

PD-AAV-133

|   |  |  |                        |                           |
|---|--|--|------------------------|---------------------------|
| <b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b><br><b>PROJECT DATA SHEET</b>    |  | <b>1. TRANSACTION CODE</b><br><input type="checkbox"/> A = Add<br><input type="checkbox"/> C = Change<br><input type="checkbox"/> D = Delete | Amendment Number _____ | <b>DOCUMENT CODE</b><br>3 |
| <b>2. COUNTRY/ENTITY</b><br>Liberia   |  | <b>3. PROJECT NUMBER</b><br>669-0213   |                        |                           |
| <b>4. BUREAU/OFFICE</b><br>Africa   |  | <b>5. PROJECT TITLE (maximum 40 characters)</b><br>Economic Stabilization Support  |                        |                           |
| <b>6. PROJECT ASSISTANCE COMPLETION DATE (FACD)</b><br>MM DD YY<br>09 30 89 |  | <b>7. ESTIMATED DATE OF OBLIGATION</b><br>(Under "B." below, enter 1, 2, 3, or 4)<br>A. Initial FY 87 B. Quarter 3 C. Final FY 89            |                        |                           |

| 8. COSTS (\$000 OR EQUIVALENT \$1 = ) |             |        |           |                 |        |           |
|---------------------------------------|-------------|--------|-----------|-----------------|--------|-----------|
| A. FUNDING SOURCE                     | FIRST FY 87 |        |           | LIFE OF PROJECT |        |           |
|                                       | B. FX       | C. L/C | D. Total  | E. FX           | F. L/C | G. Total  |
| AID Appropriated Total                |             |        |           |                 |        |           |
| (Grant) SDA                           | ( 3,000 )   | ( )    | ( 3,000 ) | ( 3,000 )       | ( )    | ( 3,000 ) |
| (Loan)                                | ( )         | ( )    | ( )       | ( )             | ( )    | ( )       |
| Other U.S.                            |             |        |           |                 |        |           |
| 1. ESF                                | 9,585       |        | 9,585     | 15,400          |        | 15,400    |
| 2.                                    |             |        |           |                 |        |           |
| Host Country                          |             | 500    |           |                 | 1,000  | 1,000     |
| Other Donor(s)                        |             |        |           |                 |        |           |
| <b>TOTALS</b>                         | 12,585      | 500    | 12,585    | 19,400          | 1,000  | 19,400    |

| 9. SCHEDULE OF AID FUNDING (\$000) |                         |                      |         |                        |         |                                |         |                    |         |
|------------------------------------|-------------------------|----------------------|---------|------------------------|---------|--------------------------------|---------|--------------------|---------|
| A. APPROPRIATION                   | B. PRIMARY PURPOSE CODE | C. PRIMARY TECH CODE |         | D. OBLIGATIONS TO DATE |         | E. AMOUNT APPROVED THIS ACTION |         | F. LIFE OF PROJECT |         |
|                                    |                         | 1. Grant             | 2. Loan | 1. Grant               | 2. Loan | 1. Grant                       | 2. Loan | 1. Grant           | 2. Loan |
| (1) SDA                            | 600                     | 690                  |         | 0                      | 0       | 3,000                          | 0       | 3,000              |         |
| (2) ESF                            | 600                     | 690                  |         | 0                      | 0       | 9,585                          | 0       | 15,400             |         |
| (3)                                |                         |                      |         |                        |         |                                |         |                    |         |
| (4)                                |                         |                      |         |                        |         |                                |         |                    |         |
| <b>TOTALS</b>                      |                         |                      |         | 0                      | 0       | 12,585                         | 0       | 18,400             |         |

|  |  |  |  |  |  |                                    |  |  |  |
|--|--|--|--|--|--|------------------------------------|--|--|--|
| <b>10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)</b> |  |  |  |  |  | <b>11. SECONDARY PURPOSE CODES</b> |  |  |  |
| <b>12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)</b>    |  |  |  |  |  |                                    |  |  |  |
| A. Code  |  |  |  |  |  |                                    |  |  |  |
| B. Amount  |  |  |  |  |  |                                    |  |  |  |

**13. PROJECT PURPOSE (maximum 480 characters)**

To develop and implement a fiscal budget and management control system within the GOL.

|                                  |    |    |    |    |   |    |    |  |  |
|----------------------------------|----|----|----|----|---|----|----|--|--|
| <b>14. SCHEDULED EVALUATIONS</b> |    |    |    |    | <b>15. SOURCE/ORIGIN OF GOODS AND SERVICES</b>  |    |    |  |  |
| Interim                          | MM | YY | MM | YY | Final   | MM | YY |  |  |
|                                  | 06 | 88 |    |    |   | 06 | 89 |  |  |
|                                  |    |    |    |    | <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify) HC |    |    |  |  |

**16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page FF Amendment.)**

|                        |                                      |  |
|------------------------|--------------------------------------|--|
| <b>17. APPROVED BY</b> | Signature<br><i>Mary C Kilgour</i>   | <b>18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION</b> |
|                        | Title<br>Mary C. Kilgour<br>Director |  |

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

APR 30 4 34 PM '87

28 APR 1987

ASSISTANT  
ADMINISTRATOR

EXECUTIVE SECRETARIAT

ACTION MEMORANDUM FOR THE ADMINISTRATOR

FROM : DAA/AFR, Lois Richards *LR*  
THRU : A/AA/AFR, Alexander R. Love *ARL*  
SUBJECT : Project Authorization - Liberia Economic  
Stabilization Support Project (669-0213)

**PROBLEM:** Your approval is required to authorize a grant of \$3,000,000 from Section 106 Selected Development Activities Appropriation (SDA), and \$15,400,000 from Section 531 Economic Support Fund Appropriation (ESF) to the Government of Liberia (GOL) for the Liberia Economic Stabilization Support Project (669-0213). It is planned that \$3,000,000 in SDA and \$9,585,000 in ESF will be obligated this fiscal year.

DISCUSSION:

A. Background

This project is designed to provide emergency stop-gap assistance to the Government of Liberia in the area of financial management. The combined impact of the general economic decline, poor GOL budgetary planning and controls, and crisis-level debt service burden, has brought the Liberian economy to the brink of economic collapse. This economic decline has in turn led to increased capital flight, reduced domestic and external investment, and reduced levels of bilateral assistance. IMF and IBRD programs are currently suspended due to GOL arrears to those institutions.

The crisis facing the GOL has become critical. During the February 8-10, 1987 Economic Mission which you headed, you met with Liberian President Samuel K. Doe and other senior GOL officials to discuss options to resolve the crisis. You laid out a high-risk, high-return plan of placing operational experts in key GOL management positions. On February 10, 1987, a Financial Management Partnership Agreement was signed by you for the USG, and by Finance Minister Mr. Robert C. Tubman for the Government of Liberia. The agreement provides for 1) strict GOL adherence to a five point economic policy reform agenda, and 2) the placement of 17 operational experts in key

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financial management positions within the GOL. The reforms target existing policies and practices which have, in large part, contributed to the present crisis.

B. Project Description

The project implements the agreement of the Administrator and the Minister of Finance to give co-signature authority to the operational experts who will be financed under this project. The project will provide up to seventeen operational experts to work in key control points within the Government of Liberia to assist in the management and control of the Government of Liberia finances. The operational experts will focus primarily in the GOL's Ministry of Finance, Ministry of Commerce, Bureau of the Budget, General Services Agency, and the National Bank of Liberia. Assistance also will be provided to the GOL's Ministry of Planning and Economic Affairs, Civil Service Agency, and the Auditor General's Office. Assistance to the Liberia Petroleum Refining Company and the Liberian Produce Marketing Corporation will be provided as long as they remain parastatals. The project will finance the operational experts and associated administrative support costs, short-term training for GOL counterparts, and related costs. The general population of Liberia will ultimately benefit from this project as it attempts to resolve the economic crisis facing the GOL. This project will foster economic stability within the GOL and thereby establish the foundation for future economic growth in Liberia.

C. Financial Summary

The estimated cost of activities to be financed under this Project is \$19,400,000. The AID contribution of \$18,400,000 will be provided in the form of a grant. Of the AID contribution, \$3.0 million will come from the DA Selected Development Activities (SDA) account, and \$15.4 million from the Economic Support Fund (ESF) account. The GOL will contribute \$1.0 million in in-kind support (staff support and office space). The GOL contribution is 25% of the amount funded from GOL and DA sources.

The table below presents an estimate of the total financing needed to complete the project (inflation and contingencies are included in the line-item figures):

Summary Cost Estimate and Financial Plan (\$000)

|                                    | AID<br>Grant | GOL<br>Contrib. | Total  |
|------------------------------------|--------------|-----------------|--------|
| A. Technical Assistance            |              |                 |        |
| 1. Tech. Assist. Contractor        | 14,496       | 0               | 14,496 |
| 2. Personal Services Contractors   | 515          | 0               | 515    |
| B. Short Term Technical Assistance | 1,520        | 0               | 1,520  |
| C. Commodities/Supplies            | 1,438        | 0               | 1,438  |
| D. Training                        | 275          | 0               | 275    |
| E. Evaluation                      | 156          | 0               | 156    |
| F. In Kind Contribution (GOL)      | 0            | 1,000           | 1,000  |
| TOTAL                              | 18,400       | 1,000           | 19,400 |

D. Analyses and Requirements

The Project Committee has concluded from the analyses of the Project Paper that:

1. The project approach is technically and economically sound, socially acceptable, and administratively feasible;
2. The cost estimates are reasonable and adequately planned, thereby satisfying the requirements of Section 611(a) of the Foreign Assistance Act, as amended;
3. The timing and funding of project activities are appropriately scheduled and the implementation plan is realistic and establishes a reasonable timeframe for carrying out the project;
4. Adequate provision has been made for project evaluation;
5. The project only provides technical assistance to the Government of Liberia and does not contemplate construction activities; therefore the project is categorically excluded from the requirement to file an Initial Environmental Examination per 22 CFR Part 216.2(c)(2)(i);
6. Human rights clearance to proceed with authorization has been received from State HA;
7. The project is not a capital assistance activity, therefore the requirements of Section 611(e) are not applicable; and

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8. A.I.D. will encourage the participation to the maximum extent possible of small business concerns, small disadvantaged business concerns, and women-owned small business concerns in this activity as contractors or subcontractors in accordance with Part 19 of the Federal Acquisition Regulation.

E. Conditions Precedents, Special Provisions, and Covenants

The Authorization contains the following Special Provisions and Covenants in addition to the standard CPs to first disbursement requiring names and signatures of responsible GOL officials and an opinion of counsel on the validity of the Project Agreement:

1. Special Provisions: The Project Grant Agreement also will contain the following special provision on immunities of the operational experts:

The Governments of the Republic of Liberia and the United States of America agree that the Government of the Republic of Liberia shall accord all operational personnel financed under the project, except citizens and permanent residents of the Republic of Liberia, full and complete immunity from criminal jurisdiction and immunity from civil jurisdiction for words spoken or written and acts done by them in the course of the performance of their mission.

2. Covenants: The Project Grant Agreement will contain the following covenants:

(a) The Grantee agrees to continue implementation of the five reform measures adopted in the Financial Management Partnership Agreement signed by the A.I.D. Administrator and the Minister of Finance on February 10, 1987. A copy of those reform measures will be appended to, and by reference, made part of the Agreement.

(b) As agreed in the Financial Management Partnership Agreement, the co-signature of the operational experts financed by this Grant will be required on GOL checks, debit memoranda, revenue receipts, contracts, leases and other related documents. The Grantee agrees to take all necessary steps to ensure that only those documents that bear the required co-signatures will be processed through the Ministry of Finance, the National Bank of Liberia, or other appropriate GOL entities.

(c) The Grantee agrees as soon as practicable after the signature of this Agreement to determine which GOL officials will serve as counterparts to each of the operational experts provided under this project, and to ensure that those officials, as well as adequate office facilities and administrative staff support are available for the life of the project.

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F. Congressional Notification

A Congressional Notification for the project was submitted to Congress on April 28, 1987. Assuming there is no objection, the waiting period will expire on May 12, 1987.

G. Project Officers

The Project will be managed by Tom Eighmy, Economist, USAID/Liberia. Mr. David Leong and Ms. Mary June, AFR/PD/CCWAP, will be the officers responsible in AID/Washington.

RECOMMENDATION: That you sign the attached Project Authorization thereby approving life-of-project funding of \$18,400,000.

Attachments:

Tab A: Project Paper  
Tab B: Project Authorization

Clearances:

AFR/PD:CPeasley (draft) \_\_\_\_\_  
AFR/CCWA:JColes (draft) \_\_\_\_\_  
AFR/DP:JPatterson (draft) \_\_\_\_\_  
AFR/TR/PRO:DReilly (draft) \_\_\_\_\_  
AFR/CON:RKing (draft) \_\_\_\_\_  
SER/OP:TMcMahon (draft) \_\_\_\_\_  
XA/PPC:RBissell *RB* \_\_\_\_\_  
GC:HFry *HF* \_\_\_\_\_

Drafted: AFR/PD/CCWAP: ~~DLeong~~ :dl:04/17/87:3136K

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PROJECT AUTHORIZATION

COUNTRY: LIBERIA

PROJECT TITLE: ECONOMIC STABILIZATION SUPPORT

PROJECT NUMBER: 669-0213

1. Pursuant to Sections 106 and 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Economic Stabilization Support Project ("Project") for Liberia ("Cooperating Country") involving planned obligations of not to exceed \$18,400,000 in grant funds over the life-of-project subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange costs for the project. The planned life of the project is two years six months from the date of initial obligation. Of the amount obligated, \$3,000,000 will be from Section 106, Selected Development Activities Development Funds, and \$15,400,000 will be from Section 531, Economic Support Funds.

2. The project will provide up to seventeen operational experts to work in the Government of Liberia ("GOL") to assist in the management and control of the Government of Liberia finances. The operational experts will focus primarily in the GOL's Ministry of Finance, Ministry of Commerce, Bureau of the Budget, General Services Agency, and the National Bank of Liberia. Assistance also will be provided to the GOL's Ministry of Planning and Economic Affairs, Civil Service Agency, Auditor General's Office, Liberia Petroleum Refining Company, and the Liberian Produce Marketing Corporation. The project will finance the operational experts and associated administrative support costs, short-term training for GOL counterparts, and related costs.

3. The Project Agreement which may be negotiated and executed by the officer to whom authority is delegated in accordance with A.I.D. regulations and delegations of authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

A. Source and Origin of Commodities, Nationality of Services.

Except as A.I.D. may otherwise agree in writing:

(1) Commodities financed by A.I.D. under the project shall have their source and, except for motor vehicles, their origin in the United States of America or the Cooperating Country.

(2) Motor vehicles financed by A.I.D. under the project shall have their origin in the United States.

(3) Except for ocean shipping, the suppliers of commodities or services financed by A.I.D. under the project shall have the United States of America or the cooperating country as their place of nationality.

B. Conditions Precedent (CPs)

The Conditions Precedents to disbursement for this project will be standard CPs concerning legal opinion and specimen signatures from the GOL.

C. Special Provisions

The Project Grant Agreement also will contain the following special provision on immunities of the operational experts:

The Governments of the Republic of Liberia and the United States of America agree that the Government of the Republic of Liberia shall accord all operational personnel financed under the project, except citizens and permanent residents of the Republic of Liberia, full and complete immunity from criminal jurisdiction and immunity from civil jurisdiction for words spoken or written and acts done by them in the course of the performance of their mission.

D. Covenants

(1) The Grantee agrees to continue implementation of the five reform measures adopted in the Financial Management Partnership Agreement signed by the A.I.D. Administrator and the Minister of Finance on February 10, 1987. A copy of those reform measures is appendaged to, and by this reference, is made a part of this Agreement.

(2) As agreed in the Financial Management Partnership Agreement and outlined in Annex I to this Agreement, the co-signature of the operational experts financed by this Grant will be required on GOL checks, debit memoranda, revenue receipts, contracts, leases and other related documents. The Grantee agrees to take all necessary steps to ensure that only those documents that bear the required co-signatures will be processed through the Ministry of Finance, the National Bank of Liberia, or other appropriate GOL entities.

