



## 1. Project Data

**Project ID**  
P165000

**Project Name**  
LR: PFM RIS328425

**Country**  
Liberia

**Practice Area(Lead)**  
Governance

**L/C/TF Number(s)**  
IDA-D5060, IDA-V1080, TF-B3178, TF-B8901

**Closing Date (Original)**  
31-Oct-2024

**Total Project Cost (USD)**  
25,353,108.56

**Bank Approval Date**  
16-Jul-2019

**Closing Date (Actual)**  
31-Oct-2024

	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	19,000,000.00	6,697,509.00
Revised Commitment	25,697,509.00	6,255,215.36
Actual	25,353,108.56	6,255,215.36

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## 2. Project Objectives and Components

### a. Objectives

The stated Project Development Objective (PDO) was "to improve domestic revenue mobilization systems and strengthen financial control and accountability in public finances" (Financing Agreement, Schedule 1, p. 4; Project Appraisal Document (PAD), p. 6). For purposes of this Implementation Completion and Results

Report (ICR) Review, the PDO is parsed into three objectives:



- PDO#1: To improve domestic revenue mobilization (DRM) systems
- PDO#2: To strengthen financial control in public finances
- PDO#3: To strengthen accountability in public finances

**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

The project contained five components. It used disbursement-linked indicators (DLIs) to incentivize sector public financial management (PFM) performance.

**Component 1: Enhancing DRM Sources and System (Approved US\$7.79 million; Actual US\$6.41 million).** The objective of this component was to increase revenue collection and improve taxpayer compliance, including by laying the analytical and legal groundwork for the introduction of a value-added tax (VAT) to replace the general sales tax (GST). Component 1 had two subcomponents:

**Subcomponent 1.1 Strengthening tax policy capacity:** Planned activities included financing analytical studies and stakeholder validation workshops for the VAT White Paper, the VAT Law, and the VAT Migration Paper; delivering technical, management, and peer learning programs to build tax policy analysis capabilities within the Ministry of Finance and Development Planning's (MFDP) Revenue and Tax Policy Division (RTPD) and the Liberia Revenue Authority (LRA); and equipping the RTPD with essential information and communication technology (ICT) infrastructure and office equipment.

**Subcomponent 1.2 Capacity development and strengthening the technical basis of tax administration:** Planned activities included reviewing internal processes and preparing user requirements and bidding documentation for the Integrated Tax Administration System (ITAS); upgrading tax business offices; rolling out Automated System for Customs Data (ASYCUDA) to approximately five customs points; providing training to LRA staff and taxpayers on VAT operations; improving interfaces between tax/customs systems and the Integrated Financial Management Information System (IFMIS); conducting diagnostic assessments of tax administration; upgrading hardware and local/wide area networks connectivity; procuring technical assistance to stabilize the existing Standard Integrated Government Tax Administration System (SIGTAS) platform during the transition; supporting the implementation of a modern ITAS (ITAS/LITAS – Liberia's ITAS); and developing a payment gateway to improve revenue collection through IFMIS.

There was under disbursement for subcomponent 1.2, which disbursed about US\$5.80 million against the planned US\$6.99 million. The key reason for under disbursement in subcomponent 1.2 was that some of the integration and connectivity tasks originally envisaged—especially the full interfacing of LITAS with IFMIS, the Central Bank, and e-GP—were not completed before closing and were deferred to the follow-on GREAT project (Governance Reform and Accountability Transformation Project, US\$30 million, 2024-2030, P177478) (ICR, pp. 7-8). The ICR states that this under disbursement was offset by over disbursement on



the core ITAS/LITAS contract (also under subcomponent 1.2), which cost about US\$5.33 million versus an estimate of US\$4.62 million.

**Component 2: Stabilizing and Strengthening Performance of Financial Controls and Systems (Approved US\$5.32 million; Actual US\$4.46 million).** The component's activities aimed to enhance IFMIS coverage and functionality across ministries, agencies, and commissions (MACs), support the budget module, prepare e-procurement, and expand open data. The component had four subcomponents:

**Subcomponent 2.1 IFMIS improvement and rollout support:** Planned activities included developing an IFMIS strategy (including rollout of the Civil Service Module); conducting a study tour to countries using FreeBalance Version 7.0; expanding IFMIS functionalities (budget, asset, and cash management); establishing a help desk, integrating IFMIS with other systems (ASYCUDA; ITAS; the Analytical, Investment, and Monitoring System; and the Central Bank for Electronic Funds Transfer [EFT]); promoting IFMIS connectivity, supporting disaster recovery and migration to the National Data Center, and initiating the rollout of the Electronic Document Management System (EDMS).

**Subcomponent 2.2 Enhancing the budget framework:** Planned activities included training a core group of Budget Department staff on the new medium-term expenditure framework (MTEF) implementation strategy, updating the MTEF manual to incorporate gender dimensions, and supporting the rollout of gender-responsive planning and budgeting.

**Subcomponent 2.3 Preparing for modernization of procurement systems in the public sector:** Planned activities included reviewing and redesigning procurement processes, proposing amendments to the Public Procurement Act, and developing a roadmap for integrated e-procurement. Public awareness campaigns were also planned to accompany the reform process.

**Subcomponent 2.4 Open data:** Planned activities included digitizing and releasing high-value datasets, establishing an up-to-date online data inventory for key ministries and agencies, and developing a central open data portal. This subcomponent also aimed to improve data literacy among government officials and the public and to establish an inter-ministerial Open Data Council to coordinate and advance the national open data agenda.

The IFMIS improvement and rollout subcomponent 2.1 disbursed most of its allocation (US\$3.27 million versus US\$3.73 million planned), and the budget/MTEF work was almost fully disbursed (US\$0.47 million vs. US\$0.50 million planned). The disbursement shortfall was in subcomponent 2.4, which disbursed only US\$0.07 million of the US\$0.30 million allocation because several planned data portal and inter-ministerial coordination activities were not completed before closing; and subcomponent 2.3, which spent US\$0.64 million versus US\$0.79 million planned.

