the analysis on remittances, international trade and taxes and Balance of Payment position	Data on remittances; international trade and investment	5 <sup>th</sup> of succeeding month	28 <sup>th</sup> of succeeding month	EPMFS Division/EPU
	Assessment report on financial and non-financial institutions	Liaise with the CBL through collection of data and other relevant information in relation to banking sector  Liaise with the CBL and the insurance industry to provide relevant	Data and information non-performing loans, assets, liabilities, shareholder equities, of the banking sector  Data and information on insurance premium and data on pension fund(s)	November 30 of the fiscal year	January 30 of the succeeding fiscal year	EPMFS Division/MFPU
	Report on Growth target review	Regular meetings with stakeholders of economic management team	Data on annual GDP, investment, trade, interest rate, inflation, exchange rate, employment and other macro-indicators			
A Common Assessment Framework for budget support operations developed and fully functional and The New Deal Compact developed and endorsed in FY2016/17	Increased aid on budget up to 20 percent	Regular donor portfolio review	Workshops	FY 2015/16	Annually	EPMFS Division/AMU
		Facilitate donor mission	Consumable Supplies	FY 2015/16	Annually	
		Periodic budget support working group meeting	Consumable supplies			
		Regular stakeholders' meetings	Technical Assistance	FY 2015/16	Annually	
A domestic debt market developed and formalized; and a sustainable debt portfolio--that supports GoL's financing needs at the minimum possible cost subject to the acceptable level of risk, created by beginning of FY2017/18	Approved borrowing plan/procedure manual	Conduct Debt Sustainability Analysis (DSA) before any new borrowing and participate in all pre-negotiations for the contraction of debt	Staff Training Customized software Computers	Start of FY 2015/16	Annually	EPMFS DIVISION/DMU
	100% of all borrowing proceeds for investment	Ensure debts are service as and when due by gathering data on revenue and expenditure forecast, and debt service	Data on revenue and expenditure forecast, and debt service requirement			

	<p>purposes consistent with PSIP</p> <p>Secondary market established</p>	<p>requirement</p> <p>Derive borrowing requirements</p> <p>Production of an issuance calendar for Treasury Bills</p> <p>Regular technical working sessions (CBL, Revenue, Cash Management, Division of Economic Policy and Macroeconomic and Financial Policy)</p> <p>Production of Annual Debt bulletin and conduct specific debt audits</p> <p>extend existing maturity of the domestic securities (Treasury Bills &amp; Bonds)</p> <p>Introduce new instruments: 3 – years USD infrastructure bond</p>	<p>Consumable supplies</p> <p>Travels</p> <p>Technical assistance</p>	<p>Start of FY 2015/16</p>	<p>Annually</p>	<p>EPMFS DIVISION/DMU</p>
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**Table A4: Results Framework – Department of Budget and Development Policy, MFD**

<b>DEPARTMENT LEVEL PRIORITY OBJECTIVE:</b> To create a budget framework with the execution matching the appropriations, achieving a minimum of 75% alignment of national priorities with sector development strategies, with all public resources and expenditure reflected on budget and in IFMIS, and with increased public access through published budget information							
<b>Intended Outputs</b> <i>(What results/tangibles do you want to produce?)</i>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b> <i>(What will you need to undertake the activities?)</i>	Timeline/Responsibility			
				<b>Start date</b>	<b>Target Completion date</b>	<b>Responsible Division/Unit</b>	
a fully staffed, equipped, technically trained team built in FY2015/16 and engaging effectively with spending entities, LBO, Legislative Ways, Means & Finance Committees, and development partners	Staffing gaps closed; all 65 posts occupied; staff on board and training completed	Complete recruitment process,	Advertising	FY2014/15	March 2015	DMB	
		Complete training needs assessment and develop training plan and modules	Staff Technical assistance	FY2015/16	Annually	DMB/AMB/Directors	
		Engage LIPA training facilitators	Staff, venue(s)				
	Access to appropriate technology assured	Purchase of IT equipment consistent with specifications	Staff and equipment	FY2014/15	End of FY2015/16	DMB/AMB	
All Legislative proposals supported by recurrent cost and other fiscal analyses required by PFM Law and forming part of the budget formulation process starting FY2016/17	Recurrent cost analyses completed	Conduct financial and economic impact analysis on all relevant laws	Staff and CSOs support	FY2015/16	Annually	AMB	
		Review of budget outturns	Statistical database and software	FY2014/15	Annually	AMB	
		Review of new policies and PSIP projections	Draft legislations	FY2015/16	Annually	AMB/Directors	
		Review of budget policy notes	Funds				
		Conduct routine compliance and budgetary checks on all allotment requests	Access to budget execution/outturn data	FY2015/16	Annually		
Produce standard operating procedures for budget execution	Effective transport and communication services	FY2014/15	FY2015/16				
			PFM Law and regulations				