(3) The Grantee agrees as soon as practicable after the signature of this Agreement to determine which GOL officials will serve as counterparts to each of the operational experts provided under this project, and to ensure that those officials, as well as adequate office facilities and administrative staff support are available for the life of the project.

Date: June 26, 87

M. Peter McPherson  
M. Peter McPherson  
Administrator

GLOSSARY

|      |  |
|------|--|
| ADP  | Automated Data Processing  |
| AID  | Agency for International Development                             |
| BOB  | Bureau of the Budget   |
| COP  | Chief of Party   |
| CDSS | Country Development Strategy Statement                           |
| EDP  | Electronic Data Processing                                       |
| EFMC | Economic and Financial Management<br>Committee                   |
| EFMT | Economic and Financial Management<br>Training Project (669-0184) |
| ERP  | Economic Recovery Program  |
| ESF  | Economic Support Fund  |
| ESS  | Economic Stabilization Support Project<br>(669-0213)             |
| GDP  | Gross Domestic Product   |
| GSA  | General Services Agency  |
| GOL  | Government of Liberia  |
| IBRD | International Bank for Reconstruction and<br>Development         |
| IMF  | International Monetary Fund                                      |
| LOP  | Life of Project  |
| LPRC | Liberia Petroleum Refining Company                               |
| LPMC | Liberian Produce Marketing Corporation                           |
| MCIT | Ministry of Commerce, Industry, and<br>Transportation            |
| MOF  | Ministry of Finance  |

|       |   |
|-------|---|
| MPEA  | Ministry of Planning and Economic Affairs           |
| NBL   | National Bank of Liberia                            |
| OAU   | Organization of African Unity                       |
| OPEX  | Operational Expert                                  |
| PACD  | Project Assistance Completion Date                  |
| PAN   | Personnel Action Notice                             |
| PSC   | Personal Services Contractor                        |
| SCOGO | Liberia Special Commission on Government Operations |
| SDA   | Selected Development Activities Account             |
| SIP   | Social Institutional Profile                        |
| USAID | United States Agency for International Development  |
| USG   | United States Government                            |
| USDH  | United States Direct Hire Employee                  |

I. PROJECT SUMMARY AND RECOMMENDATIONS

A. Recommendation

It is hereby recommended that A.I.D. approve a \$18,400,000 grant for the Liberia Economic Stabilization Support Project (669-0213) from the Selected Development Activities (SDA) and the Economic Support Fund (ESF) appropriation. Planned obligations are \$3,000,000 (SDA) and \$9,585,000 (ESF) in U.S. FY 1987; and \$5,815,000 (ESF) in U.S. FY 1988.

B. Description of the Project

1. Grantee

The grantee will be the Government of the Republic of Liberia (GOL). The GOL agency responsible for the project will be the Ministry of Finance. The other agencies principally involved will be the Economic and Financial Management Committee, the Ministry of Commerce, the Bureau of the Budget, the General Services Agency, and the National Bank of Liberia. Assistance also will be provided to the GOL's Ministry of Planning and Economic Affairs, Civil Service Agency, Auditor General's Office, Liberia Petroleum Refining Company, and the Liberian Produce Marketing Corporation.

2. Summary Project Description

This project is designed to provide emergency stop-gap assistance to the Government of Liberia in the area of financial management. The combined impact of the general economic decline, poor GOL budgetary planning and controls, and crisis-level debt service burden, has brought the Liberian economy to the brink of economic collapse. This economic decline has in turn led to increased capital flight, reduced domestic and external investment, and reduced levels of bilateral assistance. IMF and IBRD programs are currently suspended due to GOL arrears to those institutions.

The crisis facing the GOL has become critical, and GOL recognition of this led to the GOL/USG Financial Management Partnership Agreement. The agreement provides for 1) strict GOL adherence to a five point economic policy reform agenda, and 2) the placement of 17 operational experts in key financial management positions within the GOL. The reforms target existing policies and practices which have, in large part, contributed to the present crisis.

The purpose of the Project is to improve the financial management capacity of the Government of Liberia by placing 17 operational experts in the various ministries and agencies to

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serve as financial co-managers. The project will focus on revenue collection, expenditure control, improved information systems, and training. During the 30-month life of project, A.I.D. inputs will include long- and short-term technical assistance, training, and related commodities and support costs. Sixteen long-term operational experts, one PSC Team Leader, one long-term administrative officer, and one PSC project officer will be funded under this project. All operational experts will be located in their respective ministries and agencies.

### 3. Summary Findings

The project is technically and financially sound. The project concept arose from the Economic Mission to Liberia of February 8-10, 1987 headed by AID Administrator M. Peter McPherson. During this Mission, the Administrator met with Liberian President Samuel K. Doe and other senior GOL officials to discuss options to resolve the economic crisis currently facing Liberia. The USG laid out a high risk, high return plan of placing operational experts in key GOL management positions. On February 10, 1987, a Financial Management Partnership Agreement was signed by Mr. McPherson for the USG, and by Finance Minister Mr. Robert C. Tubman for the Government of Liberia. This agreement, which set forth the summary terms of reference for the operational experts, serves as the basic framework for this project. (The position of team leader was added during the project design.)

The project implements the agreement of the Administrator and the Minister of Finance to give co-signature authority to the operational experts who will be financed under this project. It is envisioned that the experts will have co-signature authority on GOL checks, debit memoranda, revenue receipts, contracts, leases, and related commitment documents. The co-signature authority is intended to provide an additional control to the expenditure and revenue receipt processes of the GOL. Although most expenditure and revenue receipts will be co-signed by an operational expert, the GOL and AID have not agreed upon the specific procedure for obtaining these signatures.

However, in each instance in which it is required, the signature of the operational expert will be in addition to those required under GOL regulations and operating procedures. The operation expert's signature attests that the expenditure or other action is not in violation of the terms of the Financial Management Partnership Agreement or the Project Agreement to be entered into under this Project. The operational expert's failure to sign a given document indicates that in his view the expenditure or other action is not consistent with the terms of those agreements. Any document on

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which the operational expert, the Chief of Party and the relevant GOL officials cannot agree, and that is subsequently processed through the Ministry of Finance or other GOL Ministry without the required signature will be reported to the USAID Mission for final determination on whether it violates the GOL/AID agreements.

Contracts, leases, and other commitment documents that are executed without the required signature of an operational expert, nonetheless, represents valid and legally enforceable obligations under Liberian law if those documents are otherwise lawful. That is, the failure of the operational expert to sign does not negate the rights of third parties such as vendors to collect or enforce the terms of a particular contract, nor does it void the contract. However, in failing to obtain the necessary signature, the offending employee is violating GOL regulations requiring such signatures. In addition, as indicated above, it is a violation of the Project Agreement which could result in termination of the Project and, as appropriate, in the termination of other USG assistance to Liberia.

USAID proceeded with a parallel design/implementation strategy in order to get the operational experts on site as soon as possible, the urgency being linked to the start of the next Liberian fiscal year (July 1, 1987) and the need to establish fiscal discipline as quickly as possible. For the project design, an abbreviated PID was sent to AID/W for review shortly after the McPherson visit. This PID was quickly reviewed and approved by senior management of the Africa Bureau. AID/W gave general design guidance to USAID in its instructions to proceed apace with the PP. On the implementation side, USAID and AID/W have worked together to advance the procurement process as far as possible simultaneously with project design. Draft PIO/Ts for the operational expert team and the team leader position were sent to AID/W for development into a Request for Proposal and for recruitment of the PSC team leader respectively. By mobilizing AID/W to the extreme, and assuming of course, that the Brooke Amendment sanctions are lifted and the project receives Congressional Approval, the best estimate is to have the initial team members arrive at post by July 1987. The remaining team members should arrive by the end of September 1987. The team leader, who will initially be funded out of the ongoing Economic and Financial Management and Training Project (669-0184), is expected in June to begin laying the groundwork for the contract team.

The initial task for the contract Chief of Party and other team members who arrive in July will be to work

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closely with the PSC team leader to develop a work plan to implement the Economic Reform Plan. This work plan, which should be completed within three months after arrival at post, will be a detailed plan of action to be carried out by the individual operational experts, and for the contract team as a whole, once mobilized. It will define and prioritize tasks according to the Financial Management Partnership Agreement and will establish the framework within which all other operational experts will function (the work plan should allow for the operational experts to be functional within one month after arrival at post). This work plan should include specifics on the assignment of each operational expert, the office where the OPEX will work, the name and exact relationship to exist between the OPEX and his/her counterpart. The work plan will also establish the procedures to be followed by the OPEXers and by GOL counterparts in carrying out their joint responsibilities.

Because of the criticality of the mid-term project evaluation, further development of an evaluation plan will be completed as an initial task of project implementation. This includes definition of appropriate evaluation criteria and project benchmarks, establishment of a baseline period, and collection of relevant baseline data. U.S.A.I.D. will begin identifying relevant criteria and a draft evaluation plan will be prepared prior to the arrival of the team leader and OPEX team. This will be finalized soon after their arrival.

This project provides technical assistance to the Government of Liberia and does not contemplate construction activities; this project is therefore categorically excluded from the requirement to file an Initial Environmental Examination per 22 CFR Part 216.2(c)(2)(i). The requirements of Section 611(a) of the Foreign Assistance Act have been met. As this is not a capital assistance activity, the requirements of Section 611(e) are not applicable.

## II. PROJECT RATIONALE AND DESCRIPTION

### A. Background

#### 1. The Economic Situation

The international recession of the late 1970's and early 1980's wreaked havoc with Liberia's export-oriented sector which had traditionally accounted for most of the country's GDP growth. The recession resulted in a significant decline in the demand for Liberia's main exports - iron ore, rubber, and logs - which together accounted for over 80% of total export earnings over the previous five years. Further, the inflationary trends in the Western industrialized countries in

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the late seventies and the escalation in oil prices led to increased production costs for most of the iron ore, rubber, and logging companies. These cost increases came at a time when export markets were depressed, leading to significant losses. The concessions responded to these losses by massive cost reduction programs which led to further contractions in the economy.

Matters were made worse when the authorities disbursed almost \$100 million in 1978 and 1979 for the construction of Organization for African Unity (OAU) conference facilities. These and subsequent expenditures, financed mostly from private and foreign savings at high interest rates, eventually reached an estimated \$230 million. These outlays occurred at the expense of productive investment. Government spending also expanded because of public sector wage increases and revenue transfers to inefficient and unaccountable public corporations. The GOL deficit skyrocketed from \$4.3 million in 1975 to \$137.3 million in 1979, and external debt more than tripled, with an increasing share owed to private banks and suppliers at market terms. By 1979, the domestic resource gap had already become a constraint to economic growth.

The military government which assumed power in 1980 greatly exacerbated these problems by increasing the wages of Liberia's military forces by as much as 200 percent and by virtually doubling the size of the civilian work force. The Government payroll increased from approximately \$85 million in 1979 to almost \$158 million by 1982. Under a series of IMF Standby Agreements, some progress was made in reducing the wage bill. In 1986, the GOL payroll was reported to be \$108 million. However, actual wage cost is probably substantially above the reported payroll cost as some salaries are attributed to other accounts and therefore "masked".

The past five years have been particularly difficult for Liberia. From 1980 through 1985, Liberia's monetary economy (as distinct from the traditional economy) registered an annual average decline of about 2.3% in real terms while population grew at over 3% per annum. Monetary gross domestic product (GDP) in 1971 factor costs declined from \$366.2 million in 1980 to \$318.5 million in 1985.

Per capita GDP is estimated to have declined from about \$620 in 1980 to about \$479 in 1986, a nominal decline of about 23%. Considering that the official consumer price index has risen over 16% between 1980-1986, per capita purchasing power has declined about 40%. Without the growth recorded by the traditional economy, the decline in per capita income would have been even more pronounced.

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The contraction in the monetary economy was due to several factors which influenced both the export and domestic oriented sectors of the economy. These included unfavorable external markets, severe structural problems, domestic policy and managerial deficiencies, and continued high budget deficits.

The limited deficit reductions which did take place were not consolidated and considerable regression occurred in 1984-1985. Revenues declined from \$224.2 million in 1983/84 to \$194.5 million in 1984/85. Expenditures increased from \$340.4 million to \$382.6 million over the same period. The IMF Standby Agreement was suspended in December 1984 because of non-compliance and debt servicing arrears. Similar arrears to both the IBRD and ADB triggered a suspension of disbursements from both during the early part of 1985.

The budget deficit was financed through three mechanisms. First, there was borrowing from the National Bank of Liberia (NBL). This practice had serious repercussions on the viability of the banking system. Second, as borrowing from the NBL became more difficult, the Government relied increasingly on minting and circulating additional Liberian coins. The release of coins seriously impaired the functioning of the U.S. dollar-based monetary system. Meanwhile, Government's forced borrowing from domestic banks through a buildup of excess reserves brought the bank clearing mechanism to a standstill. The commercial banks' refusal to accept checks led to a serious and growing lack of confidence in the banking and financial systems. Coupled with GOL actions to release more coins, this brought the monetary system to the verge of collapse. Third, the GOL turned toward drawing down and mortgaging offshore earnings. This drawdown of offshore resources for onshore expenditures exacerbated the debt arrears problem, and precipitated the current external debt crisis. In June 1986 Liberia's external debt arrears reached \$263 million and due to the very limited payments made in GOL-FY 86/87, will likely reach \$441 million by June 30, 1987.

The Liberian monetary system -- officially still based on the dollar standard -- has been largely debased because of the infusion of large quantities of Liberian coins. Liberian coins are readily convertible to U.S. dollars only at a discount. Coins as a total percentage of liquidity have increased from 11% in 1983 to 37% by June 1986. Between July 1986 and March 1987, approximately \$35 million in coins have been put into circulation. The infusion of coins has exacerbated the shortage of foreign exchange, causing a depreciation of between 30-50% in the Liberian dollar, and generated dramatic price increases.

Liberia now faces a severe growth and debt crisis. The only way Liberia can pay its external debt and work its way back to stabilization and eventual growth is to regain control of its financial resources. How available resources are utilized -- to pay debt, stimulate economic growth, or to maintain an overstaffed government bureaucracy -- will be critical to Liberia's future.

The USG, IMF, World Bank, and other donors have worked and are working to improve the GOL's financial management and attempting to resolve the debt crisis of the GOL. However, their successes have been limited. One reason is that the advisors have limited leverage by the nature of their advisory role. Because their roles are not operational, they have been easily marginalized by their respective bureaucracies.

## 2. Program Strategy and Objectives

### (A) GOL Objectives

The GOL's Economic Recovery Program (ERP) published in September 1986 and covering the 1986-1989 period is a comprehensive document which acknowledges Liberia's economic and financial problems and sets forth a plan to address the problems. In the ERP it is stated that there is a serious need to implement fiscal reforms, to liquidate the debt arrearages, to raise output and productivity in the principal sectors of the economy, and to effect reform in the state enterprise sector. The GOL's stated policy is to balance its revenues and expenditures and to eliminate the budget deficit. The GOL's general objectives are:

- To create the necessary conditions to restore investment and growth in the economy;
- To create an environment of fiscal discipline on all of the operations of the public sector;
- To restore good relations with external creditors;

To achieve these objectives, the GOL published the following plan, although to date it has not been able to implement the plan.

- Enforce budgetary and fiscal discipline;
- Strengthen the administration of revenue collections;
- Award contracts and leases on a competitive basis;

- Ensure that it does not borrow against future year revenues;
- Record all domestic and foreign debt at the Office of Debt Management, Ministry of Finance; and
- Monitor concession agreements and duty-free privileges to ensure that import privileges are not abused.

Because of the need to methodically address the many constraints to stabilization and growth, the need to prepare and implement a realistic recovery plan was emphasized during the recent talks between Administrator McPherson and President Doe.

#### (B) AID Strategy and Program Objectives

In the recently prepared CDSS, the Mission's emphasis is on economic and fiscal policy reform, maintaining productive capacity and infrastructure, sustaining basic health and education services, and strengthening the private sector. Within this framework the immediate concern is economic stabilization. This project is designed to be the vehicle to help the GOL begin to regain control of the management of its finances which, in turn, will lay the foundation for economic stabilization. In addition to the Economic Stabilization Support Project with its core of 17 financial operating experts working in tandem with GOL financial managers in a financial management partnership, the Mission will utilize the resources of the P.L. 480 programs to support the economic stabilization effort.

