



REPUBLIC OF LIBERIA

MINISTRY OF INTERNAL AFFAIRS

Monrovia, Liberia



Budget Performance Report

For the Period: July 1, 2012 – June 30, 2013

July 4, 2013

Introduction

Section 36 of the Public Financial Management Act of 2009 provides, among other things, that each spending entity of the GOL shall, prior to the submission of its budget to the Legislature, present to the Legislature a Budget Performance Report covering the first three quarters of the current budget year.

The Ministry of Internal Affairs, therefore, submits its Budget Performance Report for July 1, 2012 to June 30, 2013 to the Legislature in fulfillment of its reporting responsibility. We have included here estimated budget performance report for April to June 2013 because we are making our submission in July 2013. The report covers the expenditure of funds for both the central and local administrations; explains the uses of both operational and project funds; and makes the case for an increase in the budget for the Ministry for fiscal year 2013/2014.

Mandate of the Ministry of Internal Affairs

The mandate of the Ministry of Internal Affairs is to support democratic, effective, and efficient local governance; spearhead the implementation of decentralization; promote popular participation in decision-making processes; strengthen local service delivery; and maintain peace, harmony, and social cohesion in the country.

Operation of the Ministry

To carry out its mandate, the Ministry is structured into central and local administrations, with a central office located in Monrovia. The next layer of operations is the fifteen counties, each of which is headed by a Superintendent. Counties are further divided into cities, townships, districts, chiefdoms, clans, and general towns. A paid local administrator provides leadership over each sub-county unit up to the level of the general town. Below the general towns are towns and villages, which are headed by unpaid elders or town chiefs.

Nearly six thousand civil servants work along with hundreds of appointed local officials throughout the country to carry out the mandate of the Ministry. Some of the political subdivisions have offices, residences for officials, government-provided vehicles, and essential logistics to support their work. But majority of local officials lack essential resources that are needed to carry out their functions more effectively.

Summary of Financial Activities

During the period under review (July 1, 2012 – June 30, 2013) a total of **USD 29, 700,106** was appropriated to the Ministry for its recurrent, project, county development fund, and social development fund expenditures. During this period, the total appropriation increased from **USD 29,700,106** to **USD 31,519,839** due to the supplementary budget and transfer made from the Ministry of State to the Ministry of Internal Affairs.

The total of **USD 31,519,839** was appropriated to the Ministry. Of this amount, Employees Compensation cost **USD 8,934,167** or **28%**, Goods and Services accounted for **USD 2,896,048** or **9%**, County Development Funds accounted for **USD 3,000,000** or **10%**, Public Sector Investment Projects (PSIP) accounted for **USD 703,123** or **2%** and General Claims accounted for **USD 15,986,501** or **51%**.

During the period under review, the total amount of **USD 26,120,638** was allotted; of which **USD 25,785,638** represents the core budget, while **USD 335,000** represents the project budget. Of the total allotted, the amount of **USD 10,571,797** was expended on recurrent expenditure; **USD 230,512** was expended on projects: **USD 3,000,000** was expended on county development, and **USD 10,774,420** was expended on social development. Please see the attached allotment and expenditure statement for details.

Detailed Narrative of Key Items and Interventions

Compensation to Employees

For the fiscal year 2012/2013, the amount of **US\$ 8,934,167** was appropriated for personnel related cost herein referred to as compensation to employees. This amount reflects Basic Salaries and Special and General Allowances for employees. Out of this amount, the total of **US \$ 8,934,155** was allotted to the MIA. Of this amount, **USD 8,572,261** was expended leaving a balance of **USD 361,894** in allotment and **USD 12** in appropriation.

Goods and other Services

For this component of our budget, GOL appropriated in the FY 2012/2013 budget the amount of **US \$ 2,896,048** to the MIA. Of this amount **USD 2,811,483** was allotted to the MIA. Against

this allotment, **USD 1,999,536** was expended leaving a balance in allotment of **USD 811,947** and **USD 84,565** in appropriation. The principal activities that benefited from this funding are: Decentralization, personnel Re-documentation, National Locality Directory, Fuel & Lubricant, Stationery, etc.