Budget documents widely and publicly disseminated each year with stakeholders adequately engaged and their views reflected in budget framework beginning FY2016/17	Annual publication of: Draft Budget, BFP, Approved Budget, Citizen's Guide to the Budget, Budget Calendar, Budget Performance Reports	Effective transport and communication services	Printing and publication	FY2014/15	Annually	DMB/AMB
	Stakeholders engagement started	Meetings with all invited participants in attendance	Staff, venue(s)	Fy2015/16	Annually	DMB/AMB
AfT Midterm review completed, findings/recommendations disseminated to LDA Steering Committee, and EVD-induced realignment of sector strategic plans and AfT priorities completed in FY2015/16	AfT review report	Develop TORs	Funding for consultancy, meetings, publication and dissemination of reports etc	January 2015	March 2015	PDCU
	Realigned AfT (2015-2017) implementation matrix  An average annual implementation rate of 10% achieved  Fully developed sector strategic plans for 11 sectors	Hire consultants Reactivate sector and pillar working groups  Organize and convene cabinet retreat Develop realigned AfT (2015-2017) implementation matrix Compile and disseminate reports  Organize and hold SWGs meetings Review budget policy notes Review sector investment plans  Conduct five workshops for spending entities  Review of budget policy notes to ensure issues affecting socially disadvantaged groups are captured  Modify contents of Budget Framework Paper and Budget call circular	Staff Existing strategic plans Existing development plans (AfT/ESRP) Staff/facilitators Venue Stationery/supplies	FY2015/16	Annually	AMB/Directors

In collaboration with LIPA, appropriate training modules developed and training conducted to improve implementation rate of the AfT by 30% and to instigate preparatory work for the next generation national development plan by end of FY2016/17	Key service delivery MACs and 15 county staffs trained	Develop module Identify trainees Ensure the conduct of training	Funding for consultancy  Module development and training facilitation  Local travel and DSAs	Fy2015/16	Annually	DP
Operational and situational analyses of key MACs and county planning and M&E units completed and the Inter-division and sectoral coordination mechanism strengthened to support future development project implementation by end of FY2017/18	Report on MACs baselines and county capacity produced	Develop the TORs for the review and hire consultants  Conduct the review, undertake gap analysis and compile reports	Funding for field assessments, workshops, production of reports	March 2015	December 2015	DP
	Key service delivery MACs and 15 county plans and projects produced	Update county development plan review  Review and map the different specified service delivery MACs sector plans and projects	Funding for travels, workshops, and consultancy.  Funding for printing and dissemination of MACs and county development plans.	FY2015/16	FY2016/17	DP
	An average annual implementation rate of 10% achieved	Develop and maintain a project warehouse/database/registry  Facilitate revision of MACs and counties' plans and projects  Conduct sector and pillar working group meetings  Collect regular sector Monitoring report  Analyze and verify the project implementation reports  Write AfT progress report	Staff, venues, travel	January 2015	June 2017	PDCU