#### B. Project Rationale

This project stems from the January 1987 visit by Secretary of State George Shultz who appointed the AID Administrator M. Peter McPherson to lead a follow-on Economic Mission to help the GOL address its economic and fiscal crisis. The U.S. Economic Mission met with President Doe and members of his Government in February 1987, to propose a new bilateral financial management partnership based on GOL commitment to reform and a direct role for U.S.-financed operational experts in managing GOL finances. After three days of intensive negotiations, the GOL agreed to a Five Point policy reform agenda and to the assignment of 17 U.S. experts with operational responsibilities in key financial management positions in the Liberian Government. The purpose of the partnership is to help the President of Liberia and his senior ministers gain control of revenues and expenditures. This will be achieved by assigning the operational experts at the Deputy

Minister level and giving them co-signatory authority. The Five Point policy agenda consists of the following specific reform measures:

1. Prohibit the practice of borrowing against traditional sources of offshore revenue (maritime, royalties, and corporate taxes,) and do not utilize such offshore revenues to pay onshore expenditures. Halt extra-budgetary expenditures (i.e., expenditures not approved or recorded in the GOL budget). All salaries will be in the budget and every effort will be made to comply with this budget. It must be understood by both Governments that employees' salaries must be current in December. Priority will be given in the coming months to reducing salary arrearages.
2. By June 15, 1987, develop and publish a realistic budget for GOL budget year 1987-88. The budget will reflect expected revenues and encompass all expenditures and show no un-financed gap. The budget will be based on a revised fiscal plan in the Economic Recovery Program to be completed by May 15, 1987. In executing the budget, the GOL will permit no net budget overruns, nor permit extra-budgetary expenditures to occur.
3. As part of the 1987-88 budget process, develop a budget of all offshore revenues, which will include a priority list for external debt payments. Brooke-sensitive debt payments should be made in full and on time.
4. Contract by April 30, 1987, with internationally recognized firms for preparation of current financial statements of LPRC and LPMC. Liberian-owned and -controlled firms will be able to participate in these studies as sub-contractors. Conduct annual financial reviews thereafter. Develop a plan of action to better manage and restructure LPRC and LPMC. Collect and deposit into Government revenues excise taxes levied on imported petroleum products.
5. The GOL will carefully review the recent IMF currency study and work with the IMF on overall economic reform. No release of new Liberian coins will be undertaken without prior consultation with the IMF and the U.S.

C. Project Description

1. Project Goal

The general goal of the Economic Stabilization Support Project is economic stabilization of the Liberian economy.

2. Project Purpose

To develop and implement a fiscal budget and management control system within the GOL.

3. Project Strategy

The strategy to begin to address the project goal and to achieve the project purpose centers on the agreement entered into between the GOL and the USG on February 10, 1987. The principal components of this Financial Management Partnership Agreement are: (1) the five-point policy reform agenda, and (2) the assignment of 17 U.S. operating experts. The initial group of operating experts are scheduled to be in Monrovia by July 1987 with the balance to come by the end of September 1987. The principal areas of assignment will be the Ministry of Finance, the Bureau of Budget and the National Bank of Liberia. Personnel will also be assigned to the General Services Agency, Civil Services Agency, Auditor General's Office, Ministry of Planning and Economic Affairs, Ministry of Commerce, the Liberia Petroleum Refining Company and the Liberian Produce Marketing Corporation. The operational experts will work closely with the Civil Service Agency, the Ministry of Planning and Economic Affairs, and the Auditor General's Office but will not be assigned full-time to these units.

4. Project Outputs

Project outputs will be achieved through the direct daily work performance of the operational experts, working closely with their co-managers and with subordinate staff. The scopes of work for each expert explain how they will spend their time.

(a) A more effective Economic and Financial Management Committee. The EFMC is supposed to coordinate the activities of senior economic and financial officials so that national economic and financial policy is properly formulated and implemented and the President is given sound recommendations. The EFMC has not met regularly and its performance as a deliberating and decision-making body has not been impressive. The individual ministers have tended to work independently and not to coordinate with each other as closely as would be desirable. The ESS Project will seek to strengthen the EFMC as a deliberating and decision-making body.

(b) Annual budgets that contain all planned obligations and expenditures and an accurate estimate of projected revenues. Recent GOL budgets have overstated projected revenues and have not been implemented rigorously. Many expenditures processed through the system were never included in the approved budget. Controls will be established to preclude extra-budgetary expenditures.

(c) Using a computer system procured under the ongoing EFMT Project, a monthly financial reporting system will be operational in the MOF and BOB. Computerized reporting will allow managers to rapidly pinpoint problems and take corrective action.

(d) An effective tax department in place which not only increases revenues but pursues prosecution for tax fraud or evasion in Customs, excise, or income tax.

(e) A functioning Bank Examination Division in the National Bank of Liberia to monitor the 7 commercial banks in Liberia.

(f) Financial accountability established at LPMC and LPRC. Both public corporations have been targeted for privatization by the GOL. Assigning financial management expert to each entity is a step toward that objective. It will further have an impact on government revenues, especially in the case of LPRC.

(g) Reforms in tax structure, based upon recommendations flowing from a collaborative analysis of tax structure and compliance.

##### 5. Project Inputs

(a) Operational Experts - AID will provide the funding for operating experts, PSCs, and administrative staff at a cost of approximately \$16.7 million to implement the project.

(b) Commodities - AID will fund computer related maintenance/servicing costs, supplies, equipment, plus total project contingencies for approximately \$1.4 million.

(c) Training - AID will provide approximately \$.3 million for training under this project. Most of the training for this project will be either on the job or in-country training with a possibility for limited short term training in the U.S. Approximately 100 additional GOL employees will receive short term training in Liberia.

(d) GOL Inputs - The GOL will contribute approximately \$1.0 million in in-kind support (staffing and office space) to the project.

6. Intended Results

The project is expected to be the first step on the road to economic stability by providing the mechanism to install a system for fiscal management and accountability in the GOL.

At the end of the project the fiscal management and budget controls should be in place and operating. The following annual fiscal benchmarks have been established (these may be subsequently revised during project implementation):

Fiscal Benchmarks (\$ Millions)

| <u>Category</u>               | <u>Year 1</u> | <u>Year 2</u> |
|-------------------------------|---------------|---------------|
| Revenue Collections           | 207           | 232           |
| Wage Bill                     | 105           | 103           |
| Recurrent Expenditures        | 251           | 278           |
| External Debt Payments        | 30            | 45            |
| Domestic Financing of Deficit | 55            | 30            |

In addition to the above, the following results are projected:

(a) All revenue and expenditure are fully reported and recorded in GOL published records.

(b) GOL revenues are increased to \$232 million by FY 88/89 (revenues in FY 86/87 are projected to be \$175 million).

(c) GOL wage bill at \$103 million in FY 88/89 compared to the current reported level of \$113 million).

(d) Domestic vendor arrears are reduced to \$30 million (current level is about \$70 million).

(e) GOL employment level is reduced to and kept at 34,000 by FY 89/90 (current level is 42,000)

(f) GOL paying \$45 million in external debt in FY 88/89 from its resources.

(g) All GOL payroll records are on the computer system and wages are current.

(h) GOL recurrent expenditures (including wages) are increased to \$278 million by FY 88/89 (current level is \$260 million), as off-budget expenditures are brought into the budget process.

### III. Project Analyses

#### A. Organizational Description

The primary responsibility for the management of financial affairs for the GOL rests with the Bureau of the Budget, Ministry of Finance and the National Bank of Liberia. These entities deal with the budgeting, tax collection, expenditure control, cash disbursement, and monetary control for the GOL. Other agencies that have a role in the GOL's financial management and which will have activities under this project include the Ministry of Commerce, Industry and Transportation (MCIT), the General Services Agency (GSA), the Ministry of Planning and Economic Affairs (MPEA), the Liberia Petroleum Refining Company (LPRC), and the Liberian Produce Marketing Corporation (LPMC) and the Auditor General's Office. General coordination of the economic affairs of the GOL is done through the Economic and Financial Management Committee (EFMC). The terms of reference for the 17 operational experts are found in Annex F of this paper.

#### 1. Bureau of the Budget (BOB)

##### (A) Organization

The Bureau of the Budget is part of the Executive Office of the President. Its primary responsibility is to compile the GOL's annual budget for general government operations (the recurrent budget). The MPEA prepares, evaluates, and coordinates the annual development budget. The BOB is headed by a Director and Deputy Director. Four Assistant Directors head the four divisions: Administration and Management Support Services; General Administration Services Sector; Social and Community Sector; and Economic Services Sector (see organizational chart, Annex H-1). The BOB employs approximately 150 people.

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(B) Functions

The primary function of the BOB is the preparation of the annual budget. Approximately four months prior to the beginning of the new fiscal year (which runs from July 1 to June 30) the Bureau issues guidelines to the ministries and agencies. The guidelines spell out program priorities and spending levels for the ensuing fiscal year. Basic policy guidelines are developed in conjunction with the Budget Committee which consists of the Director of the Budget as Chairman, the Minister of Finance, the Minister of Presidential Affairs, the Minister of Planning, the Auditor General, the Director General of the Civil Service Agency, and the Director General of the General Services Agency.

Revenue estimates are prepared by the Ministry of Finance and submitted to the Budget Committee along with the agencies' budget submissions for its review. Budget hearings are held with the various ministries and agencies and the Budget Committee finally submits its recommendations to the President.

At a Cabinet level meeting the President and his advisors discuss the recommendations submitted by the Budget Committee and eventually approve a final budget document which is then forwarded to the Legislature. After the Legislature reviews the President's budget it is enacted into law. The Bureau of the Budget is responsible for implementing the budget legislation.

The approved budget law specifies the level of authorized spending by object of expenditures within programs within ministries. The President is authorized by law to transfer funds between programs and ministries without obtaining Legislative approval, so long as the overall budget level is not exceeded.

After the budget has been signed into law, the Bureau of the Budget calls for agencies to submit requests for appropriation allotments, which are normally issued on a quarterly basis. Budget transfer requests between appropriations are prepared by the Budget Bureau upon requests emanating from the agencies. Budget transfers must be approved by the Bureau of the Budget and the Ministry of Finance.

The present budgetary practices of the Government are inadequate to prevent the substantial deficits that have occurred over the past eight to ten years. Revenues have been grossly overstated while appropriations only reflect a portion of the Government's actual spending pattern. Until recently, quarterly allotments were distributed to agencies based upon an equal distribution of inflated revenue forecasts. Recently the Bureau of the Budget has made a serious attempt to distribute

allotments monthly based upon actual tax collections. However, this system has hampered the budgetary and expenditure control process because it takes the Ministry of Finance at least an additional thirty or more days to generate the monthly tax collection reports and, in the meantime, funds are obligated and/or expended based upon anticipated allotments.

The annual budget is supported by a list of personnel positions maintained by the Bureau of the Budget. Personnel Action Notices (PANs) for new hires and salary increases should be approved by the Bureau of the Budget before the agencies may add the additional names to the payrolls.

Payroll additions have been systematically approved without adequate consideration as to position and fund availability. Attempts to reduce the size of the payroll have not been effective simply because positions were not abolished and new employees were hired to fill the previously vacated positions. Previous attempts to prevent individuals from filling more than one position at a time have not been very effective.

Pressure from high level government officials to obligate funds for major construction and equipment has been a serious abuse to the system. Funds are sometimes obligated for non-budgeted items without the knowledge of the Bureau of the Budget.

The present budgetary system fails to take into consideration the total costs of doing business. Items such as fuel and utilities are underestimated in order to keep the budget deficit level down but this does not prevent the ministries from obtaining the needed supplies and services. Further, tax revenues are traded against expenditures incurred outside of the budget, a term commonly referred to as "tax expenditures."

Lack of discipline and accountability are two of the major reasons why a serious financial gap exists in the Liberian Government's financial management system. Lack of compliance with prescribed rules and regulations including Executive Orders has motivated the President of Liberia and the U.S. Government to propose the introduction of professional foreign managers to aid the Government of Liberia in its attempt to induce much needed discipline and accountability in its financial systems.

#### (C) Operational Expert Role

There will be two operating experts assigned to assist in the Bureau of the Budget. The Senior Budget Manager will work at the level of Deputy Director at the BOB. The Senior Budget

Manager will be responsible for jointly developing, reviewing, approving, and implementing, the annual budget for the Government of Liberia. The Senior Job Inspection Manager (Position Control) will work at the level of Deputy Director at the Bureau of the Budget (s/he will also provide assistance to Civil Service Agency) and will be responsible for overseeing the implementation of a comprehensive job classification scheme with a view to rationalizing the size of the GOL workforce. The contractor will work with the Senior Budget Manager, Senior Financial Manager, and the Senior Cash Manager in carrying out his/her duties.

## 2. Ministry of Finance (MOF)

### (A) Organization

The Ministry of Finance, created by an act of the Legislature, manages the financial affairs of the Republic of Liberia. This includes the collection of revenue, disbursement of funds, raising of loans, and debt servicing.

The Ministry of Finance is divided into three functional categories and each is headed by a Deputy Minister who reports directly to the Minister of Finance. The Minister, three Deputy Ministers, Assistant Ministers, commissioners and many of the lower-level staff are politically appointed. The three offices headed by the Deputy Ministers are the Office of Administration, the Office of Revenue, and the Office of Expenditure and Debt Management (see organizational chart, Annex H-2). The MOF employs approximately 1,800 people.

### (B) Functions

#### (1) Office of Administration

The Office of Administration is responsible for the general operations of the Ministry including personnel administration, procurement, budgeting, and buildings maintenance. The office is also responsible for monitoring the operations of existing concession agreements through the Technical Services Division in conjunction with the National Investment Commission (ex-Division of Investment Analysis). All MOF-related procurement and disbursement transactions, including employment, are prepared by the Office of Administration and approved by the Deputy Minister for Administration.

#### (2) Office of Revenue

The Office of Revenue is responsible for the assessment and collection of income and corporate taxes and the application and administration of customs tariffs and excise

tax. The office is headed by the Deputy Minister for Revenue supported by an Assistant Minister. Administration of the revenue functions are delegated to the following Commissioners: Direct Taxation, Indirect Taxation, and Customs.

The main sources of the Government's tax revenues are from taxes on international trade, taxes on income and profits and taxes on domestic production. The following breakdown is based upon tax revenue estimates included in the 1986/87 fiscal year budget:

| <u>Tax Category</u>           | <u>Amount (\$ Million)</u> | <u>% of Total</u> |
|-------------------------------|----------------------------|-------------------|
| International Trade (Customs) | 86.5                       | 39.4%             |
| Income and Profit             | 64.0                       | 29.0%             |
| Domestic Production (Excise)  | 33.8                       | 15.4%             |
| Property                      | 9.2                        | 4.2%              |
| General Licenses/Misc Taxes   | 19.6                       | 9.0%              |
| Non-Tax Revenue               | 6.5                        | 3.0%              |
| Total                         | 219.6                      | 100.0%            |

Note: These figures do not distinguish between domestic taxes paid onshore in Liberia dollars and offshore revenues.

Revenues from domestic and external sources declined in absolute terms over the last four years. The following chart shows total revenues for the GOL for Fiscal Years 81/82 to 85/86. The decrease in collections between FY 81/82 and FY 85/86 of \$65 million represents a decrease of 27% in four years.

| <u>Fiscal Year</u> | <u>Total Revenue (\$000)</u> |
|--------------------|------------------------------|
| 81/82              | 237.8                        |
| 82/83              | 230.8                        |
| 83/84              | 208.8                        |
| 84/85              | 189.8                        |
| 85/86              | 172.8                        |

Source: Government of Liberia Economic Recovery Program of 1986 and reports from the MOF Comptroller's Office.

The sources of GOL revenues are international trade taxes (customs duties), domestic production (excise) taxes, income/profit sharing taxes, license fees, property taxes, and non-tax revenues. This project will focus on customs duties and domestic production (excise) taxes, which are among the largest sources of domestically raised income.