**Component 3: Improving Public Sector Capacity for Enhanced Oversight and Accountability (Approved US\$3.02 million; Actual US\$2.74 million).** This component aimed to address critical weaknesses in Liberia's accountability institutions, where internal and external audit functions, legislative oversight, and opportunities for civil society participation were underdeveloped and often ineffective. This was to be achieved through: (a) implementing the Internal Audit Agency (IAA) Act; (b) using computer-assisted auditing techniques; (c) strengthening the role of the legislature across the budget process; (d) supporting communities to conduct social audits in the health and education sectors; (e) supporting dissemination of citizens' budgets, developed by the Budget Policy and Coordination Unit; (f)



institutionalizing citizens' participation in annual budget discussions; and (g) building the capacity and professionalism of the civil service. The component consisted of two sub-components:

**Subcomponent 3.1 Improving Parliamentary, internal, and external oversight effectiveness:** Planned activities under internal audit included a post-implementation review of the government's audit and risk management software; the development of a capacity strategy for the IAA; the establishment of risk registers and issuance of IAA manuals across MACs; rollout support for internal audit regulations; professionalization through targeted certifications and information technology audit training (including computer-assisted audit techniques); training for directors; and support to roll out a civil service module (CSM).

**Subcomponent 3.2 Institutional capacity building:** Planned activities included financing the next Public Expenditure and Financial Accountability (PEFA) assessment and establishing a government-wide system to monitor the status of PFM reforms; updating the PFM Reform Strategy and Action Plan (2021–2024) based on PEFA findings; technical support to restore the core mandate of the Reform Coordination Unit (RCU); and transitioning a Master of Business Administration (MBA) in Public Finance program from the MFDP's Financial Management Training School to the University of Liberia by establishing a graduate resource center and upgraded teaching facilities, providing technical assistance to strengthen syllabi, and covering fees and tuition for ten MAC accountants to qualify as professional accountants. The transition was motivated by the need to institutionalize PFM training in a national university and help create a domestic pipeline of qualified PFM/accounting staff for MACs.

Most of the activities under Subcomponent 3.1 were substantially implemented and absorbed most of their allocation. The disbursement shortfall was in subcomponent 3.2, where some items (full operationalization of the PFM Reform Coordination Unit, follow-up to the 2021 PEFA, and the full transition of the MBA in Public Finance to the University of Liberia) were only partly completed before closing and plan to continue under the follow-on GREAT project.

**Component 4: Improving Upstream and Downstream PFM Systems in Selected Sectors (Approved US\$4.30 million; Actual US\$3.14 million).** The component aimed to strengthen PFM systems across the full expenditure chain. It had two sub-components:

**Subcomponent 4.1 Strengthening foundations for improved PFM systems in the health and education sectors:** Planned activities included technical and financial support to the MFDP to conduct high-level Public Expenditure Tracking Surveys in health and education and to ensure systematic application of the findings to raise efficiency and effectiveness; and rationalization and automation of personnel action processes within the civil service, piloting automated workflow in the ministries of education, health, and finance before rolling it out to other MACs.

**Subcomponent 4.2 Improving PFM systems in the health and education sectors:** Government actions tied to annual DLI targets were to include enhancing coordination among Ministry of Health (MoH) departments in planning and budgeting; improving the timeliness of quarterly financial reporting by MoH; digitizing and consolidating all Ministry of Education (MoE) personnel records into a single database; and validating and cleaning MoE personnel data through county and district education officers to reconcile personnel and payroll. Stakeholder consultations had identified payroll management as the principal PFM bottleneck in education, and the design explicitly complemented payroll-focused interventions under the Global Partnership for Education (GPE) program.



The disbursement shortfall was in subcomponent 4.2, which disbursed US\$2.71 million versus US\$4.00 million planned, mainly because several DLI-linked sector PFM actions in health and education were achieved more slowly than envisaged (especially full rollout of the MoE personnel database/payroll reconciliation and timely MoH quarterly financial reporting), and thus not all DLI-related expenditures were made before closing. The upstream TA and systems work in subcomponent 4.1 over-disbursed (US\$0.43 million versus US\$0.30 million) because the personnel action and process automation work cost more than initially budgeted.

**Component 5: Project Management (Approved US\$2.50 million; Actual US\$2.36 million).** This component was to finance day-to-day project management. It was designed to ensure the effective, proper management and results-driven implementation of the project and to provide just-in-time interventions. Some planned just-in-time activities were not required, leading to a lower than planned disbursement.

#### e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

**Project Cost.** At appraisal (approval on July 16, 2019), the total estimated project cost was US\$19.00 million, financed as an International Development Association (IDA) Grant. During implementation, the project received two World Bank (WB)-administered, recipient-executed trust fund additions: TF-B3178 (US\$1.99 million, provided by Sweden, and approved July 31, 2020) and TF-B8901 (US\$4.71 million, provided by the European Union, approved September 9, 2022), bringing total planned financing to US\$25.70 million. Actual disbursement at closure was US\$25.35 million.

**Financing.** There was no counterpart financing.

**Dates.** The project was approved on July 16, 2019, the Financing Agreement was signed on August 28, 2019, and the grant became effective on September 15, 2019. A Mid-Term Review was conducted on September 10, 2021. The operation closed as originally planned, on October 31, 2024.

### 3. Relevance of Objectives

#### Rationale

**Country Context:** At the time of appraisal in 2019, political stability had improved following a peaceful transfer of power in 2017, yet the country remained classified as an FCS (Fragile and Conflict-Affected Situation) throughout project preparation and implementation (PAD, p. 10). Previous conflict and shocks had eroded institutional capacity, exacerbated fiscal fragility, and undermined service delivery and poverty reduction (PAD, pp. 1–2). Liberia's macroeconomic outlook was precarious, with low growth, double-digit inflation due to the depreciation of the Liberian dollar, and a deteriorating fiscal situation, constraining the government's ability to fund basic services. Human capital outcomes were among the weakest globally with Liberia ranking 153rd of 157 countries on the Human Capital Index; a child born in Liberia was expected to be only 32 percent as productive as they could have been with full health and education. According to the 2016 Household Income and Expenditure Survey (WB), 50.9 percent of households lived below the poverty line (national poverty headcount), rural poverty stood at 71.6 percent and urban poverty at 31.5 percent (PAD, p. 2).



