Table 1. Liberia Summary Assessment

Phase / Institution			Institutional Strength	Effectiveness	Rec.
A. Planning	1	**Fiscal rules**	**Medium:** The GoL has announced policy objectives on debt and borrowing, but there are no permanent fiscal rules.	**Medium:** Overall fiscal discipline is effective, but with limited protection (targets) for development spending.	
	2	**National and sectoral planning**	**Good:** The system of national and sectoral planning is well developed. Development projects are costed and plans include measurable targets for outputs/outcomes.	**Improving:** Planning processes for externally financed projects and domestically financed project (PSIP) exist but are not well integrated.	
	3	**Central-local coordination**	**Medium:** Counties are not allowed to borrow, but receive Country Development Fund (CDF) and Social Development Fund (SDF) transfers for development spending.	**Low:** There is no monitoring of capital spending, and poor execution of projects which account for under one percent of GDP.	
	4	**Public-private partnerships**	**Low:** There is no legal basis or approved policy guidelines for PPPs, which are currenly managed as government concessions.	**Low:** No PPPs have so far been implemented, but some are under consideration, creating potential fiscal risks.	2
	5	**Regulation of infrastructure companies**	**Low:** The legal basis for SOEs is weak, and the MFDP has limited powers of financial oversight.	**Medium:** The markets in telecoms is liberalized, and an electricity regulator is being established. SOEs investment represents only 1.4 percent of GDP	2
B. Allocation	6	**Multi-year budgeting**	**Low:** The MTEF includes three-year projections but these represent neither ceilings nor floors on investment and do not include all projects or full life cycle costs.	**Low:** MTEF projections are not accurate and have limited coverage; some 60 percent of externally financed projects is excluded.	
	7	**Budget comprehensiveness**	**Medium:** Most projects are externally financed and off-budget; some documentation is provided in the budget and the legislature approves all loans.	**Low:** Externally financed projects shown in the budget are not broken down by M&As, and the data are difficult to compare with spending on PSIP projects.	
	8	**Budget unity**	**Medium:** Recurrent and domestic development budgets are prepared and presented together, but the classification of spending is not in line with international standards.	**Medium:** Many PSIP projects have little or no capital component (e.g., training projects), and about half of the PSIP is described as contingent.	3
	9	**Project appraisal**	**Medium:** Externally financed projects are subject to systematic appraisal by the donors; some M&As have also developed good procedures to appraise PSIP projects.	**Medium:** Donor projects are well appraised. PSIP projects are generally small (less than $500,000 USD), and may not require a full appraisal.	
	10	**Project selection**	**Medium:** Most projects are externally financed and in the absence of a pipeline and central review process, the selection of projects is largely donor-led.	**Low:** Some donor-funded projects proceed which are not GoL priorities; decisions on National Priority Projects are often taken in a non-transparent way.	1
C. Implementation	11	**Protection of investment**	**Medium:** Outlays are appropriated on an annual basis; the MFDP can reallocate funds among projects; and carryover for 90 days is allowed to pay outstanding commitments. Externally funded projects are governed by their project agreements.	**Medium:** Sufficient appropriations are given to domestic projects, but are under-executed by around 70 percent due to shortage of funds. Multi-year appropriations are not permitted.	
	12	**Availability of funding**	**Low:** Funds for PSIP projects are often released late because of delays in budget approval, and application of cash rationing through the allotment system.	**Low:** Allotments for PSIP projects have been on average one-third lower than appropriations with knock-on effects on execution rates.	4
	13	**Transparency of execution**	**Medium:** For domestically-financed projects, there has been significant progress in ensuring compliance with the procurement regulatory framework.	**Low:** There is limited monitoring of projects, and few ex posts audits by the GAC. PDU monitors National Priority Projects.	
	14	**Project management**	**Improving:** Some M&As apply high standards of project management and oversight, using professionally qualified staff. Externally financed projects are well managed by donors.	**Medium:** Management practices in some M&As focus largely on financial compliance. External audit reports reveal poor compliance with procurement regulations.	5
	15	**Accounting for public assets**	**Medium:** The GoL prepares an inventory of selected capital assets (e.g., government vehicles), but there is no comprehensive register of government-owned assets.	**Low:** There is no comprehensive inventory of government-owned financial assets	