Customs duty collections remained relatively constant between 1985 and 1986, although they were considerably reduced from 1983 and 1984. The primary reason for the decline in collection was an even more pronounced downturn in the total value of importations.

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Imports into Liberia differ markedly from most other developing countries. Customs rates are high by world standards, however, several characteristics of Liberia's system mean actual collection rates are lower overall than stated but distributed in a distorted manner. In excess of 55% of all imports are placed into bonded warehouses thereby delaying customs duty until warehouse withdrawal rather than released into the direct consumption of Liberia. Presently, over 25% of all bonded warehouse withdrawals are eventually moved out of Liberia through transshipment (principally to Guinea). However, ineffective GOL Customs monitoring of transshipments may lead to some abuses in an otherwise beneficial program.

Customs controls and checks are primarily maintained by having several senior officials review documents before final approval is authorized. This includes duty-free or duty-reduced imports, transshipments, import and export entry drawbacks, deferred payments, and other forms of tax expenditures. Additionally, a Liquidation Division in principle reviews all entries for correctness of duty application and an Inspection Division conducts internal audits. The latter division primarily examines bonded warehouses, excise establishments and customs rural ports.

While the foregoing appears to be a sound structure, there are significant deficiencies which make the reviews inadequate and often cumbersome. Most basically, reviewers are either not knowledgeable of what they are reviewing or have insufficient information at their disposal in which to make an informed decision. For example, a Deputy Commissioner reviewing a duty free entry does not have access to duty-free agreements; he can only check the accuracy of the calculation not the validity of the entry itself. Other major flaws include inadequate record keeping, a lack of reporting system and insufficient management controls and audit oversight.

Another relatively unique characteristic of Liberia's system is the wide use of duty-free and duty-reduced privilege. This authority is principally used by business concessions which include logging, construction, and retail firms. A recent historical high of almost 50% of all goods entering Liberia claimed some form of duty-free exemption during 1986. This amounted to a loss of \$27.8 million potential revenue or an 11% increase over 1985. These losses are not attributed to the long established export-oriented concessions but to newly granted consumption-oriented concessions. The granting and extension of such new concessions invites abuse.

The continuing slide in domestic revenues over the past four years is due to many factors. The decline in the price of



Liberian commodities sold on the international market has contributed to the reduction in export tax collections. Also, the declining confidence in the Liberian economy especially with a shortage of U.S. dollars and the release of \$87 million in Liberian five dollar coins into the financial system has had a negative impact. While both reasons are cause for concern, the major contributors to the decline in tax collections are poor tax administration and enforcement and liberal tax relief granted to businesses in the way of tax credits and duty free privileges.

Liberia does have a high tax rate structure but the tax structure is not applied equally to all taxpayers. Tax forgiveness is granted to influential taxpayers. In addition, tax assessments and tax collections procedures are not adequately enforced. It is possible for taxpayers to ignore payment requirements or negotiate settlements with tax officials. Previous attempts to implement special tax enforcement and collection task force operations have usually had a negative impact on the amount of revenue generated.

Recent attempts to "tighten up" on the controls on collections have been positive. In January 1987, the central cashier operation at the Ministry of Finance was abolished and replaced by a system whereby taxpayers pay their taxes at the banking institutions and the money is deposited directly into the Government's accounts. Since taxpayers, if paying by check, must pay their taxes at the banks where their checking accounts are maintained the problem with returned checks for insufficient funds has been eliminated. Previously, taxpayers were not usually dunned if their checks were returned and they could escape without paying the taxes due. Also, employees were allowed to cash personal checks and in some cases the checks turned out to be bad and restitution was not enforced. Authorization to withdraw tax receipts for salary payments and other expenditures was commonplace, without entering the disbursement accounting system. Improvements in the revenue accounting system and more direct linkage to the disbursement accounting system will be needed.

Due to inadequate controls and improper administration, tax auditors have been dismissed over the past several years for adjusting taxpayers' liabilities. There is concern that similar actions could be repeated. There is too much authority vested with tax administration officials whereby adjustments in tax liabilities can occur without appropriate accountability.

Overstaffing, low and arbitrary salary scales for new employees, plus lengthy delays in the payment of salaries contribute to poor morale of all employees within the Ministry of Finance. This coupled with inadequate working facilities and insufficient supplies and materials to do their work

properly leads to serious personal management problems. Employees do not receive proper guidance from their managers and are allowed to "go it alone." Such problems have led to a deterioration of the tax administration and tax collection system. Thus, major steps must be taken to correct the system and that is why agreement was reached to place professional foreign operational managers with the Ministry. Without disciplined and properly trained personnel to manage the system, tax administration and tax collections will continue to deteriorate.

(3) Office of Expenditure and Debt Management

This Office has Government-wide responsibility for accounting including expenditure control, cash management and debt management. The responsibility for accounting and expenditure control is delegated to the Bureau of General Accounting while cash management and debt management activities are assigned to the Comptroller's Office.

The level of public sector expenditures as a percent of GDP in Liberia is high, both relative to past levels and in comparison to other lower income countries - countries with similar levels of GDP per capita. In 1960 public sector expenditures came to about 7% (see World Bank Development Report IBRD, 1984) of GDP. However, by 1982 public sector expenditures in Liberia came to 23% of GDP, more than triple the earlier share, whereas the average share of lower income countries increased from 10% in 1960 to only 13% by 1982.

Expenditure components of the GOL budget are highly skewed toward the operating budget versus the development budget, and toward salaries versus supplies and equipment. The 1986/87 fiscal year operating budget amounts to \$257.8 million. Of this total \$105 million is for salaries or 42% of the total operating budget. (Actual revenues are likely to be around \$175 million, while the payroll will exceed \$105 million.) This heavy expenditure on salaries, not matched by concordant expenditure on equipment and supplies is highly un-productive. While GOL has more than sufficient employees to provide adequate Government services, these employees are unable to produce due to lack of supportive resources.

All government financial transactions should be passed by the centralized Bureau of General Accounting before ministries and agencies are allowed to obligate government funds. Transactions should be reviewed for legality, propriety of expenditure, and fund availability. Also, transactions should conform to promulgated personnel and procurement rules and regulations. Transactions failing to meet the series of tests should be rejected and returned to the initiating ministries.

The Bureau of General Accounting maintains the budgetary appropriation and allotment accounts for the Recurrent and Development budgets. Transactions are posted to the appropriate accounts if budgetary funds are available. If funds are not available the transactions should be returned with appropriate instructions relating to the funding problems. After the financial transactions have been approved, the Bureau of General Accounting passes the transactions to the Comptroller's Office.

The Office of the Comptroller maintains the GOL cash account balances on deposit with the various commercial and government banking institutions. Vendor payments are usually paid from account balances on deposit with the commercial banks while the Government's payroll is paid from the payroll account at the NBL. The Division of Revenue Accounting in the Office of Revenue is responsible for revenue accounting.

The present system of accounting, expenditure control and cash disbursing is maintained manually. A computerized system of accounting for budgetary accounting, revenue accounting and cash management has been designed but has not yet been implemented due to the lack of adequate equipment. Accounting for the Government's monthly payroll has been automated for approximately seventy percent of the payroll. Only the Military payroll and agency supplemental payroll continue to be processed on the manual basis. Plans have been developed to automate the entire payroll and incorporate position control into the system. The implementation of the system has also been delayed due to equipment problems.

Currently, position control which is the responsibility of the Bureau of the Budget is maintained on the manual basis by budget examiners. However, uniform positions are not employed as part of the budget system and there is no assurance that adequate controls are maintained. Since payroll costs in the Government are extremely high it is essential that an automated position control and payroll system be implemented on a high priority basis.

While the Personnel Action Notice (PAN) is the official document used for inserting a name on the computerized payroll such is not the case for supplemental payrolls. Ministries submit names of employees without PANs and the Ministry of Finance issues payroll checks against the supplemental listings. While some wage payrolls can be justified many names submitted on supplemental payrolls are unauthorized and should not be processed.

A manual system of maintaining control of the budget is in place but it has had only limited effectiveness. Due to the delay in processing monthly allotments many transactions are

recorded and approved on the basis of anticipated allotments. As mentioned previously, allotments are based upon the previous month's tax collections themselves subject to error and due to the late reporting of revenue, current month's allotments are usually not recorded until sometime after the current month has elapsed.

Pressure from some government officials to process transactions is another serious problem. If transactions are rejected due to lack of funds the agency head may contact the Minister of Finance who sometimes issues a waiver or else the National Bank of Liberia will disburse the funds, thereby bypassing the Ministry of Finance altogether.

The purchase of gasoline and other petroleum products by government agencies is another serious problem. Instead of paying for the commodities through the normal budgetary and cash disbursing system, the Minister of Finance will waive the payment and order the Liberia Petroleum Refining Company (a government enterprise) to issue the products in lieu of tax payments. The end result of such transactions amount to expenditures cancelling out tax receipts and neither transaction is recorded in the accounting system, and the net cancellation effect remains unknown.

Substantial salary and vendor payment arrears have placed extraordinary pressure on Ministry of Finance officials, with salary arrears amounting to approximately \$27 to \$30 million and vendor arrears totalling approximately \$70 million. Ministry of Finance officials spend much of their time addressing the arrearage problem while other financial management problems are bypassed in the process. It has become difficult to ascertain the status of the Government's cash position. Vendors checks are prepared and amounts deducted from the cash accounts but are not released. Daily cash reports are misleading because they do not reflect accurate balances. Also, tax collections are often used to pay vendors directly while salary arrears are financed primarily by funds borrowed from the banking system, or by mortgaging offshore receipts.

Many vendors are unable to ascertain when they will receive payments for goods and services. Therefore they have inflated their billings or refuse to deliver the goods unless the government pays in advance. The present procurement and delivery system does not provide sufficient controls to insure that goods are actually received. Ideally, an audit of the outstanding domestic arrears should determine the authenticity of the vendor arrears before further payments are made by the government.

The current system of processing financial transactions through the Ministry of Finance, as described above, has serious weaknesses that must be corrected before proper financial controls can be implemented. The lack of discipline and improper accountability are two serious problems that must be overcome. By placing professional operational managers into the system, one in the area of expenditure control and one in cash management, it is anticipated that many of the weaknesses and shortcomings can be corrected. Both managers would have co-signature authority over the transactions in their areas of responsibility. In addition, the managers will be responsible with their Liberian Government counterparts to implement adequate financial control and reporting systems.

(C) Operational Expert Role

There will be two operational experts assigned to the Ministry of Finance's Office of Expenditure and Debt Management. They will serve as Senior Financial Manager (Expenditure Control), and Senior Cash Manager (Disbursement Control). Three operational experts will be assigned to the Ministry of Finance's Office of Revenue. They will serve as Senior Tax Collections/Audit Manager, Senior Customs and Excise Manager, and Senior Customs Manager. There also will be three operational experts assigned primarily to the Ministry of Finance, but who will work in other ministries and agencies as well. These experts will serve in the positions of Internal Audit and Training Expert, Senior Systems Manager, and Computer Systems Programmer.

For the Office of Expenditure and Debt Management, the Senior Financial Manager, working at the level of Deputy Minister for Expenditure and Debt Management in the Ministry of Finance, will work closely with the Bureau of General Accounting to ensure that budgetary control is maintained within the Government of Liberia. The Senior Financial Manager will function as the Chief of Party for the contract team. The Senior Cash Manager will work at the level of Deputy Minister for Expenditure and Debt Management in the Comptroller's office of the Ministry of Finance. The Senior Cash Manager will endeavor to improve the financial expenditure performance of the GOL through increased and improved review and oversight of vouchers, planning documents, and controls, ensuring that only legitimate expenses (i.e., payroll and items previously approved in the budget) are approved for payment, overseeing the development of automated systems of financial control, and overseeing the training of Ministry personnel in these systems. The Senior Cash Manager will function as the alternate Chief of Party for the contract team.

For the Office of Revenue, the Senior Tax Collections/Audit Manager will work with the Deputy Minister

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for Revenue. In this position, the contractor will be responsible for jointly supervising, monitoring, and controlling current and delinquent tax collection efforts and the transfer of revenues to government accounts. The Senior Customs and Excise Manager will work at the Deputy Minister for Revenue level and will work through the Commissioner of Customs and Excise. In this position, the contractor will be responsible for jointly monitoring and controlling customs and excise tax collection efforts and the transfer of revenues to government accounts. The Senior Duty Manager will work at the Deputy Minister for Revenue level and will work through the Commissioner of Customs and the National Port Authority at the Freeport. In this position, the contractor will be responsible for jointly monitoring and controlling customs tax collection efforts and the transfer of revenues to government accounts. The contractor also will work with the EEC-funded operational experts at National Port Authority (NPA) when they are in place.

The three operational experts assigned physically to the MOF but working with selected other agencies as well will work to strengthen the Automated Data Processing and audit functions within the GOL generally. The Senior Systems Manager will work in the Bureau of Data Processing in the Ministry of Finance. The contractor's counterpart will be the Ministry of Finance's Director of Data Processing. In this position, the contractor will be responsible for developing and implementing a system of automated financial organization and control. The Computer Systems Programmer will work in the Ministry of Finance and the Ministry of Planning and Economic Affairs. The contractor will support the Senior Systems Programmer in the design and programming of the fiscal management control systems. The programmer will also provide support in the implementation of the payroll audit and position control systems. The Internal Audit and Training Expert will implement controls to insure compliance with economic recovery programs and reform measures. The contractor will survey existing internal audit operations within the Ministry of Finance and submit a series of recommendations to consolidate the functions within one organization which will report directly to the Minister of Finance.

### 3. National Bank of Liberia (NBL)

#### (A) Organization

The NBL was established by Legislative Act in 1974 and is responsible for regulating the availability of money, promoting monetary stability, and promoting credit and exchange conditions and a sound financial structure conducive to the balanced growth of the economy.

The NBL is headed by the Governor of the NBL, who receives his direction from a Board of Directors. He is assisted by a Deputy Governor. The bank is divided into four departments headed by department managers. The four departments are Administration, Operations, Regulations Supervision and Bank Inspection, and Research (see organizational chart, Annex H-6). The NBL employs approximately 270 people.

(B) Functions

The National Bank of Liberia (NBL) serves as the system's central bank although it has no authority to issue bank notes. The NBL is not considered to be independent of Government.

The Liberian monetary system is referred to by the IMF as a currency enclave where the U.S. dollar is circulated as legal tender supplemented by Liberian coins of limited edition and having a maximum value of \$5.00. Nominally, the Liberian and U.S. dollars have been on par although, as noted, the Liberian dollar is traded at a substantial discount. The official monetary unit is the Liberian dollar and all domestic debts, deposits and other accounts are kept in terms of the Liberian dollars.

The main institutions of the Liberian monetary and financial systems include:

- National Bank of Liberia;
- Two specialized Government banks (National Housing and Savings Bank and the Agricultural and Cooperative Development Bank);
- Five foreign owned commercial banks;
- The Liberian Bank for Development and Investment (jointly owned by the GOL and private investors); and
- Non-bank financial institutions, insurance companies and other intermediaries.

Money has been injected into the system primarily by the importation of U.S. currency drawn against official offshore reserves or by the release of Liberian coins against commercial banks deposits with the National Bank of Liberia or for payment of government checks. The deficits and the way they have been financed along with the public sector debt has had a harmful effect on the level of the nation's official reserves.

Government deficit spending, financed partially by overdrafts at the NBL leading to the accumulation of excess reserves owed to commercial banks, has also put great pressure on the money supply.

Despite the nominal parity between the U.S. dollar and the Liberian dollar a premium is paid on the U.S. dollar.

Normally, banks will only sell traders' checks for U.S. currency or checks drawn on U.S. banks.

Confidence has been waning in the banking system because of several factors. Due to the high level of excess reserves held at the NBL, commercial banks do not always have the cash to honor withdrawals and a waiting period may be required before cash can be paid to honor a check withdrawal. Banks often will not accept deposits in check form from other banks since the check clearing process at NBL often only increases the bank's level of non-liquid excess reserves. This refusal to accept check deposits has eroded the confidence of the public in the banking system and at the same time increased the demand for already scarce cash, both coins and notes, from the banking system.