**Previous Sector Context and Experience:** PFM reforms had achieved some gains, most notably under the multi-donor Integrated Public Financial Management Reform Project (IPFMRP, P127319, US\$31.85 million, 2011-2017), including configuration and rollout of IFMIS to 50 MACs, and the establishment of internal audit functions across 53 MACs, indicating that core PFM systems were in place in about half of government MACs at the time of appraisal (PAD, pp. 2 and 10; ICR, Annex 1). However, core weaknesses persisted in budget realism, multi-year fiscal planning, transparency, and internal control. The 2016 PEFA recorded low scores in stock/monitoring of arrears, orderliness of the budget process, multi-year fiscal perspective, and timeliness/orderliness of reconciliation, and the 2019–2020 PEFA maintained an overall C with a slight deterioration at disaggregated levels (PAD, pp. 3–4). Against this backdrop of deteriorating macro-fiscal performance, institutional fragility, and mounting fiscal pressures, strengthening PFM and DRM systems was essential to restore fiscal discipline and transparency, rebuild trust in public institutions, and improve service delivery, especially in health and education (PAD, pp. 4–5). Accordingly, the project targeted core PFM weaknesses—an outdated, design and limited coverage of IFMIS, fragmented digital infrastructure, and weaknesses in budget formulation and execution. It simultaneously strengthened accountability institutions by bolstering internal and external audit, enhancing legislative oversight, and expanding channels for civil society engagement, addressing issues such as the high non-implementation rate of IAA recommendations, GAC audit backlogs, limited PAC follow-up capacity, and restricted public access to budget information. In the health and education sectors, the project addressed fragmentation between sector plans, budgeting processes, and payroll controls, which had significantly undermined service delivery. Overall, the project supported better planning–budget integration, strengthened payroll controls, and closer alignment with complementary reforms, including those backed by the GPE.

**Alignment with the Government’s Reform Agenda:** The operation was aligned with the government’s PFM Reform Strategy and Action Plan 2017–2020, which emphasized enhanced fiscal reporting, internal/external audit, and budget credibility, and with the Pro-Poor Agenda for Prosperity and Development (PAPD) 2018–2023, which prioritized inclusive growth, transparency, and effective service delivery (PAD, pp. 4–5). Although the VAT work (analytical work, and preparation to move from GST to a broader-based VAT) and the gender-related activities (updating the MTEF/budget manuals to integrate gender, supporting the GRPB coordination unit, and collecting sex-disaggregated data in education, health, and agriculture) are not prominently articulated in the government’s reform documents or the CPF, they can be situated within the project’s logic. The VAT work under Component 1 was intended to expand Liberia’s DRM systems and therefore fits under PDO 1, while also supporting the PAPD objective of creating fiscal space. The gender-related activities under Component 2, on the other hand, were aimed at improving the content, transparency, and inclusiveness of budget processes and can thus reasonably be placed under PDO 3 on strengthening accountability in public finances.

**Alignment with Country Partnership Framework (CPF):** The project aligned with the WBG Country Partnership Framework for FY2019–FY2024 (Report No. 130753-LR), particularly: Policy Area 1 (“Building the capabilities of institutions to govern and manage public finances”), Policy Area 3 (“Strengthening human capital”), and Policy Area 4 (“Supporting economic diversification and enhancing resilience”). It advanced CPF Objective 1—greater transparency, accountability, and efficiency in public institutions—by enhancing IFMIS functionality, strengthening internal/external oversight, and improving payroll integrity in health and education. Under Policy Area 3, the project targeted sector-specific PFM bottlenecks so that funds would reach and be used at facilities as intended, e.g., improved payroll and controls (to eliminate ghost workers), better financial reporting and inventory/records in health, strengthened human resources/payroll management and compliance in education, and more timely cash releases and expenditure tracking. Tax policy/administration and e-procurement reforms aimed to expand fiscal revenues and improve the



efficiency and effectiveness of public service delivery reinforced by stronger internal accountability and social accountability mechanisms.

**Complementarity with other Donor Programs:** The design complemented parallel partner support (African Development Bank [AfDB], European Union, Sweden, United States Agency for International Development [USAID]). While other partners financed IFMIS hardware upgrades, macro-fiscal work, and natural resource transparency, this project emphasized institutional reforms in internal audit, legislative scrutiny, citizen engagement, and non-extractive DRM (PAD, p. 5). The project was situated within the WB’s long-running PFM engagement in Liberia. It explicitly complemented AfDB’s IPFMRP Phase II (2017–2023) and—together with that operation—built on the implementation arrangements and achievements of the earlier multi-donor IPFMRP (P127319). This continuity allowed the government and the WB to carry forward key lessons, notably establishing a dedicated Project Management Unit (PMU) in MFDP and mobilizing parallel trust fund support for grant financing. In this context, the PDO was appropriately calibrated for Liberia’s low-digitalization, low-activity environment, targeting improvements in DRM/PFM systems (not revenue levels themselves).

Overall, the relevance of objectives is rated High. Given the tight macro-fiscal conditions, persistent PFM weaknesses identified by PEFA, and the CPF’s emphasis on accountable governance, the PDO was appropriately aligned with Liberia’s needs and WB strategy.

## Rating

High

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

#### Objective

Improve DRM systems

#### Rationale

A formal theory of change (ToC) was not included in the PAD, as this was not a requirement at the time of appraisal (2019). Instead, the PAD included a detailed results chain and narrative explaining the expected causal pathways (PAD, pp. 28-30). The ICR reconstructs a ToC.

