

GOVERNMENT OF LIBERIA

Liberia's perspective on Co-ordination between Debt and Cash Management

ACCRA, GHANA

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Necessity to re-establish the LMC (Problems that were being addressed)

- ▶ There was a need to re-establish the LMC because senior management realized that government was doing more of cash rationing.
- ▶ The cash rationing was little subjective and in couple of instances off budget.
- ▶ The re-establishment of the committee gave senior management the room to make decisions based on the actual revenue and cash balance position.



Why was the LMC not sustained previously? How do you intend to ensure it is sustainable this time?

- ▶ It wasn't sustained previously due to lack of political will and structural organization. Team Achiever worked with committee developed its ToRs and assigned roles and responsibilities to all stakeholders.
- ▶ Established and identified a regular meeting schedule and submit report regularly.
- ▶ What is being done now is that the team is trying to get the will of the new state actors and senior management to understand the pros of having the LMC existing.
- ▶ The Assistant Minister for Fiscal Affairs has been involved in the technical details and is the one propounding the idea to his colleagues at the level of senior management.



Term of Reference of the LMC

- ▶ The LMC works across the MFDP to present the actual picture and projection of GOL cash. The committee reports on a weekly basis and produces analysis to Senior management at least the 1st working day of the week.
- ▶ Units that make up the committee and information required from them are as follows:
 - ▶ a. Revenue: YTD Actual and daily revenue actual from LRA
 - ▶ b. Budget: Balance in allotments, actual allotments as per the IFMIS, special reports on advances



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- ▶ c. Reconciliation: Cash at the bank, checks issued and outstanding
- ▶ d. Debt Management: debt portfolio and urgent debt payments
- ▶ e. Aid Management: projected Budget support, other donor support
- ▶ f. Cash Management: responsible to consolidate reports



Previous formation of LMC vs existing committee

- ▶ Before the LMC was formed, there existed the Cash Management Committee. This secretariat was responsible to list payments based on what was approved by the Committee.
- ▶ The Committee then comprised mostly of heads of top spending ministries (eg. MoJ, MoS, FA, and etc.). After approval, the listing was sent for check-printing. Before then, spending plans were not used for decision-making and payments were approved based on the availability of cash (Cash Rationing).



Improved Coordination b/w Parties responsible for Cash and Debt Mang't/ forecasting accuracy

- ▶ There exists a cordial working relationship between the units and technicians can now work together to come up with more accurate analysis.
- ▶ Before a recommendation or report is forwarded to Senior Management, the units have to meet and agree on the numbers and come up with unanimous decisions. In this way, strong decisions can be taken as it relates to GOL's debt service and the schedules.



Re-establishment of the LMC and Impact on debt management functionality

- ▶ There has been a level of improvement and there's still room for more to be done.

THANKS FOR YOUR AUDIENCE