The Banking Arrangement of May, 1984 came about because high Government domestic deficits forced up the level of excess reserves of commercial banks at NBL. This buildup in excess reserves and the resulting liquidity squeeze caused the private sector to be "crowded out" of the credit market. This led to adoption of significant changes in the banking arrangements which were proposed by the commercial banks working with the IMF resident representative and agreed to by the GOL during May, 1984. The Memorandum of Understanding usually referred to as the "Banking Arrangement" established procedures designed to eliminate the GOL practice of borrowing from the banking system by writing un-backed checks to progressively reduce the excess reserves of the commercial banks, to restrict the uncontrolled release of coins and to provide a mechanism whereby the banks would provide payroll cash to the NBL.

While the Banking Arrangement of 1984 and subsequent extensions have improved the confidence in the banking system, not all points of the agreement have been fulfilled to the extent anticipated. Government banks have allowed the GOL to incur overdrafts in the accounts at the respective banks. New coin issues have been used to finance government's excessive spending rather than issue the coins to the banks for reducing the excess reserves. (Excess reserves are defined as un-monetized credits in the NBL for each commercial bank in excess of the required 22% fractional reserve requirement.) Also, payroll has not always been given the highest priority over payments to vendors.

On March 30, 1987 the GOL and the bankers signed a new agreement which should correct the deficiencies of earlier versions and halt all government borrowing from the banking system and provide for the scheduled payments of all excess reserves. The banking community is hopeful that the most recent agreement will result in significant and meaningful reforms in the functioning of the financial system.

In 1986, the Legislature passed a law requiring concessions (exporters) who do business in Liberia to make available twenty-five percent of offshore sales to the Government of Liberia in exchange for a like amount of Liberian dollars to meet the exporter's local expenses. The purpose of the legislation was to supply much needed U.S. dollars into the local economy both for the needs of GOL as well a local importers. But due to the lack of liquidity, the GOL has not been in a position to take advantage of this new found source of U.S. dollars and while the NBL is responsible for apportioning the twenty-five percent return to commercial banks for the use of importers there are serious doubts about how the funds are sold to individuals and businesses.

The NBL has been used as a conduit by high level government officials to purchase commodities offshore when funds are not available through the normal budgetary process. Letters of Credit are issued by the NBL and the Ministry of Finance is not aware of such transactions until actual payments are rendered and the GOL accounts are charged after the fact. In such instances the budgetary accounts are not charged.

During the past five years the NBL has released approximately \$87 million of Liberian five dollar coins into the banking system. Most of this has been used to finance the GOL deficits and not to reduce the banks' excess reserves as originally called for in the Banking Agreement of 1984.

(C) Operational Expert Role

The above stated problems led the President of Liberia and the U.S. Government to propose that two operational experts be assigned to assist the Governor of the National Bank of Liberia in fulfilling the responsibilities of a central bank. One expert will serve as Senior Central Bank Manager and the other as a Bank Supervision Advisor. The Senior Central Bank Manager (The position will be at the level of Deputy Governor responsible for foreign exchange) will be responsible for jointly reviewing, approving, and co-signing all offshore foreign exchange transfers including debt payments. The second position will be that of Bank Supervision Advisor at the NBL at the Deputy Governor level. In this position, the contractor will be responsible for supervising and assisting in the bank's daily affairs including foreign exchange disbursements and transfers. The contractor will work closely with the Senior Central Bank Manager in carrying out his duties.

#### 4. Other Project Organizations

##### (A) Economic and Financial Management Committee (EFMC)

The EFMC was established in 1982 by Executive Decree as a senior control organization to develop and monitor fiscal policies and programs of the GOL. Its core members are the Minister of Finance, the Minister of Planning and Economic Affairs, the Director of the Bureau of the Budget, and the Governor of the National Bank of Liberia. Other ministries and parastatals may be represented at EFMC meetings on an as needed basis. The EFMC is chaired by the Minister of Finance. The EFMC is supported by a secretariat which is responsible for performing the various staff functions (preparation of briefing papers and reports, reviewing relevant government financial reports, etc.) of the EFMC.

AID sees this committee as the focal point for coordination and cooperation on a policy level and among project personnel and senior GOL officials. The monthly committee meetings will serve as a forum to establish the project benchmarks, and to discuss the project's progress, problems, and future plans/actions.

The Team Leader for the project will function as the Inter-Ministerial Public Administration Expert to the Economic and Financial Management Committee. He will be responsible for reviewing, overseeing, and implementing the Financial Management Partnership Agreement as well as for providing general direction to the operational expert team.

##### (B) Ministry of Commerce, Industry, and Transportation (MCIT)

The Ministry of Commerce, Industry, and Transportation was established by an Act of Legislature in 1964. The Ministry was created to promote, regulate, control and expand commercial industrial and transportation activities in Liberia. The Minister of Commerce, Industry, and Transportation is supported by two deputy ministers and five assistant ministers. There are 102 positions included in the 1986/87 budget for the Ministry.

The organization consists of the following six programs: Trade Services (responsible for internal commercial activities and trade relations with foreign countries); Industrial Services (responsible for developing, promoting local industries to improve socio-economic growth and development); Transportation Services (responsible for coordinating, monitoring and regulating land, air and sea transportation); Domestic Airport Services (responsible for management and maintenance of major airfields throughout the country); Insurance Services (responsible for the development of policies

and regulations aimed at the insurance industry within the country); and Administration and Management (responsible for the general operations of the Ministry including; procurement, personnel administration, budgeting and finance, and disseminating information on regulations and policies).

A Senior Import/Export Manager will be assigned to the MCIT and will be responsible for jointly monitoring and controlling import and export controls for the Government of Liberia. The contractor will work closely with the Senior Customs Manager and the Senior Tax Collector/Audit Manager in carrying out his duties.

(C) General Services Agency (GSA)

The GSA is responsible for all procurement for the GOL. Its functions are divided according to three basic types of procurement: Commodity Procurement, Fuel Procurement, and Building Rental and Maintenance.

The GSA is directed by the Executive Staff which includes the Director General, the Deputy Director for Administration, the Deputy Director for Operations, the Economic and Financial Consultant, and the Special Assistant to the Director General. There are roughly 350 GSA employees.

The operating expert assigned to the GSA will serve as the Co-Director. The OPEX will be responsible for increasing the efficiency of the GSA by improving the general management, for ensuring closer adherence to free and open competition practices, and for ensuring that stricter commodity control procedures are followed.

(D) Ministry of Planning and Economic Affairs (MPEA)

By an Act of the Legislature, the Department of Planning and Economic Affairs was renamed the Ministry of Planning and Economic Affairs in 1972 and authorized to undertake national development planning and formulation of economic policy. The Ministry was mandated to conduct studies and surveys, prepare intermediate and long range development plans, monitor, and evaluate development projects, and coordinate external aid. The Ministry is to collect information and data relevant to the economy and to guide economic policy decisions. There are 131 positions included in the MPEA 87/88 budget.

There will be a Computer Systems Programmer assigned to the MOF to assist in the design of a fiscal management control system. The OPEX will necessarily coordinate his activities with the MPEA in carrying out his functions.

(E) Liberia Petroleum Refining Company (LPRC)

LPRC is responsible for the purchase and sale of all petroleum products used in Liberia, except for those purchased by concessions. The operating expert will be assigned to LPRC at the Managing Director level and will be responsible for developing and implementing a financial plan to assure legality and propriety of all funding transactions. If LPRC is privatized, this position will be deleted.

(F) Liberian Produce Marketing Corporation (LPMC)

LPMC is responsible for the purchase and export of all coffee and cocoa grown in Liberia. It is also the distributor of commodities imported under the USAID PL 480 Program. The operating expert will be a Co-Manager at LPMC and will be responsible for developing and implementing a management and financial control system.

B. Economic Analysis

1. Economic Feasibility

The conventional approach to determining the economic feasibility of the proposed project is to compare the costs of the project to the economic benefits to be expected. The monetary costs can be clearly identified but the project benefits are more difficult to identify. Also factored into the equation must be the non-monetary costs associated with this project. These non-monetary costs are related to the high risk/high return strategy taken by the USG and the GOL to turn around the present financial management crisis. Several less bold attempts have been taken in the past with limited success. If successful, however, the payoff for Liberia's economy and people will be great. These non-monetary costs, as well as the potentially high payoff, must be taken into account when evaluating the economic feasibility of the ESS project. Several approaches to the economic analysis are discussed below.

(A) The Revenue Approach

If the 17 OPEX personnel result in or bring about the generation of more GOL revenue than they cost, then their feasibility can be established. An indicator of the results of success of policy reform can be obtained from the GOL's Economic Recovery Program (ERP) which illustrates the impact of sound fiscal management on revenues. While the original ERP assumed that GOL FY 86/87 would be the first year of reform, this can be adjusted to coincide with the first full year of the proposed project.

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Recent revenue performance and revenue targets for each year are presented below:

| <u>GOL Fiscal Year</u> | <u>Current Revenues</u> |
|------------------------|-------------------------|
| 1982/83                | 224.4                   |
| 1983/84                | 224.1                   |
| 1984/85                | 194.5                   |
| 1985/86                | 180.9                   |
| 1986/87                | 175.2                   |
| 1987/88                | 207.0                   |
| 1988/89                | 232.0                   |
| 1989/90                | 266.0                   |

Source: FY 1982/83-1985/86: IMF; FY 1986/87: based on 6-month performance; FY 1987/88-1989/90: USAID/Liberia estimates.

If the above targets are realized as a result of the project interventions, revenue increases of \$56.8 million will be recorded. Compared to the estimated project cost of \$19.4 million, this produces a benefit/cost ratio of 2.93:1 over the life of the project. If the project can leave in place the procedures and trained manpower to ensure that the revenue gains are not eroded, the longer-run benefit/cost ratio could be much higher. From this very superficial view of cost benefit considerations, a compelling case could be made that if precise benefits could be quantified, they would be such as to result in a feasible benefit/cost ratio.

#### (B) The Growth Approach

Available economic analysis concludes that the country's growth problems are attributed to the ripple effects on investment, both domestic and foreign, of the GOL's fiscal mismanagement. By reestablishing fiscal controls, one could expect that investor confidence would be reestablished and the stage would be set for the resumption of a growth path. One could also argue that a portion of the benefit side of the benefit/cost calculations derived from resumed growth could be "credited" to the OPEX presence. It has been estimated by the IMF that, following upon monetary and fiscal reform, real GDP growth can be expected to change rapidly from a negative 3 percent to a positive two percent and thence increase to a four percent rate in four years. In terms of constant dollars, each annual one percent increase in GDP is currently equivalent to about \$11 million, rising to \$13.5 million in five years. Under the most optimistic outcome we expect that 17 percentage points of annual GDP growth will be recorded from 1988 through 1992. If only 2 or 3 of these points could be attributed to the benefit side of the "OPEX ledger" a favorable cost benefit ratio would result.

(C) Micro Indicators

(1) Procurement and Leases

It is estimated that vendor vouchers are two to four times the "off the shelf" price. Similar markups are believed to exist on construction contract costs and leases. From the 1986/87 budget the following indicative levels were obtained.

|                         | \$L Million |
|-------------------------|-------------|
| Consumable Supplies     | \$6.1       |
| Equipment and Machinery | 2.3         |
| Leases - Defense only   | 0.8         |
| - Legislative only      | <u>.3</u>   |
|                         | 9.5         |

On these items alone, assuming a conservative doubling of fair market value, savings of about \$5 million dollars could be achieved each year.

(2) Un-recorded Revenue

No consolidated cash flow sheet exists for the public sector, which includes the parastatals. However, major income sources are known to be excluded from the revenue accounting, e.g., Bingo/Lotto/Slot Machines and various casino and hotel proceeds, LPRC excise taxes of about \$50 million/year, ministerial operations such as sporting events, and mis-appropriated direct revenue. While these items are difficult to estimate, this lost revenue even if it amounts to only 10% of recorded revenue, would be in the order of \$20 million per year.

(3) Payroll Audits and Severance Pay

A team trained by the UK Royal Institute of Public Administration conducted a position classification survey of the Monrovia staff of five small agencies indicating that 423 of 1201 (35%) of employee positions surveyed could be cut saving approximately \$3000/Year per position. Applying a more conservative ratio of 15% and per employee savings to a total payroll in December 1985 of 36,145 (excludes military) employees would yield approximately 5,421 redundancies. Payroll savings could reach \$16 million a year.

(4) Tax Expenditures

Various concessions have been granted to construction, logging and other organizations beyond the traditional export and foreign exchange earning concessions

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in iron ore and rubber. Over \$10,000,000 in stumpage arrears (tree cutting fee) for which logs had already been exported have been tallied. Duty reduced concessions resulted in \$27,800,000 of potentially lost revenue in 1986

In summary, the benefits to be realized from the successful implementation of the ESS project are considerable and the role that the OPEX personnel will play in the rationalization of government finances will be central to the resumption of growth. It should be noted that the potential return from alternate uses of the OPEX project funds were not considered. It could be argued, however, that in the absence of basic policy reform the viability of development projects is severely compromised.

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### C. Social Soundness Analysis

The ESS Project is designed to address a series of financial and administrative problems by imposing additional accountability, funds control and implementation authority on a complex public finance and management system. In fact the project is attempting more than that. It is seeking to alter, albeit at the margin, a set of firmly entrenched practices and human relationships which are as old as Liberia itself. These practices reflect the strong ethnic and kinship bonds which help to shape Liberians' allegiance and sense of identity.

#### 1. Constraints and Opportunities

There are three principal constraints to improved GOL operations: (A) the patronage system which governs organizational behavior, (B) the lack of accountability in the formal organizational structure, and (C) the high degree of centralization of power and authority.

There are three functions which operational experts can perform in such an environment. They can: (A) enforce observance of rules and practices designed to make the system more efficient, (B) insulate individuals who are pursuing reforms from the pressures of the informal system; and (C) acquaint senior GOL and USG policy-makers of specific issues or topics requiring discussion. Each of these OPEX functions addresses the constraints in a different way.

##### (A) Patronage

A USAID/Liberia-financed study, the Social Institutional Profile (SIP),<sup>1/</sup> describes the Liberian "patron-client" system as having the following characteristics:

- (1) Authority is identified with the person of the powerful patron;

<sup>1/</sup> Jeanette Carter et al., Social Institutional Profile, Management Practices and Prospects: A Study of the Liberian Agricultural Sector, USAID/Liberia, August 1984.

- (2) Policy-making and decision-making generally are personalized and ad-hoc.
- (3) Management systems in principal staff agencies such as budgeting, finance, procurement and personnel are usually ad-hoc, and deliberately so;
- (4) Personnel systems tend to favor those who are personally associated to the patrons and they tend to result in overstaffing;

Under the pressures of this system, individual GOL officials are subjected at times to severe pressure to make (or permit superiors to make) decisions which are at variance with the formal operational structure of their ministry or agency. There are two ways in which an OPEX might exert a positive influence on such a situation. The OPEX might attempt to confront the patronage system and use his or her operational authority to enforce a more equitable decision. In other instances, he or she might serve as a buffer or deterrent to those who would exert the pressure, by being in a position to expose the questionable action or withhold approval.

Under the Economic and Financial Management and Training Project (669-0184), an incident occurred which illustrates how an OPEX might exert direct authority to counteract the patronage system. In 1982, the project contractor staff began working with their Ministry of Finance counterparts to initiate a physical audit of the national payroll designed to purge it of "ghosts" or deceased, retired or nonexistent individuals drawing paychecks. By 1984, the contractor reports indicated that the audit had been designed and tested, key GOL officials were eager for it to start, but the counterparts wanted the contractor to play more of a "doer" than an "advisor" role. The contractor responded by "impressing upon the GOL the importance of the payroll audit being 'their' program rather than one of a consultant."<sup>1/</sup> As a result of this stance, the audit did not take place until March 1987, after substantial diplomatic and senior GOL attention was

<sup>1/</sup> See Social Soundness Analysis, Economic and Financial Management and Training (669-0184) Project Paper Amendment No. 2, authorized by USAID/Liberia August 31, 1986, pp. 43-45.

brought to bear. In this instance a more operational role might have been welcomed by certain influential MOF policy-makers. In retrospect, this case was one in which well intentioned senior officials were encouraging expatriate advisors to help them in performing an important, but politically difficult, task.