At appraisal, Liberia’s DRM was constrained by outdated manual tax systems, low compliance, weak enforcement, fragmented ICT infrastructure, and limited staff capacity at the LRA (PAD, p. 8). The project was designed to address these constraints through (i) the institutional modernization of the Domestic Tax Department and audit functions, (ii) the introduction and rollout of the LITAS (including e-filing and an e-payment gateway) to replace the outdated SIGTAS platform; (iii) capacity development for LRA staff including training of staff in audit, valuation, and taxpayer services; and (iv) taxpayer training. As the PAD notes, the project was to develop and implement a **new** LITAS, stabilize the existing SIGTAS during the transition, and create a payment gateway linked to IFMIS **to facilitate revenue collection, accounting, and reporting to**



**the central government through IFMIS (PAD, p. 10).** The causal logic, later restated in the ICR, was that once modern, automated tools were in place and existing LRA staff had been trained to use them, compliance costs would fall, taxpayer uptake of digital services would increase, tax evasion would decline, and domestic revenues would improve as a share of GDP over time.

Given Liberia's classification as FCS at appraisal, the ToC embedded FCS Design and Risk Reduction (DRR) elements to account for the country's political and institutional vulnerabilities. These included a phased system deployment to reduce implementation risks, the stabilization of existing platforms such as SIGTAS and IFMIS to maintain continuity, and capacity-building efforts tailored to low-capacity environments, including train-the-trainer models and modular rollouts. Furthermore, citizen engagement mechanisms, such as the Fiscal Transparency Advisory Group (FTAG), and strengthened audit follow-up by GAC and IAA (see further discussion under Objective 3), were designed to build trust in public institutions.

Core assumptions underlying the ToC included (a) operational availability and uptake of online services and (b) adequate ICT/connectivity and staff skills within the LRA to use new tools. However, these assumptions proved only partly valid. While e-filing for large and medium taxpayers exceeded targets, broader institutional uptake was limited. Several IFMIS modules, including Budget, CSM, and Donor Fund Project (DFP), remained under- or non-utilized, despite being technically ready and supported by training. This was largely due to weak leadership ownership, limited stakeholder buy-in, and uneven capacity and connectivity across institutions. In retrospect, one shortcoming of the ToC was that it overemphasized system deployment as a driver of change, while underestimating the behavioral, institutional, and political conditions necessary to ensure actual and sustained use (ICR, pp. 10, 21).

## **Outputs**

**System expansion:** By closure, several advanced LITAS modules (compliance risk management, audit, refund, forecasting, and business intelligence) were under rollout.

**System integration:** LITAS was interfaced with the National Identification Registry System, the Liberia Immigration Service Resident Permit System, and the Ministry of Transport Vehicle Registration System (pending go-live decisions).

**Capacity building:** 109 LRA staff and 5,425 prospective taxpayers were trained, including through a train-the-trainers model.

**VAT policy groundwork:** The Revenue and Tax Policy Division of MFDP prepared a VAT legislative framework, supported by analytical studies, workshops, training, and ICT equipment. This work informed the new VAT Law and by-laws adopted in April 2024 (expected to come into effect in 2026). The project also supported VAT awareness activities with CSOs and business stakeholders, as well as the design of a government communications campaign to be rolled out in 2025.

**Customs modernization:** The project financed an upgrade of the Customs Management System to ASYCUDA World version 4.3, with rollout to five Customs offices (the international airport and four ports). Starlink was installed at key locations to ensure reliable connectivity. Active use of ASYCUDA was supported through user account creation and training.

## **Intermediate Results**



According to Annex 1 of the ICR, this objective's single Intermediate Results Indicator was achieved. Other intermediate results (without formal targets) reported in the ICR are listed here but not numbered:

- **IRI 1.1:** Online LITAS filing services available. Baseline (2018): No. Target (2024): Yes. Actual (2024): Yes. LITAS was successfully developed and piloted by September 2022, allowing sufficient time for rollout, socialization, and user onboarding. The system replaced the outdated SIGTAS platform and introduced online services for taxpayer registration, filing, and payment. The LRA operationalized electronic filing under the LITAS platform, making e-filing available to large and medium taxpayers. **(IRI 1.1: Achieved)**
- Adoption and usage: By project completion, 5,544 taxpayers had used LITAS, and about 14,843 tax returns were filed electronically.
- Compliance improvement: The LRA achieved a 60 percent filing rate on income tax, excise duty, and GST through LITAS.

## Outcomes

**PDO Indicator 1:** Improved online on-time filing for large and medium taxpayers (ITAS/LITAS) (Percentage). Baseline (2018): 0. Target (2024): 55. Actual (2024): 60. The majority of large and medium taxpayers filed online. **(PDO Indicator 1: Exceeded)**

**Increase in Tax Revenue (not a tracked outcome).** Although revenue volume was not a formal outcome indicator, 2023 data suggest a positive trajectory following the introduction of LITAS. According to the LRA, tax revenue in 2023 exceeded the average of the previous five years by US\$75.3 million (representing a nominal increase of 16.7 percent, i.e. not discounted for inflation and not presented as a share of GDP (ICR, p. 88). This improvement was primarily driven by stronger collections from income and profit taxes (4 percent higher) and GST (31 percent higher). Because **the ICR does not provide the 2023 outturn as a percentage of GDP, the fiscal significance of this increase cannot be fully assessed from project documents alone.** The ICR does, however, note that this pattern is broadly consistent with IMF (2022) projections, **which show domestic revenue rising in real terms over 2019–2024 following the LITAS rollout in 2022** (ICR, p. 8). The deployment of LITAS marked a significant modernization, supporting taxpayer registration, returns filing and payment, automated compliance, enforcement, and reporting, with several additional functionalities (compliance risk management, audit, refund, forecasting, and business intelligence) under rollout. The emphasis on user acceptance testing and phased training helped secure strong adoption among staff and taxpayers.

Other critical results were the following: The VAT preparatory work ensured readiness for transitioning from GST to VAT, with the National Legislature passing the VAT Law formally in April 2024 (and implementation being phased in 2026). Customs reforms under ASYCUDA v4.3 strengthened trade revenue collection processes and connectivity. Although integration with IFMIS was not achieved, the overall package of reforms delivered measurable results in efficiency and compliance. While most planned integrations were completed, the project did not succeed in interfacing LITAS with the IFMIS system as originally envisaged. This limited the achievement of a fully integrated platform for accounting and reporting tax payments to the central government.

