



INTERNATIONAL MONETARY FUND

EXTERNAL
RELATIONS
DEPARTMENT

Press Release No. 06/150
FOR IMMEDIATE RELEASE
July 11, 2006

International Monetary Fund
Washington, D.C. 20431 USA

IMF Resident Representative Comments on the Liberia Draft National Budget for Fiscal Year 2006/07

The following statement was issued today in Monrovia by Mr. Michael Tharkur, the International Monetary Fund Resident Representative to Liberia:

“I welcome the submission of a budget for Fiscal Year 2006/07 to the National Legislature and hope that it can be approved quickly. Timely approval of the budget is important for providing clarity to ministries on their resource envelopes and the continued strengthening of the fiscal policy framework in Liberia.

“The draft budget is a cash-based, balanced budget, consistent with the government's macroeconomic framework. Proper functioning of the existing commitment control system, which is intended to ensure that expenditures remain in line with actual revenues, will be critical to building credibility in budget implementation. The revenue projections in the proposed budget, while ambitious, are achievable. However, given uncertainty about government revenues in Liberia it is important that the government's expenditure plans are fully prioritized to ensure that appropriate adjustments to expenditures can be made, should the need arise.

“The government's plan to introduce legislation to restrict the power of the executive from making changes in the approved budget ceilings without the consent of the legislature is welcome, as is legislation to merge the Bureau of the Budget and the Bureau of Maritime Affairs into the Ministry of Finance. These measures are important to help further strengthen public financial management, and the effective coordination of budget implementation.

“The IMF supports the government's commitment to establishing a strong track record of policy reforms under the staff-monitored program (SMP). This will be important for achieving the goal of sustained growth and poverty reduction. A key element will continue to be the ability of the government to formulate and execute a credible and transparent budget that can engender confidence for eventual direct donor budget support and debt relief.”