In addition to this direct influence, other instances may arise when the presence of the OPEX might serve as a deterrent to applying the patronage system to the detriment of the organization's efficient operations. It is likely that such instances will be much more frequent than those in which the OPEX will be able to exert direct authority to reject a proposal or block a specific action formally.

(B) Lack of Accountability

The prevalence of the patronage system in the public sector leads directly to the accountability constraint. Accountability is channeled from client to patron and patron to client, in direct competition with formal lines of organizational accountability. This conflicting set of priorities fosters an ambivalent attitude among public servants toward their government. As the SIP stated:

The effect, particularly in Monrovia, is that employees who are inclined to pursue their own private interests -- including outside private company employment -- tend to find government employment an easy berth; employees who are strongly motivated by internal forces to perform well find their efforts continually frustrated; employees who are well-intentioned but not driven by personal, internal motivations -- perhaps the majority -- find themselves in an ambiguous situation. They want to perform well, but important external motivating and support factors are absent, and their performance may be evaluated less on the quality of their work than on the quality of the services they render hierarchical superiors.<sup>1/</sup>

The most effective means for the OPEX to influence the accountability constraint are by helping to establish and operate accounting and tracking systems designed to control diversion of resources. The SIP noted that "the [patronage] system tends to break down as increased flows of information broaden the group of individuals aware of its operations."<sup>2/</sup> This measure would address the problem of accountability by exposing activities which undermine public sector operations.

1/ Social Institutional Profile, p. 75.  
2/ Ibid., p. 5.

(C) Centralization of Authority

The third constraint, that of centralization, is also a direct by-product of the patronage system. This phenomenon of centralized authority in government was best personified by President Tubman, who "presented himself as the supreme Paramount Chief of Liberia." Throughout his presidency, "politics and administration remained undifferentiated." During President Tolbert's rule (1971-1980), the style of government became more technocratic. This shift did not fundamentally change government management styles, which "continue to reflect the principles which Tubman promoted."1/

Decentralizing government authority might prove to be the most deeply entrenched of the constraints. The OPEX team will have to work with, rather than against, this constraint.

The OPEX team, combined with U.S. Government personnel in Monrovia, provide a range of levels on which dialogue with the GOL can occur. The team should take advantage of these contacts to channel findings and information to the level most appropriate for dealing with them. In this process, the OPEX team, USAID and Embassy personnel should bear in mind the degree to which decision-making is concentrated at the top in Liberia. Topics of discussion raised at the project level may frequently need to be resolved at a higher level.

2. Previous Experience

The most recent case of substantial U.S. operational involvement in Liberian public administration was from 1961 through 1966, when the U.S.-Liberian Special Commission on Government (SCOGO) designed and implemented a series of public finance and administration reforms designed to help the GOL survive a period of substantially curtailed rubber and iron ore revenue. It involved a team of U.S. experts who were charged with responsibilities ". . . extending beyond the conduct of studies and presentation of findings and recommendations to the provision of assistance in and surveillance over the implementation of reform measures."2/

After conducting studies of each department and agency of the GOL, the Commission worked to implement its reforms. According to the SIP, however, this effort was eventually frustrated by President Tubman's "politically astute response

1/ Social Institutional Profile, pp. 16-17.

2/ Public Administration Service, Executive Branch Organization and Operations: A Survey Report, Monrovia, August 1964, p. 4.

. . .to publically continue support for the reform, but to jettison its essential purpose."<sup>1/</sup> Few, if any, traces of this program remain in today's GOL operations.

While SCOGO did not achieve a long term impact on GOL operations, it is generally recognized to have improved operations during its active life. It is also generally recognized to have been an American operation, with Liberians involved only peripherally. Thus, when the Americans left, so did the impetus for active reform.

### 3. Conclusion

The ESS Project marks the beginning of another phase of relatively intense U.S. involvement in Liberian public finance and administration. It also holds the prospect of attaining more tangible benefits, at least in the short term, than were attained in previous efforts of this type.

First, the ESS Project is more carefully targeted to the specific financial problems facing the country than past operational endeavors have been. Second, social change has taken place in Liberia, especially in the seven years of President Doe's rule. The country has undergone a revolution which transformed the ruling class from a relatively homogenous ethnic group (the Americo-Liberians) to a more diversified group composed of members of most of Liberia's ethnic communities.

Liberia is at a critical juncture in its social and political development. The traditional principles of patronage, private accountability, and centralized power have become vague and ill-defined. People frequently complain that it is no longer clear who must be influenced to assure a given outcome from government agencies, whereas before 1980, it was well understood which official could produce which favorable outcomes. The public sector in Liberia could now evolve in one of two directions. It will either return to a relatively closed system, reminiscent of the pre-1980 establishment, or it could develop into a more open, accountable and efficient operation.

As the patron-client system absorbs more participants from a wider range of Liberia's communities, it becomes more open to scrutiny. If this trend continues, the system will become increasingly accountable to the public at large, and hence, less amenable to manipulation by its members. The ESS Project could play a substantive role in supporting this social dynamic at a particularly difficult economic juncture in Liberia's history.

<sup>1/</sup> Social Institutional Profile, p. 19.

Is the project design socially sound? Not without the commitment of the Liberian Government leadership to make it work. Seventeen foreigners (outside the patron-client structure) working alone would fail. However, seventeen foreigners helping Liberians implement what they know has to be done for the good of the country, and ultimately for their own good, have a chance to succeed.

D. Implementation, Monitoring, and Evaluation

1. Implementation Plan and Schedule

A 30-month implementation period is proposed. An in-depth evaluation at the end of the first year will inform whether project amendments need to be effected. A project amendment might also be warranted if found that additional project commodities (computers, etc.) are required to effectively carry out the work.

Schedule of Major Events:

|   | <u>Date</u> |
|---|-------------|
| 1) Draft PIO/T for TA team completed                        | 03/24/87    |
| 2) Project Paper Completed by USAID                         | 04/01/87    |
| 3) CBD Notice Published                                     | 04/10/87    |
| 4) ECPR Review and Approval                                 | 04/10/87    |
| 5) RFP Issued   | 04/15/87    |
| 6) Project Paper Revisions Completed                        | 04/21/87    |
| 7) PIO/T for Team Leader signed (funding from EFMT project) | 04/24/87    |
| 8) Project Authorized                                       | 04/24/87    |
| 9) Project Agreement Signed                                 | 05/15/87    |
| 10) Proposals Received From Bidders                         | 05/15/87    |
| 11) PIO/T for TA Team Completed                             | 05/18/87    |
| 12) PIO/C for Project Furniture Completed                   | 05/18/87    |
| 13) PIO/T for PSC Project Officer Completed                 | 05/18/87    |
| 14) Contractor Proposal Evaluation Completed                | 05/21/87    |
| 15) TA Contractor Competitive Range Established             | 05/21/87    |
| 16) Draft Evaluation Arrangements Completed                 | 05/30/87    |

- |   |          |
|---|----------|
| 17) Team Leader PSC signed  | 06/10/87 |
| 18) Project Team Leader Arrives   | 06/15/87 |
| 19) TA Contract for Firm Signed   | 06/19/87 |
| 20) PIO/T for PSC Team Leader prepared (ESS Funding)                                  | 06/30/87 |
| 21) Project Evaluation Arrangements Finalized (Team Leader and EFMC)                  | 07/30/87 |
| 22) COP, Administrative Officer, First Group of Contractors Arrive At Post            | 07/15/87 |
| 23) Remainder of Team Arrives at Post   | 09/30/87 |
| 24) Tax Structure Compliance and Reform Study Initiated                               | 11/15/87 |
| 25) Mid-term Evaluation   | 06/30/88 |
| 26) Project amendment, if required  | 07/30/88 |
| 27) Tax Structure Compliance and Reform Study synthesis and recommendations completed | 06/30/89 |
| 28) Final Evaluation  | 06/30/89 |
| 29) Project amendment, if required  | 07/30/89 |

## 2. Procurement Plan

Several urgent procurement actions will be required to mobilize the operational expert team soon after project authorization. For the operational expert team, USAID and AID/W have already advanced the procurement process. The team leader position will be initiated under the ongoing Economic and Financial Management and Training Project. The EFMT project will also be the source of funding for the computer system the OPEX team will use during the project. Other commodity procurement actions will be initiated immediately upon project agreement signing.

In order to mobilize the project team as soon as possible, USAID and AID/W have worked to advance the procurement processes for technical assistance as far as possible as the project was being designed. A draft PIO/T for the OPEX team

was prepared and cabled to AID/W for development into an RFP. A CBD notice was published on April 10, 1987 and a waiver of the 15-day waiting period between CBD notice publishing and issuance of the RFP was approved. The proposals will be reviewed in mid-May in AID/W, and a list of bidders in the competitive range will be established approximately one week after the bids are opened. AID/W (SER/OP/OS/AFR) will negotiate the contract, and should have a signed contract by mid June 1987. The contractor is expected to mobilize the first group of operational experts and the administrative/executive officer within a month of contract signing and the remainder of the team by the end of September 1987.

A waiver for other than full and open competition has been processed in AID/W for the Team Leader position because of the desire to mobilize the Team Leader quickly to begin laying the groundwork for the project. The Team Leader will be funded initially out of the EFMT project (initial six months), and the remainder of the contract will come from the ESS Project.

Commodity procurement also will begin immediately. Once the ProAg is signed, a PIO/C will be issued for the furniture, appliances, and generators (if required) for the contract team. One of the first tasks for the contract Administrative/Executive Officer will be to locate adequate housing in Monrovia for the contract team. Housing for the contract team will initially be at one of the large local hotels, until adequate housing is located and the furniture and appliances are installed. USAID will assist the contract team by preparing briefing and other materials for use by the Administrative/Executive officer upon arrival. These materials will include a list of possible housing opportunities and the names and addresses of landlords in Monrovia for the contract team and a list of local suppliers of basic goods and services (including security and maintenance).

### 3. Project Benchmarks

The project will strive to meet various fiscal benchmarks. These benchmarks will serve as indicators of project success, and will inform the GOL, senior USAID staff, project management, etc., on the relative impact of this project. The project benchmarks are derived from the targets established in the project logframe, i.e., they are based on revenue, expenditure, and personnel levels over the Project life. At the present time, the benchmarks can only be considered illustrative. They will be refined early in the project and will be reviewed regularly in concert with the GOL/EFMC and senior USAID staff.

Fiscal Benchmarks (\$ Millions)

| <u>Category</u>               | <u>Year 1</u> | <u>Year 2</u> |
|-------------------------------|---------------|---------------|
| Revenue Collections           | 207           | 232           |
| Wage Bill                     | 105           | 103           |
| Recurrent Expenditures        | 251           | 278           |
| External Debt Payments        | 30            | 45            |
| Domestic Financing of Deficit | 55            | 30            |

In addition to fiscal benchmarks, there will be developed a set of indicators to measure the success the operational experts have in imposing discipline on the Liberian bureaucracy. While the fiscal benchmarks will measure the end result of a more disciplined public financial system, it will be important to look at the actual operation of the system. Just as with the fiscal benchmarks, baseline data will be collected in the first months of project implementation on the magnitudes of and controls on revenues and expenditures, actual and expected.

4. Project Monitoring and Evaluation Plan

Project monitoring and the daily management will be done by a Personal Services Contractor (PSC) Project Officer, who will work under the direct supervision of the USAID direct hire Project Manager. The PSC Project Officer will be responsible for preparing required project documentation, tending to various administrative details, and monitoring the general progress of the project. The USDH Project Manager will have similar responsibilities, but also will coordinate this project with the other two ongoing projects in revenue collection and financial management (Increased Revenue for Development (669-0132); and Economic and Financial Management and Training (669-0184)).

The project will be evaluated after one year by independent evaluators and with the assistance of the USAID staff. Because of the interest in this project to the World Bank and the IMF, those institutions will be invited to participate in the evaluation. The project evaluation will focus on the progress made by the operational experts, determining whether sufficient progress is being made with respect to the established performance benchmarks (both fiscal

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and internal operations) to justify continuation of the project. The evaluators will also recommend as necessary changes in the numbers and types of operational experts, program focus, commodity requirements, etc. The evaluators will also look at the possibilities for project extensions, or follow-on activities, if appropriate. Because of the requirement to be responsive to the changing conditions within the GOL, this project has been designed with the understanding that it may undergo frequent and possibly significant redesign. An early task of the USAID project officer will be to prepare a draft evaluation plan which will lay out in more detail than contained herein the fiscal, policy, and administrative control progress indicators for attention by the operational experts. This plan will be cleared by the team leader and will be incorporated in each operational expert's work plan. The project budgets \$78,000 for this evaluation, and \$78,000 for a final evaluation, for a total evaluation budget of \$156,000.

#### IV. COST ESTIMATE AND FINANCIAL PLAN

The estimated cost of activities to be financed under this Project is \$19,400,000. The AID contribution of \$18,400,000 will be provided in the form of a grant. Of the AID contribution, \$3.0 million will come from the DA Selected Development Activities (SDA) account, and \$15.4 million from the Economic Support Fund (ESF) account.

The GOL will contribute \$1.0 million in in-kind support (staff support and office space). The GOL contribution is 25% of the amount funded from GOL and DA sources.

The table below presents an estimate of the total financing needed to complete the project (inflation and contingencies are included in the line-item figures):

##### Summary Cost Estimate and Financial Plan (\$000)

|                                    | AID<br>Grant | GOL<br>Contrib. | Total  |
|------------------------------------|--------------|-----------------|--------|
| A. Technical Assistance            |              |                 |        |
| 1. Tech. Assist. Contractor        | 14,496       | 0               | 14,496 |
| 2. Personal Services Contractors   | 515          | 0               | 515    |
| B. Short Term Technical Assistance | 1,520        | 0               | 1,520  |
| C. Commodities/Supplies            | 1,438        | 0               | 1,438  |
| D. Training                        | 275          | 0               | 275    |
| E. Evaluation                      | 156          | 0               | 156    |
| F. In Kind Contribution (GOL)      | 0            | 1,000           | 1,000  |
| TOTAL                              | 18,400       | 1,000           | 19,400 |

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Obligations, by fiscal year, are shown below:

|                      | <u>FY87</u> | <u>FY88</u> | <u>Total</u> |
|----------------------|-------------|-------------|--------------|
| AID/DA (\$000)       | 3,000       | 0           | 3,000        |
| AID/ESF (\$000)      | 9,585       | 5,815       | 15,400       |
| GOL IN KIND (L\$000) | 500         | 500         | 1,000        |
| Total                | 13,085      | 6,315       | 19,400       |

Methods of Implementation and Financing:

| <u>Method of Implementation</u> | <u>Method of Financing</u> | <u>Approx. Amt.</u><br><u>(\$000)</u> |
|---------------------------------|----------------------------|---------------------------------------|
| Technical Assistance            |                            |                                       |
| Tech. Assist. Contractor        | Direct Pay                 | 14,496                                |
| Personal Services Contractors   | Direct Pay                 | 515                                   |
| Short Term Technical Assistance | Direct Pay                 | 1,520                                 |
| Commodities/Supplies            | Direct Pay                 | 1,438                                 |
| Training                        | Direct Pay                 | 275                                   |
| Evaluation                      | Direct Pay                 | <u>156</u>                            |
| TOTAL                           |                            | 18,400                                |

#### IV. Conditions Precedents, Special Provisions, and Covenants

##### A. Conditions Precedent (CPs)

The Conditions Precedent to disbursement for this project will be standard CPs concerning legal opinion and specimen signatures from the GOL.

##### B. Special Provisions

The Project Grant Agreement also will contain the following special provision on immunities of the operational experts:

The Governments of the Republic of Liberia and the United States of America agree that the Government of the Republic of Liberia shall accord all operational personnel financed under the project, except citizens and permanent residents of the Republic of Liberia, full and complete immunity from criminal jurisdiction and immunity from civil jurisdiction for words spoken or written and acts done by them in the course of the performance of their mission.