Overall, the results point to substantial progress in modernizing Liberia's DRM system (especially the introduction of LITAS and the improved filing performance among large and medium taxpayers) and to gains in administrative efficiency and transparency.



**Rating**  
Substantial

## **OBJECTIVE 2**

### **Objective**

Strengthen financial control in public finances

### **Rationale**

As was the case with the first objective, the PAD did not contain a ToC. The ICR reconstructed a ToC largely from the PAD's description of the results chain. At the time of appraisal, Liberia's PFM system was characterized by weak expenditure control, poor payroll integrity, and limited fiscal reporting which was confirmed by the 2016 PEFA and subsequent 2019–2020 PEFA (PAD, pp. 3-4). In particular, fragmented financial information, accumulation of arrears, and payroll anomalies in the health and education sectors undermined both fiscal discipline and service delivery. The project sought to address these bottlenecks through (i) stabilization and expansion of the IFMIS, (ii) strengthening of payroll controls and cleaning of the wage bill, (iii) laying the foundations for procurement modernization (e-GP), and (iv) building institutional capacity of the MFPD and the Public Procurement and Concessions Commission (PPCC). To address any potential operational challenges of reform implementation in an FCV context, the project included staged IFMIS deployment. The underlying logic was that more robust systems and enhanced oversight would improve budget credibility and reduce fiduciary risks.

Core assumptions underlying this ToC included: (i) consistent government commitment to PFM reforms, (ii) sustained use of IFMIS and payroll controls across MACs, and (iii) cooperation of key oversight bodies in implementing new systems and procedures. As with Objective 1, these assumptions proved only partly valid. Although payroll reforms and health/education DLIs saw high compliance, the extent of cross-institutional engagement and functional usage was uneven. Coordination with oversight bodies (such as PPCC for e-procurement and the Civil Service Authority for payroll controls) advanced during the second half of the project—particularly with the rollout of e-GP—but encountered delays during earlier phases. In retrospect, the assumptions may have overestimated institutional readiness, given the FCV context and the operational challenges of embedding reforms across diverse MACs with differing capacities, leadership, and incentives.

### **Outputs**

IFMIS modules were introduced: Budget Preparation, EDMS, EFT, CSM, and DFP.

Support systems: IFMIS Help Desk established, with its rollout accompanied by change management and training.

Budget framework: MFDP staff trained; MTEF manual updated; support provided to implement the national policy and annual work plan for gender-responsive budgeting.

### **Intermediate Results**



According to Annex 1 of the ICR, this objective's three IRIs and all DLIs were achieved or exceeded. Other intermediate results (without formal targets) reported in the ICR are listed here but not numbered:

### IFMIS rollout and enhancements

- **IRI 2.1:** IFMIS launched in 35 additional MACs. Baseline (2018): 50. Target (2024): 85. Actual (2024): 86. **(IRI 2.1: Exceeded)**
- Spending through IFMIS: Increased from US\$613 million at baseline to US\$1.3 billion at closing.

### E-procurement reforms

- **IRI 2.2:** e-Procurement modernization roadmap and legal framework delivered. Baseline (2019): No. Target (2024): Yes. Actual (2024): Yes. The e-GP modernization roadmap was developed; procurement processes were reviewed; amendments to the Public Procurement Act (2010) were drafted; Public Procurement and Concession Act (PPCA) 2024 revisions were prepared and submitted to the Presidency for onward legislative approval; and public awareness and outreach campaigns were conducted. **(IRI 2.2: Achieved)**.
- **IRI 2.3:** e-GP functional in MoH, MoE, and MFDP. Baseline (2019): No. Target (2024): Yes. Actual (2024): Yes. The GP system went live on September 6, 2024, rolled out to six institutions: MFDP, MoH, MoE, Ministry of Public Works, LRA, PPCC. **(IRI 2.3: Exceeded)**
- Adoption of e-GP: 52 government users and 40 vendors were registered at launch.
- PPCC website: Upgraded to publish expressions of intent and improve market access.

### Payroll & human resources (HR) management controls and health/education DLIs

- **DLI 1(a):** Increase in the percentage of County Facility Level reports (health facilities) submitted within 10 working days of the end of each quarter. Baseline: 7. Target: 94. Actual: 94. **(DLI 1(a): Achieved)**.
- **DLI 1(b):** Increase in the percentage of County Health Team Level submissions of financial reports to MoH: Baseline: 10. Target: 90. Actual: 100. **(DLI 1(b): Exceeded)**.
- **DLI 2:** Increase in the percentage of MoH units that are participating in planning and budgeting processes. Baseline: 9. Target: 75. Actual: 100. **(DLI 2: Exceeded)**.
- **DLI 3:** MoE HR database checked and reconciled through verification of HR personnel records at the public schools (Percentage of records verified). Baseline: 0. Target: 75. Actual: 100. **(DLI 3: Exceeded)**.
- **DLI 4:** Improved personnel management of the education sector to improve teachers monitoring (Percentage of teachers' payroll data that was analyzed and published): Baseline: 0. Target: 100. Actual: 100. **(DLI 4: Achieved)**.

### Outcomes

**PDO Indicator 2:** MACs submitting to the Comptroller and Accountant General quarterly financial statements using IFMIS data in a timely fashion (within 15 working days from end of quarter) (Percentage): Baseline (2018): 25. Target (2024): 90. Actual (2024): 92.5. **(PDO Indicator 2: Exceeded)**.