Decentralization

During the period under review four decentralization workshops were conducted in selected counties. The intent of the workshops was to review, gather feedback and validate the draft 5-years Liberia Decentralization Implementation Plan (LDIP). With the LDIP drafted, efforts went into the formulation of the Liberia Decentralization Support Program, which is a mechanism for support to decentralization.

GOL funding for decentralization during this period was limited, with much of the resources provided by donors under the Liberia Decentralization and Local Development Program (LDLD) and the County Support Program (CST). These two programs have laid the foundation for decentralization implementation and with a comprehensive plan in place, improved GOL financial support is expected, as a demonstration of political will and commitment.

Personnel Re-documentation

During the period under review, the MIA embarked upon a nation-wide re-documentation of its employees. The essence of the personnel re-documentation exercise was to streamline, rationalize and validate the payroll of the MIA so as to ensure that only bona fide employees of the MIA, who are actively working, are on payroll. Towards this end employees have been re-documented in eight counties, namely:

- Montserrado
- Bomi
- Grand Cape Mount
- Gbarpolu
- Margibi
- Grand Bassa
- Rivercess and
- Bong

To date some potential savings have been realized from this exercise. Meanwhile, the process is still being subjected to further verification and validation after which the actual savings there from will be established.

National Locality Directory (NLD)

During the period under review, the MIA conducted the National Locality Directory awareness workshops in all fifteen Counties of Liberia. The NLD project is a technical tool for the formulation and targeting of service delivery for both residents and localities in Liberia and to provide a framework through which each person in Liberia can be reached. This is also intended to improve the network systems and to officially map out and place the entire country in a computerized database that will contain the names and Global Positioning Systems (GPS) coordinates of localities in Liberia.

County Development Fund

The GOL appropriated **USD 3,000,000** in the 2012/2013 fiscal year budget as county development funds for the 15 counties. The above amount was allotted and disbursed to the various counties evenly. These funds have been used for various development projects in the counties.

Social Development Fund

From the General Claim account, a total sum of **USD 15,986,501** was appropriated to the Ministry as Social Development Fund towards the counties as Social Contribution from various concession companies. The total of **USD 10,790,000** was allotted to the Ministry. Out of this amount the total of **USD 10,540,000** was disbursed to the following counties:

Table I: 2012/2013 Social Development Fund Disbursed

No.	Recipient County	Amount (US\$)
1.	Montserrado	1,387,000
2.	Bong County	2,334,000
3.	Grand Cape Mount	910,000
4.	Grand Gedeh County	637,000
5.	Gbarpolu County	510,000
6.	River-Cess County	12,000
7.	Margibi County	875,000
8.	River –Gee County	250,000
9.	Bomi County	750,000
10.	Sinoe County	375,000
11.	Nimba County	1,500,000
12.	Grand Bassa County	1,000,000

Transfer from the Ministry of State

During the Fiscal year 2012/2013 the amount of **USD 571,000** was transferred from the MOS to the MIA to help the MIA fully execute its mandate. Of this amount, **USD 546,000** was expended towards the purchase of transport equipment for three Central Administration Officials and eleven County Superintendents, while the amount of **USD 25,000** was provided to facilitate the cost of travel for a local official who was involved in a tragic motor accident while performing her duties.

Public Sector Investment Projects

The GOL appropriated in the FY 2012/2013 budget an amount of **USD 703,123** for public sector investment projects to be undertaken by the MIA. Of this amount **US\$ 335,000** has been allotted, out of which **US \$ 230,512** has been expended, leaving a balance in allotment of **US \$ 104,488** and **USD 368,123** in contingency.