Currently, Liberian civil servants who perform functions similar to those to be performed by the operational experts, are granted immunity from liability for acts done in the performance of their official duties. See e.g., Liberia Code of Laws Revised (1979), vol. vi, Sec. 36:53.245 (Customs Revenue Code -- Immunity from Liability); Liberia Code of Laws (1956), Sec. 35:357 (Liability of Bureau of Revenue Officials); Liberia Code of Laws (1956), Sec. 35:273 (Penalty for Operating Unlicensed Still). The draft Grant Agreement provision is intended to assure that the same immunities are given to members of the contract team.

##### C. Covenants

1) The Grantee agrees to continue implementation of the five reform measures adopted in the Financial Management Partnership Agreement signed by the A.I.D. Administrator and the Minister of Finance on February 10, 1987. A copy of those reform measures is appendaged to, and by this reference, is made a part of this Agreement.

2) As agreed in the Financial Management Partnership Agreement and outlined in Annex I to this Agreement, the co-signature of the operational experts financed by this Grant will be required on GOL checks, debit memoranda, revenue receipts, contracts, leases and other related documents. The Grantee agrees to take all necessary steps to ensure that only those documents that bear the required co-signatures will be processed through the Ministry of Finance, the National Bank of Liberia, or other appropriate GOL entities.

3) The Grantee agrees as soon as practicable after the signature of this Agreement to determine which GOL officials will serve as counterparts to each of the operational experts provided under this project, and to ensure that those officials, as well as adequate office facilities and administrative staff support are available for the life of the project.

VI. ANNEXES

- ANNEX A: PID Approval Message
- ANNEX B: Logframe Matrix
- ANNEX C: Statutory Checklist
- ANNEX D: B/G Request for Assistance (USG/GOL Agreement)
- ANNEX E: Human Rights Procedures Memorandum
- ANNEX F: Job Descriptions
- ANNEX G: Tax Study Terms of Reference
- ANNEX H: Organization Charts and Flowcharts
1. Bureau of the Budget
  2. Ministry of Finance
  3. National Bank of Liberia

ANNEX A

PID APPROVAL MESSAGE

ACTION: AID 5 INFO: CHG A/DCM ECON POL 9/S

VZCZCMV0810  
 OO RUEHMY  
 DE RUEHC #9746 0692337  
 ZNR UUUUU ZZH  
 O 102337Z MAR 87  
 FM SECSTATE WASHDC  
 TO AMEMBASSY MONROVIA IMMEDIATE 0348  
 BT  
 UNCLAS STATE 069746

11-MAR-87  
 TOR: 00:00  
 CN: 00000  
 CHRG: AID  
 DIST: AID

AIDAC

E.O. 12356: N/A

SUBJECT: LIBERIA ECONOMIC STABILIZATION SUPPORT PID  
 (669-0213)

REF: MONROVIA 2413

SUBJECT PROJECT ECPR HELD 3/6/87 AND APPROVAL TO MOVE TO  
 PROJECT PAPER WAS PROVIDED. DETAILED ECPR GUIDANCE TO  
 FOLLOW SEPTTEL. SHULTZ

BT  
 #9746

NNNN

| BLOCK STAMP ROUTER   |      |       |
|----------------------|------|-------|
| ROUTE TO             | ACT. | INFO. |
| D/DO                 |      | ✓     |
| DP/TRG               |      | ✓     |
| SPPD                 | ✓    |       |
| ECON                 |      | ✓     |
| HRD                  |      |       |
| CON                  |      |       |
| ARD                  |      |       |
| ED                   |      |       |
| PER                  |      |       |
| GSD                  |      |       |
| RF                   |      | ✓     |
| FILE STATION # 02    |      |       |
| C&R Chron            |      |       |
| DATE REPLY DUE. 3/13 |      |       |
| ANS'D BY             |      |       |
| DRAFTED BY: GILLMAN  |      |       |

UNCLASSIFIED STATE 059746

ANNEX B  
LOGFRAME MATRIX

LOGICAL FRAMEWORK

Liberia Economic Stabilization Support  
(669-0213)

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| <u>GOAL:</u>                          | <u>MEASURE OF GOAL ACHIEVEMENT:</u>   | <u>MEANS OF VERIFICATION:</u>                | <u>IMPORTANT ASSUMPTIONS CONCERNING<br/>LONG-TERM VALUE OF PROJECT:</u>  |
|---------------------------------------|---|--|--|
| To Stabilize the<br>Liberian Economy. | At the end of 2 years the GOL<br>is beginning to re-gain<br>control of the management<br>of its fiscal resources. | 1. GOL budget.<br>2. GOL accounting records. | 1. Economic stabilization measures<br>are undertaken by the GOL.<br>2. That the prices for Liberia's<br>primary exports remain relatively<br>constant. |

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IMPORTANT ASSUMPTIONS AFFECTING  
PURPOSE TO GOAL LINK:

1. That the GOL provide full cooperation to the OPEX managers on all matters relating to fiscal control and management.
2. Annual budget is accurately prepared and enforced.
3. All revenues and expenditures are fully recorded and controlled.
4. GOL employment level and wage scale is controlled.
5. GOL takes concrete actions to reduce domestic and external arrearage.

MEANS OF VERIFICATION:

1. GOL's annual budget.
2. GOL's revenue and expenditure records.
3. GOL's payroll records.

END OF PROJECT STATUS:

1. All revenue and expenditures fully reported and recorded in GOL-published records.
2. GOL revenues increased to \$232 million by FY88/89 (revenues in FY86/87 are projected to be \$175 million).
3. GOL recurrent expenditures (including wages) increased to \$278 million by FY88/89 (currently \$260), as off-budget expenditures are brought into the budget process.
4. Domestic vendor arrears are down to \$30 million by FY88/89 (currently about \$70 million).
5. GOL wages and salaries reduced to \$103 million by FY88/89 (currently about \$108 million).
6. GOL employment level reduced to 38,000 by FY88/89 and 34,000 by FY89/90 (currently 42,000).
7. All GOL payroll records are on computer system and wages are current.
8. GOL paying \$45 million annually on external debt by PACD from its resources.

PURPOSE:

To develop and implement a fiscal budget and management control system within the GOL.

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OUTPUTS:

1. An effective Economic and Financial Management Committee.
2. An accurate budget system.
3. A functioning automated financial record system.
4. An effective tax collection system.
5. A functioning Bank Examination Division.
6. Financial control of two parastatals.

MAGNITUDE OF OUTPUTS:

1. An annual budget system which reflects all planned obligations and an accurate estimate of revenues.
2. All financial records of MOF automated on a monthly reporting system.
3. An effective tax department which causes prosecution for tax fraud or evasion in customs, excise or income taxes.
4. A trained & effective bank examination division in the National Bank of Liberia.
5. A system to provide financial management control of LPRC and LPMC.

MEANS OF VERIFICATION:

1. GOL's records and reports.
2. Contractor's records and reports.
3. AID's project files.

IMPORTANT ASSUMPTIONS AFFECTING  
OUTPUTS TO PURPOSE LINK:

1. The 17 U.S. and GOL co-managers operate on a cooperative partnership basis.
2. The GOL is interested and willing to:
  - (a) Enforce an effective budget system;
  - (b) Enforce an effective tax collection system;
  - (c) Develop and enforce an effective bank examination system.
  - (d) Enforce effective management and financial controls on LPMC and LPRC.

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| <u>INPUTS:</u>                                      | <u>LEVEL OF EXPENDITURE FOR EACH ACTIVITY:</u>   | <u>MEANS OF VERIFICATION:</u>                                       | <u>IMPORTANT ASSUMPTIONS:</u>  |
|---|--|---|--|
| INPUTS A.I.D.                                       |  |   |  |
| 1. Operational Experts (OPEX).                      | 1. Contractor: \$16.5 million<br>- 17 OPEX<br>- Team leader (PSC)<br>- Project Manager<br>- Adm. Support Staff | 1. U.S.A.I.D. records.<br>2. Contractor records.<br>3. GOL records. | 1. Contractor arrives in Monrovia on schedule.<br>2. Computer is procured and put into operation during first year of project. |
| 2. Commodities.                                     | 2. Equipment, furnishings, supplies \$1.4 million.   |   |  |
| 3. Training, Evaluation.                            | 3. 100 GOL employees trained in short term courses in Monrovia \$.3 million.<br>4. Evaluations \$.2 million.   |   |  |
| INPUTS GOL  |  |   |  |
| 1. Project Staffing, Offices, Counterpart Salaries. | 1. In-kind \$1.0 million.  |   |  |

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ANNEX C

STATUTORY CHECKLIST

## 5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481 (h) (1); FY 1987 No  
Continuing Resolution Sec. 526.  
 Has it been determined or certified to the congress by the President that the government of the recipient country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1971) which are cultivated, produced or processed, illicitly, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States unlawfully?
  
2. FAA Sec. 481(h)(4). No  
 Has the President determined that the recipient country has not taken adequate steps to prevent (a) the processing, in whole or in part, in such country of narcotic and psychotropic drugs or other controlled substance, (b) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and (c) the use of such country as a refuge for illegal drug traffickers?

3. FAA Sec. 620(c). No  
 If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government?
4. FAA Sec. 620(e) (1). If assistance No  
 is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?
5. FAA Sec. 620(a), 620(f) 620(D); FY 1987 Continuing Resolution Sec. 512 and 541  
 Is recipient country a Communist country? If so, has the President determined that assistance to the country is important to the national interests of the United States? Will assistance be provided to Angola, Cambodia, Cuba, Laos, Vietnam, Syria, Libya, Iraq, or South Yemen? Will assistance be provided to Afghanistan or Mozambique without a waiver? No
6. FAA Sec. 620(j). Has the country No  
 permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property?

7. FAA Sec. 620(l). Has the country failed to enter into an agreement with OPIC. No
8. FAA Sec. 620(o); Fishermen's Protective Act of 1967 as amended, Sec. 5 (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters?
- (b) If so, has any deduction required by the Fishermen's Protective Act been made?
9. FAA Sec. 620(q). FY 1987 Continuing Resolution Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? Yes, however waiver exists for country.
- (b) Has the country been in default for more than one year on interests or principal on any U.S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds? Yes, however some payment has been made on amounts due and no obligation of funds for this activity will be made until country pays these arrearages.
10. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) Yes, taken into account by Administrator and Secretary of State during their respective visits

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No
12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) Payment status taken into account.
13. FAA Sec. 620A; FY 1985 Continuing Resolution Sec. 521. Has the President determined that the country (a) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism? Has the government of the recipient country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed or is being sought by any other government for prosecution for any war crime or act of international terrorism? (a) No (b) No
14. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e) (2) of the Federal Aviation Act of 1958 that an airport in the country does not maintain and administer effective security measures? No

15. FAA SEC. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA No
16. FAA Sec. 669-670. Has the country, after August 3, 1977 delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a specific waiver of Sec. 669 for Pakistan.) No
17. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported illegally (or attempted to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device? No
18. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has President taken it into account? (Reference may be made to the Taking into Consideration memo) Taken into Consideration
19. FY 1987 Continuing Resolution. If assistance is from the population functional account, does the country (organization) include as part of its population planning programs involuntary abortion. not app.

20. FY 1987 Continuing Resolution Sec. 528. No  
Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria. No

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. No  
Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

b. FY 1987 Continuing Resolution Section 553. No  
Has the President determined that the country has not taken adequate steps to halt illicit drug production or trafficking?

## 5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B.1 applies to all projects funded with Development Assistance Funds, B.2 applies to projects funded with Development Assistance loans, and B.3 applies to projects funded from ESF.

CROSS REFERENCE: IS COUNTRY  
CHECKLIST UP  
TO DATE? HAS  
STANDARD ITEM  
CHECKLIST BEEN  
REVIEWED FOR  
THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

- |  |  |
|--|--|
| <p>1. <u>FY 1987 Continuing Resolution Secs 523 and 549.</u></p> <p>(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.</p>   | <p>A Congressional Notification will be provided as required under Secs. 523 and 549 prior to obligation of funds</p>  |
| <p>2. <u>FAA Sec. 611(a)(1).</u> Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?</p> | <p>Yes</p>   |
| <p>3. <u>FAA Sec. 611(a)(2).</u> If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?</p>  | <p>The USG and the GOL have already agreed through the the Administrator, the Secretary of State, the Liberian President and Minister of Finance to undertake the Project. No delay in legislative approval therefore, is anticipated.</p> |

4. FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.) Not applicable
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? Not applicable
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and Project designed to improve financial management capability of the host government. Specially, project designed to increase revenues (e.g. by effective tax assessment and collection mechanisms and to control expenditures (e.g. by precluding extra-budgetary and other unauthorized expenditures). The result will be an improved balance

savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

of payments. Government control of public finance also will increase private sector confidence in the Country's general economic health hopefully arresting the flight of foreign investors by reducing the risk of doing business in the country.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

See No. 7

9. FAA Sec. 612(b), 636(h); FY 1987 Appropriation Act Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

Country will contribute 25% of costs of project as required by FAA Sec. 110. This contribution will be used to meet local currency costs of the project

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

12. FY 1987 Appropriation Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? Not Applicable
13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests? Yes
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? Not Applicable
15. FY 1987 Continuing Resolution Sec. 532. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? No
16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, Commodity Procurement from U.S. will be undertaken by such entities, most likely through the IQC/PSA mechanism in AID/W. Because of the mix and large

C-11

historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans,

or native Americans, or who are economically or socially disadvantaged (including women)?

number of persons needed for the technical assistance contract, use of Gray Amendment entity is not feasible for that contract. For example, the contractor to provide at least 1/3 of requested personnel from contractor's own firm. However, RPF to contain a provision encouraging proposers to include individuals who qualify under the Gray Amendment on the contract team to the extent the contractor sub-contracts for the services of those personnel.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance  
Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

Not directly targeted to these foreign Assistance Act purposes.

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

Yes, Sec 105 Education and Human Resource Development

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Not Applicable

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Country will provide the 25% contribution for Development Assistance funding.

e. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes, project expected to greatly increase fiscal management and accountability

f. FAA Sec. 128 (b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Not Applicable

- g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government. Training of counterpart personnel in financial management is a major purpose of this activity. Yes
2. Development Assistance Project Criteria (Loans Only)
- a. FAA Sec. 122(b). Information and conclusions on capacity of the country to repay the loan, at a reasonable rate of interest. Not Applicable
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? Not Applicable
3. Economic Support Fund Project Criteria Yes
- a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA

- b. FAA Sec. 531(c). Will assistance under this chapter be use for military, or paramilitary activities? No
- c. ISDCA of 1985 Sec. 207 Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco") coperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States? No
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? Not Applicable

## 5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

- |   |                |
|---|----------------|
| 1. <u>FAA Sec. 602.</u> Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?   | Yes            |
| 2. <u>FAA Sec. 604(a).</u> Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?  | Yes            |
| 3. <u>FAA Sec. 604(d).</u> If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? | Not Applicable |
| 4. <u>FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a).</u> If offshore procurement of agricultural commodity or product is to be   | Not Applicable |

financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? No
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per cent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates? No
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Yes

Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transportation. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes
9. FY 1987 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes
- B. Construction
1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used? Not Applicable
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? not applicable

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? Not applicable

C. Other Restrictions Not applicable

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? Not applicable
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? Not applicable
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes
4. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f); FY 1987 Appropriation Act Sec. 525: 540 (1) To pay for performance of abortions as a method of family Yes

planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

b. FAA Sec. 488. To reimburse persons, in the form of cash payments whose illicit drug crops are eradicated? Yes

c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes

d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

e. FAA Sec. 662. For CIA activities? Yes

f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes

- g. FY 1987 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes
- h. FY 1987 Appropriation Act, Sec. 505. To pay U.N. assessments, arrearages or dues? Yes
- i. FY 1987 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes
- j. FY 1987 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? Yes
- k. FY 1987 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
- l. FY 1987 Appropriation Act, Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes

m. FY 1987 Continuing  
Resolution, Sec. 558.

Not Applicable

To conduct any testing or  
breeding, feasibility  
study, variety improvement  
or introduction, consultancy,  
publication, conference, or  
training in connection with the  
growth or production in the country  
for export which would compete with  
a similar commodity grown or  
produced in the United States.