The project delivered substantial gains in financial control. IFMIS coverage expanded nationally with key module upgrades and an EFT interface. DLIs in health and education strengthened reporting discipline and cleaned the payroll. Concurrently, e-procurement reforms progressed from foundational legal work to the



operationalization of e-GP in six institutions. While some IFMIS modules (CSM, Budget, MFDP) remained only partially adopted at closing, the PDO indicator on timely IFMIS-based reporting was exceeded, and the share of spending processed through IFMIS more than doubled, from US\$613 million to US\$1.3 billion. The PDO indicator captured key aspects of financial accountability, notably reporting timeliness. While it served as a reasonable proxy for improvements in financial control, it had limitations. It did not reflect the quality of data entered into IFMIS, the extent of actual usage across MACs, or the effectiveness of internal controls. Nonetheless, it provided a solid and measurable basis for assessing progress toward the PDO.

## Rating

Substantial

## OBJECTIVE 3

### Objective

Strengthen accountability in public finances

### Rationale

As was the case with the first and second objectives, the PAD did not contain a ToC. The ICR reconstructed a ToC largely from the PAD's description of the results chain. Accountability challenges—including audit backlogs, limited follow-up on audit recommendations, weak legislative scrutiny, and underdeveloped public participation—undermined transparency and oversight across Liberia's PFM system. The project sought to address these issues by building the capacity of the GAC, IAA, and PAC, and promoting citizen participation in the budget process, alongside PFM coordination and professionalization measures led by MFDP. The ToC sustained that stronger audit institutions, more effective parliamentary oversight, and improved public participation would enhance accountability for public resource use. However, as with Objectives 1 and 2, the assumptions underpinning accountability reforms were only partially valid. Follow-up on audit recommendations varied across MACs, and parliamentary oversight, while strengthened, faced constraints. Civic participation was supported through a Fiscal Transparency Advisory Group, but engagement outside Monrovia was limited. These challenges suggest the assumptions may have overestimated the institutional readiness and operational capacity of oversight bodies and civil society.

### Outputs and Intermediate Results

According to Annex 1 of the ICR, this objective's two IRIs were exceeded. Other intermediate results (without formal targets) reported in the ICR are listed here but not numbered:

### Audit, internal control, and oversight

- **IRI 3.1:** Number of MACs and government policies/programs subject to a performance audit (Number): Baseline (2018): 1. Target (2024): 7. Achieved (2024): 8. **(IRI 3.1: Exceeded)**
- GAC: Cleared audit backlogs (2018–2022) by 2023; produced first payroll audits; published results and follow-ups online; completed 98 audit recommendation follow-up reports, above the 10 per year target; provided trainings in performance, forensics, compliance, and ICT audit.
- IAA: Deployed personnel in 80 MACs; created an Audit Recommendation Implementation Unit (2023); supported professionalization, with seven out of twelve auditors having passed Certified Internal



Auditor Part 1, three passing Part 2, and three passing Part 3 (March 2025). Hardware was provided (laptops/desktops/printers), improving work conditions, though 45 percent of staff (137/211) still lack personal computers. Pentana audit software was introduced but not made operational due to license funding gaps.

### Citizen participation and oversight

- **IRI 3.2:** Number of citizens and CSO representatives who participate in annual budget discussions and are updated on the implementation of the prior year's citizen recommendations to budget (Number): Baseline (2018): 0. Target (2024): 350. Actual (2024): 440. **(IRI 3.2: Exceeded)**
- Annual budget consultations expanded from zero to 440 participants by FY24, with 50 percent female representation and 60 percent from outside Monrovia. Voice-to-text software reduced PAC report turnaround from four days to one. A Fiscal Transparency Advisory Group (FTAG) was created, contributing to Liberia's Open Budget Survey score for participation improving from 6 percent (2019) to 15 percent (2023).
- Capacity development: MFDP's PFM RCU led the 2021 PEFA, drafted the 2024–2027 PFM Strategy, and coordinated donor support. The Liberia Institute of Certified Public Accountants expanded public sector accounting programs, established an MBA in PFM and Master of Science in Procurement degree at the University of Liberia, and increased the pool of certified accountants (118 members in 2024).

### Outcomes

**PDO Indicator 3:** Frequency of PAC follow-up through GAC on implementation of annual performance audit observations and recommendations (Number of reports, annually): Baseline (2018): 0. Target (2024): 10. Actual (2024): 98. **(PDO Indicator 3: Exceeded)**.

The project contributed to substantial improvements in public accountability mechanisms. External and internal audit functions were strengthened, including clearance of backlogs, increased performance audits, and the institutionalization of audit follow-up systems. Legislative oversight improved, with expanded PAC hearings and faster processing of audit reports. Citizen engagement was supported through the FTAG and annual consultations, contributing to improvements in the Open Budget Survey participation score. However, progress was uneven in some areas: cooperation from MACs and timely implementation of audit recommendations varied; internal audit capacity remained constrained by hardware limitations and non-operational audit software; and civic participation remained relatively concentrated in urban areas. Nonetheless, the significant overachievement of the PDO indicator reflects meaningful progress in embedding audit follow-up practices and strengthening accountability institutions.

### Rating

Substantial



## OVERALL EFFICACY

### Rationale

Efficacy is rated Substantial. Under Objective 1, the rollout of LITAS, e-filing and e-payment systems, and enhancements to the taxpayer registry significantly modernized tax administration. Under Objective 2, the project expanded IFMIS coverage across government institutions, improved payroll and commitment controls, and supported broader financial control reforms. Under Objective 3, the project strengthened audit follow-up practices, parliamentary oversight, and citizen participation in the budget process. Across all three objectives, numerous IRIs were achieved or exceeded (e.g., VAT policy groundwork, ASYCUDA upgrade, e-GP, and increased citizen participation), though the partial adoption of several IFMIS modules tempered the depth of results under Objective 2. Overall, all three PDO indicators were exceeded, and most intermediate results were achieved or surpassed, supporting a Substantial rating.

