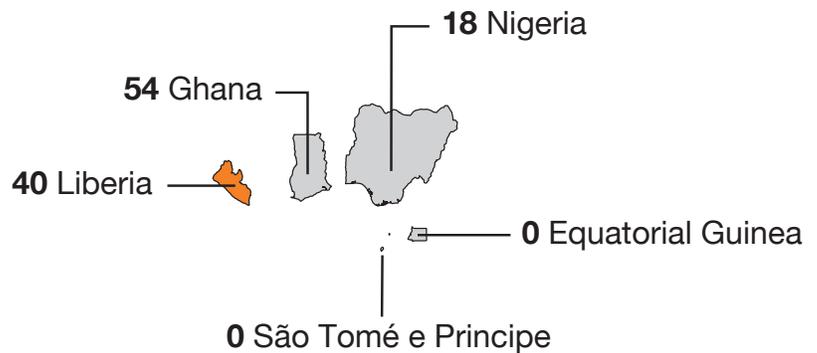
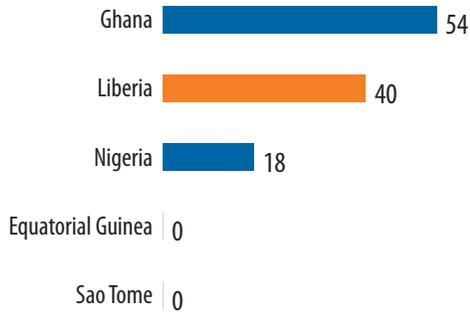


Overall score: 40 (Out of 100) Provides minimal information to the public in its budget documents during the year.

How Does Liberia Compare to Its Neighbors?



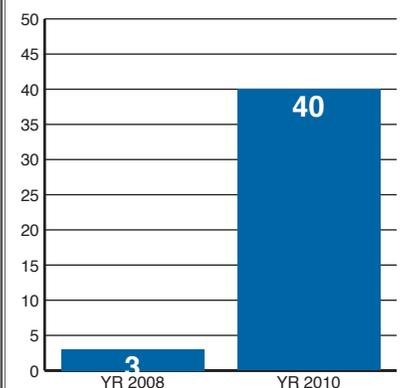
Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index (OBI).

Liberia's OBI 2010 score is 40 out of 100, slightly less than the average score (42) for the 94 countries surveyed. Liberia's score indicates that the government provides the public with minimal information on the central government's budget and financial activities assessed by the survey. This makes it difficult for citizens to hold the government accountable for its management of the public's money.

The amount of budget information provided in Liberia increased dramatically between 2008 and 2010. Its OBI score rose from 3 to 40, largely because the government began publishing the Executive Budget Proposal, and In-Year, Mid-Year and Audit Reports.

OBI Scores Over Two Surveys



Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Produced, Not Published
Executive's Budget Proposal	D	Published
Enacted Budget	E	Produced, Not Published
Citizens Budget	E	Not Produced
In-Year Reports	A	Published
Mid-Year Review	A	Published
Year-End Report	D	Published
Audit Report	D	Published

* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. Liberia publishes an Executive Budget Proposal, but it is far from comprehensive. Major gaps in information are found in the following areas:

- It does not present disaggregated data on expenditures and revenues for multi-year periods, i.e., information on the prior year's budget and information on anticipated future year expenditures. Prior-year data are important because they provide a benchmark against which budget proposals can be assessed, while long-term spending projections can yield insights into the feasibility and sustainability of future budget proposals. In addition, the document does not include data that support revenue estimates, and expenditure projections are made with little regard to actual expenditures in prior years. Lastly, certain revenue streams, particularly from state-owned enterprises, are omitted from revenue projections without explanation.
- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent and future liabilities, and financial and other assets. Absent this information, the public does not know the government's complete fiscal position.
- It lacks information on outputs and outcomes. This information is important for those who are interested in monitoring the budget's impact.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. While the Pre-Budget Statement is produced for internal purposes in Liberia, it is not made public.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. Liberia does not publish an Enacted Budget in a timely manner.

OPEN BUDGET SURVEY 2010

Liberia

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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A **Citizens Budget** is a nontechnical presentation of a government’s budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government’s plans. Liberia does not produce a Citizens Budget.

In-Year Reports provide a snapshot of the budget’s effects during the budget year. They allow for comparisons with the enacted budget figures and thus can facilitate adjustments. Liberia publishes comprehensive In-Year Reports.

A **Mid-Year Review** provides a comprehensive overview of the budget’s effects at the mid-point of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Liberia publishes a comprehensive Mid-Year Review.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating adjustments for upcoming budget years. Liberia publishes a Year-End Report, but it is far from comprehensive. It does not, for example, explain the difference between the original estimates of non-financial data and the original performance indicators, and the actual outcomes.

An **Audit Report** is an evaluation of the government’s accounts by the country’s supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government’s bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Liberia publishes an Audit Report, but it is far from being comprehensive. It does not, for example, include audits of extra-budgetary funds.

Public Participation and Institutions of Accountability

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Liberia’s budget process can be made more open. These include ensuring the existence of a strong legislature and SAI that provide effective budget oversight, and providing greater opportunities for public engagement in the budget process.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Moderate
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, budget oversight provided by Liberia's legislature is inadequate because the legislature:

1. does not have sufficient time to discuss and approve a budget;
2. lacks sufficient resources (there is, for instance, no legislative budget office or trained support staff to assist legislators in budget analysis); and
3. does not hold sufficiently open budget discussions in which the public can testify or allow the public to be present during legislative hearings where the executive testifies on its proposed budget.

According to the Open Budget Survey 2010, budget oversight provided by Liberia's SAI is inadequately strong because it does not:

1. sufficient resources to meaningfully exercise its mandate;
2. have proper channels of communication with the public; and
3. issue reports on the follow-up steps taken by the executive to address audit recommendations.

Recommendations

Liberia should:

- increase the comprehensiveness of the Executive's Budget Proposal, Audit Report, and Year-End Report;
- publish the Pre-Budget Statement and the Enacted Budget in a timely fashion on the government's website;
- produce and publish a Citizens Budgets;
- provide opportunities for the public to testify at legislative hearings on the budget; and
- increase the powers of the legislature and SAI to provide more comprehensive oversight of the budget.