The Boundary Harmonization project was allotted the amount of **USD 300,000** and **USD 35,000** to the Decentralization project during the period under review. The amount of **USD 195,512** has been expended by the Boundary Harmonization project to conduct a nationwide field consultation mission to assess urban governance systems, administrative and service delivery capabilities, and also the hosting of a City Mayor's retreat, etc. leaving the balance of **USD 104,488** in allotment. Additionally, the amount of **USD 35,000** was expended by the decentralization program to conduct workshops in selected counties to review, gather feedback and validate the draft 5-years Liberia Decentralization Implementation Plan (LDIP).

Revenue Intake

During the FY2012/2013, the Ministry of Internal Affairs generated the amount of **US\$36,350.00** from the issuance of Marriage and Divorce Certificates. Over the period, a total of **673** marriages were recorded at the rate of **US\$50.00** per marriage application while **36** divorce cases were recorded at the rate of **US\$75.00** per divorce application. Against this background, we project that for the ensuing budget year FY2013-2014, the MIA will generate an estimated amount of **US\$50,000.00**.

The Need for Additional Funding

The Basis for Additional Funding

At this point in our national sojourn, the effective execution of the mandate of the Ministry of Internal Affairs is critical for sustaining our hard-earned peace, providing basic services to citizens and accelerating our development. It is for these reasons that increased budgetary support to the Ministry is a call that deserves much attention, particularly from you members of this Legislature with whom we share a collective responsibility to cater for the well being of our people and sustains the peace.

As the only government entity with visible and affective presence throughout the country, the MIA's work assures citizens of the presence of state authority, and promotes peace and social cohesion. This creates an enabling environment for people to pursue their dreams. Our leadership over the National Roadmap for Peace and Reconciliation is particularly essential because of our

unique mandate, role and position throughout the length and breadth of Liberia. This is why our work is significant during this period of UNMIL's transition and drawdown.

As the agency that leads local authorities in each political sub-division, we have the responsibility to support sector agencies and coordinate the provision of essential services in these areas. Therefore, we must have the resources to bring service-providers and users together and assist local and international partners carry out their work.

We work through local administrators to help citizens identify their needs, determine their priorities and undertake projects/programs that promote local economic development. This role is linked to the Government's National Policy on Decentralization and Local Governance, the implementation of which we coordinate. It is also part of the Agenda for Transformation and our fight against poverty. For this reason the MIA must be given resources to implement decentralization, monitor development projects, and mobilize citizens for ownership of their development.

Specific Needs

- **US\$ 1,500,000** as GOL's annual contribution to the decentralization program, to which our development partners have committed not less than **US\$ 20,000,000** for the next five years. We must show ownership and commitment to decentralization by supporting it financially.
- **US\$ 1,000,000** to recoup a reduction in our FY2013/14 compensation budget and allow for placement of several local officials on the payroll.
- **US\$ 560,000** for a US\$ 25 salary increment for our supplementary payroll employees who did not benefit from the President's recent pay increase announcement.
- **US\$ 750, 000** to take over private facilities that have been occupied by UNMIL but will be needed by GOL, as UNMIL draws down.
- **US\$ 600,000** for purchase of pick-ups for Assistant Superintendents for Development to enable them implement, supervise and monitor projects for development funds that could exceed US\$ 45,000,000 over the next three years.

- **US\$ 320,000** for purchase of vehicles for eight Assistant Ministers who help us in implementing decentralization, peace-building, national roadmap for reconciliation, and over all service delivery to our people.
- **US\$ 75,000** for the purchase of 15 Yamaha motorbikes for our 15 County Inspectors on whom we rely for effective projects monitoring and evaluation and for general support to the work of our local officials.
- **US\$ 100,000** for the Graphic layout of six County Capitals.
- The total amount requested is **USD 4,905,000**.

Conclusion

We thank the Honorable Legislature for the support and partnership with the Ministry of Internal Affairs. Many Legislators attended our forums, have worked with us to address the needs of our local populations.

Our work is important at this point in time and we must have resources that come close to matching our responsibilities so that we can together succeed.