### Overall Efficacy Rating

Substantial

## 5. Efficiency

**Economic Efficiency.** Although the PAD framed the project as an institutional systems strengthening operation (rather than one amenable to a conventional economic rate of return), it clearly linked benefits to administrative efficiency (modernized tax and PFM platforms, streamlined processes, and reduced compliance/transaction costs). At completion, the ICR quantified these gains. Under LITAS/ITAS, a single return takes approximately 30 minutes. The ICR estimates annual time savings for frequent filers at US\$1.87 million, plus an environmental co-benefit of approximately 556 tons of CO<sub>2</sub> avoided per year. In public procurement, international evidence of 7–20 percent price reductions from e-GP translates, under conservative assumptions, into approximately US\$3.00 million in potential annual savings for Liberia. IFMIS enhancements (including wider roll-out and core Treasury/budget functions) underpinned better fiscal control and reporting, with efficiency and accountability benefits explicitly highlighted in the ICR's economic analysis.

**Implementation Efficiency.** Implementation was broadly cost efficient, with moderate shortcomings. By closing, all 107 procurement actions cleared in the Systematic Tracking of Exchanges in Procurement (STEP) had their contracts completed and paid, reflecting orderly execution despite documentation backlogs near closing, and procurement performance was rated Moderately Satisfactory. Funds were essentially fully utilized (IDA US\$19.10 million disbursed against US\$18.29 million revised; TF US\$6.26 million against US\$6.70 million), i.e., near full absorption at the aggregate level.

Overall, the below discussed shortcomings were managed well and did not materially erode value-for-money at outcome. Required reconciliations were completed, and fiduciary risks were mitigated. Importantly, the PAD had anticipated procurement capacity risks and hard-wired mitigation measures—centralized support, STEP use, and specialist staffing—which were implemented and contributed to execution efficiency. There were the following shortcomings in implementation efficiency. First, during the COVID-19 pandemic, the lifting of a disbursement condition linked to activation of the IFMIS budget module was based on a government confirmation that was later found to be inaccurate (ICR, p. 17). This required additional follow-up and verification efforts. Second, the PMU was insufficiently staffed over the implementation period, with the Project Manager



post vacant several times and others performing several team roles (ICR, p. 17). This also required more intense WB support. Third, financial management performance was rated Moderately Unsatisfactory at closing, reflecting late interim financial reports (IFRs), discrepancies with audited statements, and category overspending (ICR, p. 19). This imposed additional reconciliation and transaction costs. Fourth, limited leadership ownership constrained system adoption (e.g., non- or partial use of some IFMIS modules despite technical readiness). This relates to efficiency losses in realizing benefits from installed systems (ICR, p. 21).

The efficiency of the operation is rated **Substantial**. Overall, the **aggregate financial and economic benefits substantially outweighed the project’s total costs**, with recurring savings generated through the digital tax and procurement reforms. Project activities were completed within budget, and all DLI targets were met, reinforcing implementation efficiency and supporting the Substantial rating.

### Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

The project’s Relevance was rated High, and both Efficacy and Efficiency were assessed as Substantial, leading to an overall outcome rating of Satisfactory. The project contributed to meaningful institutional changes across Liberia’s public sector. It modernized DRM through the rollout of LITAS and e-filing platforms, strengthened financial control and transparency through the wider use of IFMIS (across 86 MACs), and improved payroll integrity and budget execution processes. In procurement, the project laid the legal and technical foundations for e-GP and achieved operational uptake in six institutions. Accountability systems were also enhanced through expanded audit follow-up, clearance of backlogs, improved PAC responsiveness, and broader citizen engagement in the budget process. While there were some shortfalls in uptake of digital tools (e.g. LITAS–IFMIS integration; Pentana licensing, and early-stage e-GP uptake) the overall scale and consistency of results across all three objectives justify an overall Satisfactory outcome rating.

### a. Outcome Rating

Satisfactory



## 7. Risk to Development Outcome

The project left a set of institutional and systems assets that provide a durable platform for improved fiscal governance. On the DRM side, LITAS made online filing services available to large and medium taxpayers, and the administration trained a critical mass of LRA staff in audit/ICT/taxpayer services. On the PFM side, the share of MACs submitting quarterly financial statements using IFMIS rose to 92.5 percent by closing (against a 90.0 percent target), indicating deeper routinization of in-year fiscal reporting. In procurement, an e-GP platform was rolled out to six MACs, with countrywide use to be mandated upon passage of the revised PPCA (2024), positioning government to institutionalize e-procurement once the legal trigger is in place.

However, there are significant risks to the development outcome, including: (i) operation and maintenance financing gaps (e.g., LITAS/IFMIS/e-GP licenses, hosting, and help-desk services); (ii) institutional and staffing turnover, as well as uneven uptake across MACs, which can slow consolidation of internal controls and audit follow-up; and (iii) legal/regulatory dependencies, notably timely passage and implementation of the PPCA (2024) to fully mandate e-GP. In addition, and as noted in the ICR (p. 21), several digital tools developed under the project, such as the CSM, DFP, and IFMIS budget module, were technically functional but not adopted or fully used. This reflects ownership and change management risks, suggesting that future PFM reforms must be accompanied by strong leadership and targeted strategies to ensure effective reform uptake and use

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

The WB's engagement at the design stage reflected alignment with Liberia's national reform priorities and international commitments to improve DRM and PFM. The project's PDOs were well anchored in the government's PFM Reform Strategy and Action Plan 2017-2020 and the PAPD, aiming to enhance the efficiency, accountability, and transparency of public resource management.

The WB also incorporated lessons from the earlier Integrated PFM Reform Project (IPFMRP, AfDB IFRMP-Phase 2) and complementary donor efforts. These included an emphasis on digital system reforms (e.g., IFMIS stabilization, ITAS rollout), payroll controls, procurement modernization, and audit strengthening. The design reflected diagnostic work and technical assistance engagements supported by the WB, such as the PEFA assessments and the 2016 Tax Administration Diagnostic Assessment Tool assessment by the LRA.

The WB ensured a strong level of readiness for a complex systems reform operation in an FCS. This included early mobilization of a centralized PMU (PAD, p. 59), use of the STEP system to strengthen procurement capacity (PAD, p. 79), engagement with ICT vendors prior to system rollout, embedded technical advisors in key agencies, and performance-based DLIs (PAD, pp. 85-86).