**Table A5: Results Framework – Department of Administration, MFDP**

<b>DEPARTMENT LEVEL PRIORITY OBJECTIVE:</b> Ensure appropriate resourcing of all MFDP departments through sustained staff re-profiling and professional development, optimum and austere utilization of financial resources within the budgetary framework, and proper logistical support and services while championing the implementation of the FY2015 to 2018 strategic plan						
<b>Intended Outputs</b> <i>(What results/tangibles do you want to produce?)</i>	<b>Output Targets</b>	<b>Indicative Activities</b>	<b>Inputs</b> <i>(What will you need to undertake the activities?)</i>	<b>Timeline/Responsibility</b>		
				<b>Start date</b>	<b>Target Completion date</b>	<b>Responsible Division/Unit</b>
a well-organized and centralized recruitment system set into place, a pool of professional and talented employees recruited with on boarding procedures completed, and a Performance-based staff appraisal and reward system developed, adopted, and rolled out across all departments by the end of FY2015/16	Accurate data on all employees and staff of MFDP  Match talents/professional skills to job requirements  Performance-based reward system in place	Provide functional Biometric/Database System to capture recruitment and attendance data  Provide clear job's description & TORs for all vacancies and recruit requisite talents  Design performance management & evaluation system including unit/staff work plan format  develop and publish policy and formats  launch annual recognition and merit reward program	biometric system and database  staff training to manage and service database and biometric system  Minimum needs based training & development opportunities based on needs  Annual & quarterly work plans forms  Performance evaluation forms  Daily attendance records  Venue, consumable supplies for Annual reward programs	January 2015	June 2018	DMA/AMA/DIR/ADR
Systems and protocols to strengthen internal control and capacity to detect and prevent fraud, systemic waste, and abuse—including fixed asset register(s), identification procedures of all MFDP's vehicle and other fixed assets, standardized fleet management, and ICT usage policy installed and fully in use by end of FY2015/16	significant areas of risks identified, risk mitigation measures implemented  Standardized, Uniformed series coated vehicles assigned to all senior staff of MFDP	Complete risk assessment study  Maintaining vehicles uniformity all former MoF and MPEA vehicles, recoding to maintain one plate series and (Tracking,	Staff, consultants  Fleet management and database tracking system, fleet mngt techs.	FY2015/16	FY2015/16	DMA/AMA/DIR/ADR

	Assets and supplies tracking systems installed and in use  ICT usage promoted with policy in place ensuring better performance of related equipment and data security	maintenance, repairs, packing, routing, transfer, usage and disposal of un-useful vehicles via GSA)  Conduct fixed asset inventory count  Set up, account, and maintain records of inventory movement  Develop policy, upgrade antivirus, creation of staff email accounts and provide access to intranet; track and monitor system usage	Staff, consumable supplies, inventory mngt.software	FY2015/16	FY2016/17	DMA/AMA/DIR/ADR
A healthy and sanitized work environment with access control system to regulate movement of customers, employees, and visitors at MFDP installed by end of FY2015/16	Clean, healthy, professional work environment provided	Conduct daily routine inspection of all units and floors to ensure that the building is in a clean condition at all times.  Maintain constant supply of electricity, water (bathrooms) and the running of elevators.  Install and maintain CCTV and access pass systems	Janitorial materials and supplies, staff,  diesel fuel, water  CCTV equipment, staff training, electronic scanners, uniforms, ID badges	FY2015/16	continuous	DMA/AMA/DIR/ADR
Enhanced, transparent, and well-organized business and workflow processes designed, documented, and implemented across all MFDP departments starting FY2016/17	Improved financial management system installed and in use  Best value in procurement ensured	Review policy documents of all departments of MFDP/GOL and develop annual audit programs  Develop a procurement and asset replacement master plan	Staff, centralized resource for printing, photocopying, data storage, and archiving  PPPC Approved procurement plan	FY2015/16	FY2015/16	DMA/AMA/DIR/ADR
Systems, forms, and formats to track and periodically report in real time on all MFDP's projects, programs, and activities in the context of the strategic plan--using installed IT platform/portal by the end of FY2017/18	Reporting forms formats developed and in use  Easy access to all unit activities for internal coordination	Develop forms and formats  Install ICT platform  Train staff	Consultant, final strategic plan document, IT equipment installed, training modules, staff training	FY2015/16	FY/2018	DMA/AMA/DIR/ADR