While the results framework could have more directly captured some outcome-level changes, particularly in procurement and tax compliance, the indicators were generally appropriate given the scope and maturity of Liberia's institutional landscape. Overall, the project's design demonstrated a pragmatic



balance of ambition and risk management, supported by strong analytical foundations, sequencing logic, complementarities among components, and preparatory actions (see PAD, Annex 1, Implementation Arrangements and Support Plan, p. 59).

### **Quality-at-Entry Rating**

Highly Satisfactory

#### **b. Quality of supervision**

The WB provided regular implementation support through supervision missions, Implementation Status and Results Reports (ISRs), and technical dialogue with counterparts. Despite the challenging operating environment (including COVID-19 disruptions) in an FCS, the WB remained engaged and responsive, illustrated by proactive field engagement, regular high-level meetings with counterparts, and timely adaptation of supervision modalities, including intensified remote support during pandemic-related restrictions. In 2022 and 2023, when the project experienced a particularly challenging phase due to the absence of a full-time project manager and political uncertainty, the WB increased its support to three missions per year and intensified its engagement through regular technical meetings. Supervision findings were documented in ISRs, Aide Memoires, and Management Letters. When necessary, implementation challenges requiring political or senior-level resolution were escalated to the Country Management Unit. Follow-up reinforced key messages and support timely action.

Additionally, the WB worked closely with implementing agencies and directly engaged with key stakeholders, including ICT vendors, to resolve issues related to system installations. It maintained weekly meetings on priority areas such as IFMIS, e-GP, and project management.

The WB team was well staffed and brought together a range of technical expertise, including specialists in PFM, procurement, tax administration, e-GP, and IFMIS. The task team also collaborated with education and health specialists to support cross-sectoral interventions under Component 4. Continuity of task leadership was maintained, including through a co-leadership model during preparation and consistent task team leadership from 2019 through project closing.

### **Quality of Supervision Rating**

Highly Satisfactory

### **Overall Bank Performance Rating**

Highly Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

The M&E design was FCS appropriate and was generally aligned with the scope and ambition of the PDOs. The results framework included three PDO-level indicators that were clearly defined, time-bound,



and measurable using relevant data. These indicators were appropriate for capturing progress toward improved efficiency, accountability, and oversight in public financial management.

The framework also included DLIs tied to Component 4, with verification protocols agreed at appraisal. While some indicators measured system availability or uptake rather than downstream outcomes (e.g., user behavior, service delivery), they remained relevant to the PDO as formulated. In this sense, the framework was more limited in its utility for broader learning or policy feedback but was adequate for tracking progress toward the stated objectives. Furthermore, the indicators were consistent with Liberia's FCV implementation context, where data constraints and nascent systems limited the feasibility of more advanced metrics.

### **b. M&E Implementation**

M&E implementation was led by the PMU, with support from the RCU in the MFDP. The PMU was responsible for routine data collection, consolidation, and reporting, including progress updates on both the results framework and DLI targets. The RCU supported broader reform monitoring through quarterly reports on PFM progress. While M&E activities were implemented as planned, staffing gaps, particularly during periods when the Deputy Project Manager took on multiple roles, constrained analytical capacity and timeliness of reporting. Nonetheless, despite the staffing gaps and operating pressures typical of FCS, the project maintained consistent reporting and met verification requirements for DLI disbursements.

### **c. M&E Utilization**

M&E data were primarily used for internal project management and to support supervision missions. Reports informed the sequencing of activities, including the rollout of ITAS, IFMIS, and the PAC/GAC engagement strategy. While there is limited evidence that M&E findings were systematically used to inform wider policy decisions or institutional learning beyond the project, data were used effectively to guide implementation choices and mid-course adjustments.

## **M&E Quality Rating**

Substantial

## **10. Other Issues**

### **a. Safeguards**

The project was classified as environmental risk Category C, with no social safeguard policies triggered, and no environmental or social harm identified or reported during implementation.



**b. Fiduciary Compliance**

The MFDP and three other procuring entities implemented procurement activities effectively. The MFDP's international procurement specialist helped build capacity across implementing agencies and beneficiary MACs through training on goods, works, and consultancy procurement. The project used the WB's STEP platform to manage procurement processes. While there were delays in uploading contract documents to STEP, the backlog was cleared during project closure with WB support. All 107 procurement activities listed in the final procurement plan were completed, contracts were executed and payments were made. The procurement performance was rated Moderately Satisfactory at closing (ICR, p. 19).

Financial management performance, on the other hand, faced notable challenges. Challenges included delayed and inconsistent IFRs, overspending due to weak monitoring across multiple agencies, and outdated financial software. However, the Project Financial Management Unit took corrective steps, and all required financial reports were submitted after closing. Financial management performance was rated Moderately Unsatisfactory at closing (ICR, p. 19).

**c. Unintended impacts (Positive or Negative)**

None reported.

**d. Other**

n/a

**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Highly Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

**12. Lessons**

IEG concurs with the lessons set out in the ICR (p. 21) and adds the following:

**Complex and sensitive reforms such as installing digital tax administrative systems need a strong level of readiness preparation to safeguard implementation, especially in fragile contexts.** In this project, the Liberia ITAS moved forward even when implementation capacity dipped because the WB task team had already engaged the ICT vendor early, embedded technical



support in the LRA, and set up a centralized PMU and procurement backstopping through STEP. These arrangements created sufficient continuity for the rollout to proceed. Future operations that introduce new core tax or IFMIS platforms in similarly fragile contexts should build these implementation safeguards at entry, especially when no DLI lever is attached to the ICT component.

### **13. Assessment Recommended?**

No

### **14. Comments on Quality of ICR**

The ICR is well structured and candid in its assessment. It sets out the PDO, traces design and implementation clearly, and is transparent about delays, coordination bottlenecks, and capacity constraints. It also distills useful lessons for similar PFM operations. That said, there is some internal inconsistency in how results are framed, e.g., noting that higher revenue was not an explicit objective given Liberia's context, but later treating revenue increase as an implicit objective. In light of these inconsistencies, the quality of the ICR is rated Substantial.

#### **a. Quality of ICR Rating**

Substantial