ANNEX D

B/G REQUEST FOR ASSISTANCE (USG/GOL AGREEMENT)

REFORM MEASURES

1. Prohibit the practice of borrowing against traditional sources of offshore revenue (maritime, royalties and corporate taxes) and do not utilize such offshore revenues to pay onshore expenditures. Halt extrabudgetary expenditures. All salaries will be in the budget and every effort will be made to comply with this budget. It is understood by both Governments that employees' salaries must be current in December. Priority will be given in the coming months to reducing salary arrearages.

2. By June 15, 1987, develop and publish a realistic budget for GOL budget year 1987-88. The budget will reflect expected revenues and encompass all expenditures and show no unfinanced gap. The budget will be based on a revised fiscal plan in the Economic Recovery Program to be completed by May 15, 1987. In executing the budget, the GOL will permit no net budget overruns, nor permit extrabudgetary expenditures to occur.

3. As part of the 1987-88 budget process, develop a budget for all offshore revenues, which will include a priority list for external debt payments. Brooke-sensitive debt payments should be made in full and on time.

4. Contract by April 30, 1987, with internationally recognized firms for preparation of current financial statements of LPRC and LPMC. Liberian-owned and -controlled firms will be able to participate in these studies as sub-contractors. Conduct annual financial reviews thereafter. Develop a plan of action to better manage and restructure LPRC and LPMC. Collect and deposit into Government revenues excise taxes levied on imported petroleum products.

5. The GOL will carefully review the recent IMF currency study and work with the IMF on overall economic reform. No release of new Liberian coins will be undertaken without prior consultation with the IMF and the U.S.

*M. P. [Signature]*  
U. S. Gov  
AEM  
*R. C. [Signature]*

TERMS OF REFERENCE FOR OPEX POSITIONSPREAMBLEPRESIDENTIAL

The President has ultimate authority for operations in his country and responsibility to make final decisions. Every effort should be made to solve disagreements at the Ministerial level. If this is not possible, any technical disputes between the position of the operational expert (OPEX) and the Minister will be referred to the President for his final determination.

INSTITUTION BUILDING

In addition to their key operational responsibilities the OPEX personnel will focus on institution building, including training to ensure that the expected systemic improvements continue even when the OPEX personnel are no longer in Liberia.

SYSTEMS

OPEX personnel will work closely with their Liberian counterparts to review existing systems with a view toward documenting appropriate recommendations and implementing improvements where necessary.

REVIEW/OTHER INSTITUTIONS

In nine months to a year the OPEX program will be reviewed jointly to determine what adjustments are necessary. This review will include an examination of JFK Hospital and other key institutions which may need better control over their financial operations.

RP

VH

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FINANCIAL MANAGEMENT PARTNERSHIP TEAM1. Senior Financial Manager (Expenditure Control,) Chief of Party:

- Assigned to Ministry of Finance at level of Deputy Minister for Expenditure and Debt Management, working with the Bureau of General Accounting.
- Co-Signature Authority on purchase orders, leases, all contracts entered by Government including but not limited to construction, supplies, personal services, regular payment vouchers and special purchase order vouchers. Oversees posting to appropriation accounts to ensure availability of funds, and the legality and propriety of transactions.
- Initially, suspend domestic arrears payments pending formation of special committee to authenticate delivery and pricing of goods and services.
- Institutes and implements payroll audit of all ministries and agencies. Coordinates the activities with other team members.

RP  
ML

2. Senior Cash Manager (Disbursement Control):

- Assigned to Ministry of Finance at level of Deputy Minister for Expenditure and Debt Management working with the Comptroller's Office. Prepares cash flow projections, monitors cash amounts, and approves disbursements based upon payment of vouchers approved by Senior Financial Manager. He cosigns all Government checks. Prioritizes payments. Brings payroll current.

- Notifies NBL and all eight government and private commercial banks with whom the government has accounts to accept only checks, debit memoranda and other charges to government accounts bearing the signature of the Cash Manager. Prohibits future use of promissory notes and assignment of vouchers.

- Prioritizes monthly payments with emphasis on bringing payroll current.

RP



3. Senior Systems Manager (Computer Systems Control):

- Assigned to Ministry of Finance, Bureau of Data Processing. Approves and assists in the design of all systems and programs concerned with but not limited to payroll and check writing, revenue and expenditure accounting, budget control, import manifest control, real estate and other taxes. Arranges for the security of data processing systems. Works with Bureau of Budget and Ministry of Planning and Economic Affairs to insure compatibility of all GOL systems with budget plan and codes.

Priorities are:

- a. Customs documentation including manifest control;
- b. Completion of payroll and budgetary accounting systems; (payroll system, including auditable change records, has been programmed but not implemented. Program specifications have been designed for automated budgetary control system, but programming and implementation remain). The three phases of the Budgetary Control System are:
  - i Revenue Accounting;
  - ii Appropriation and Allotment Accounting;
  - iii Disbursement Accounting;
- c. Other revenue accounting (Real estate, Income, Corporate and Government Operations).

RP  


4. Senior Procurement/Contract/Lease Manager (Procurement Control):

- Assigned to General Services Agency at Director level.

Co-reviews and co-approves all procurement documents and contracts to insure compliance with GOL regulations regarding cost, quality, and delivery. Activities include, but are not limited to leases, construction, and supply/service procurement contracts.

- First priority will be to replace present ad hoc procurement system with centralized bulk purchasing for commodities

- Second priority is to audit all existing leases to ensure authenticity, and value. Jointly reviews, co-signs, and abrogates if necessary and renegotiates leases and contracts, working with the Senior Financial and Cash Managers.

- Third priority is to develop a centralized delivery, warehousing and distribution system. All government commodities will be procured through this system and adequate records maintained.

RT  
MK

5. Senior Tax Collections/Audit Manager (Collections/Audit Control):

- Assigned to Ministry of Finance at Deputy Minister for Revenue Level. Jointly supervises and monitors current and delinquent tax collection efforts and the transfer of revenues to Government accounts.

- First priority is to regularize returns processing function, for all filers (individual, corporate, and partnership returns, real estate and other indirect taxes). Oversees returns for completeness and compliance with Finance Law of Liberia.

Establishes an efficient collection bureau for all delinquent taxes.

- Second priority is to specify requirements for computerization of tax records in cooperation with Senior Systems Manager.

- Third priority is the assignment of audit cases including review and signed approval of completed audits involving negotiated settlements.

- Review the present tax collection system and recommend improvements. Implement approved recommendations.

EP  
MK

6. Senior Customs and Excise Manager (Duty Control):

- Assigned to Ministry of Finance at Deputy Minister for Revenue Level, working through Commissioner for Customs and Excise. Jointly reviews, signs, abrogates where necessary and renegotiates all duty reduced and timber concessions for compliance with laws and policies of Liberia. Jointly approves all waivers (duty free, duty reduced, drawbacks, deferred or future payments, stumpage and excise). Oversees transfer of funds to government accounts.

7. Senior Customs Manager (Customs Control):

- Assigned to Ministry of Finance at Deputy Minister for Revenue level, working with the Commissioner of Customs and the National Port Authority at the Freeport. Co-supervises manifest control, tariff classification, valuation/assessment system, and transshipment procedures to insure compliance with laws and regulations of Liberia. Has joint signature authority for appraisement, assessment and collection of duty and the release of all goods to and from bonded warehouses and directly into the economy. Exercises joint authority over unentered goods. Jointly supervises transfer of collections to government accounts.

AP  
MK

3. SENIOR IMPORT/EXPORT MANAGER

Assigned to the Ministry of Commerce, Industry and Transportation, Bureau of Foreign Trade and the Freeport of Monrovia. Supervises all import and export documentation to ensure proper assessment and valuation with respect to prices, quality and quantities for the purposes of verifying all levies and, in the case of exports, confirming world market prices thus verifying level of 25% export earning surrender requirement. To establish a system of data storage and retrieval particularly with respect to export which would complement and extend the SGS program outputs for use in day-to-day determination of accurate amounts due Government. Liaises with and complements the duties of the Senior Customs Control Manager.

Initially and pending determination of the advisability of import (and export) quotas, supervises, under existing commerce regulations, the issuance of all import and export permits and licenses. Also maintains records and conducts surveys of importers (and banks) to determine commodity stock levels to avoid shortages of essential commodities. R.F.



~~8. Senior Import/Export Manager (Ministry of Commerce)~~

~~(Language to be provided by Minister Darpo.)~~

9. Senior Central Bank Manager (Foreign Exchange Control):

- Assigned to the National Bank of Liberia at the Deputy Governor Level. Jointly reviews and approves all foreign exchange transfers including debt payments.

- Jointly approves and signs all debit and credit foreign exchange transactions, oversees deposit of all offshore government revenues (traditional offshore revenue and receipts, plus the 25% export earnings surrender). Co-approves foreign exchange disbursement based upon approved offshore budget.

EP

M/W

10. Senior Budget Manager (Budget Control):

- Assigned to Bureau of the Budget at the Deputy Director General Level. Co-supervises the development and implementation of the annual budget and mid year budget review. Co-approves all new positions and budgetary allotment transfers for fund availability. Works with Job Position/Inspection Manager, Senior Financial Manager and Senior Cash Manager on payroll audit and bringing the payroll current.

11. Senior Job Inspection Manager (Position Control):

- Assigned to Bureau of the Budget at the Deputy Director General Level. Works with Civil Service Commission. Co-approves position justification and employee qualification documentation. Works with Senior Budget Manager, Senior Financial Manager and Senior Cash Manager on payroll audit and bringing the payroll current.

REP  
MML

12. Senior Public Corporation Manager (Financial Control):\*

- Assigned to LPRC at Managing Director Level. Develops and implements a financial plan to assure legality and propriety of all funding transactions.
- Ensures the elimination of free consumption (private, government and parastatal) of all LPRC products. Oversees collection of excise and other taxes due to Government and the transfer of same to the Government account.

13. Computer Systems Programmer:

- Located at the Ministry of Finance and working at the Ministry of Finance, Bureau of Budget, Ministry of Planning and Economic Affairs, this position will support the Senior Systems and Programming Manager in the design and programming of the financial control systems. The programmer will also provide support in the implementation of the payroll audit scheme.

R-P  
M/K

14. and 15 Internal Audit and Training Experts (two):

- Working with the special managers at the level of Deputy Minister in MOF, the Internal Audit Manager will implement controls to insure compliance with economic recovery programs. The expert will initiate a training program of senior level accountants and auditors in the areas of internal, and eventually post audit procedures. A second Manager will perform similar functions in the Auditor General's Office.

16. Public Corporation Financial Expert:\*

- Assigned to the LPMC to assist in designing and implementing a performance contract for LPMC management, and to develop plans for the transitional phase.

17. Bank Examiner:

NEXT PAGE

~~(Language to be provided by Governor Bestman.)~~

\*Pending

R-F  
MK

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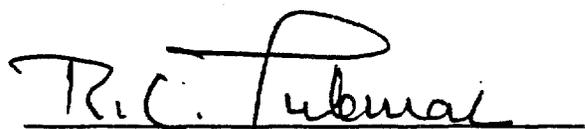
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- 1. Report to the Governor and advise on all banking and related matters
- 2. Organize the Administration of the Bank Examination and Supervision Department
- 3. Train Department Staff in Examination and Supervisory Procedures
- 4. Upgrade the data collection and monitoring system
- 5. Develop Bank Examination, Supervisory and Monetary Policies and Procedures
- 6. Review and ~~revise~~ <sup>propose revision of</sup> Banking Laws and Regulations
- 7. Attend Board of Directors, Committee and Bankers' Association Meetings
- 8. Conduct examinations of commercial banks and credit institutions periodically
- 9. Advise the Governor on matters concerning opening of new banks, branch expansion and closure of branches and banks.

TERMS OF REFERENCE OF BANK SUPERVISION-ADVISOR

NATIONAL BANK OF LIBERIA

Dated this tenth day  
of February A.D. 1987

  
REPUBLIC OF LIBERIA

  
UNITED STATES OF AMERICA

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ANNEX E

HUMAN RIGHTS PROCEDURES MEMORANDUM

ANNEX E

April 8, 1987

HUMAN RIGHTS PROCEDURES MEMORANDUM

TO: State HA, Thomas Williams, Rm 7802 NS  
FROM: A.I.D. AFR/PD/CCWAP, James Hradsky *JH*  
SUBJECT: Human Rights Clearance

The following project:

Title: Economic Stabilization Support  
Number: 669-0213  
Country: Liberia  
Amount: \$25,320,000

will be authorized in A.I.D./W. The project paper is attached.  
HA concurrence is requested at your earliest convenience.

---

TO: A.I.D., AFR/PD/CCWAP, James Hradsky  
FROM: State, HA

Proceed with authorization  
 Request hold authorization pending further review.

*James Hradsky*  
\_\_\_\_\_  
Signature

*4-9-87*  
\_\_\_\_\_  
Date

cc: PPC/EA:KKauffman (3947 NS)  
AFR/CCWA:CSteele (2664 NS)

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ANNEX F  
JOB DESCRIPTION

## JOB DESCRIPTIONS

Seventeen positions were identified during the Economic Mission led by AID Administrator M. Peter McPherson. During the project design, one additional "operational" position was added, that of the Inter-ministerial Advisor to Economic and Financial Management Committee (Team Leader). In addition, two other positions were added to support the administrative requirements of the overall contract team (as a member of the contract team), and a Personal Services Contractor Project Officer.

Following are the scopes of work of the Team Leader and the contract team.

A. TITLE: INTER-MINISTERIAL ADVISOR TO ECONOMIC AND FINANCIAL MANAGEMENT COMMITTEE (TEAM LEADER)

B. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS CONTRACT IS TO PROVIDE THE SERVICES OF A QUALIFIED INDIVIDUAL TO SERVE AS SENIOR TEAM LEADER FOR THE ECONOMIC STABILIZATION SUPPORT PROJECT, AND AS SENIOR FINANCIAL AND PUBLIC ADMINISTRATION EXPERT FOR THE ECONOMIC AND FINANCIAL MANAGEMENT COMMITTEE (EFMC) OF THE GOVERNMENT OF LIBERIA. THE CONTRACTOR WILL OPERATE AT THE POLICY LEVEL AND WILL SERVE AS LIAISON BETWEEN THE SEVENTEEN MEMBER OPERATIONAL EXPERTS TEAM AND THE GOVERNMENT OF LIBERIA (THROUGH THE EFMC AND ITS INDIVIDUAL MEMBERS). IN CARRYING OUT HIS DUTIES, HE WILL ENDEAVOR TO IMPROVE THE TECHNICAL CAPABILITIES OF THE EFMC SENIOR ECONOMISTS AND FINANCIAL PLANNERS WHO STAFF THE ECONOMIC AND FINANCIAL MANAGEMENT COMMITTEE SECRETARIAT.

IN THE CONTRACTOR'S CAPACITY AS SENIOR TEAM LEADER FOR THE LIBERIA ECONOMIC STABILIZATION SUPPORT PROJECT (669-0213), HE WILL PLAY A KEY ROLE IN ASSISTING THE GOV DIRECT THE ECONOMIC REFORM AGENDA AGREED TO ON FEBRUARY 10, 1987. HE WILL ALSO PROVIDE POLICY AND OPERATIONAL DIRECTION TO THE SEVENTEEN PERSON CONTRACTOR TEAM THROUGH THE TEAM'S CHIEF OF PARTY. HE WILL BE THE PRINCIPAL COORDINATOR ON ALL BUT ADMINISTRATIVE MATTERS BETWEEN THE OPERATIONAL EXPERTS AND USAID.

TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE INTER-MINISTERIAL ADVISOR WILL BE ASSIGNED TO THE ECONOMIC AND FINANCIAL MANAGEMENT COMMITTEE WHICH IS THE GOVERNMENT OF LIBERIA'S COORDINATING AND IMPLEMENTING AUTHORITY FOR ECONOMIC POLICY FISCAL AFFAIRS AND REFORM. THE CORE MEMBERS OF THE EFMC ARE:

MINISTER OF FINANCE, CHAIRMAN  
 MINISTER OF PLANNING & ECONOMIC AFFAIRS  
 DIRECTOR GENERAL, BUREAU OF THE BUDGET  
 GOVERNOR, NATIONAL BANK OF LIBERIA

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THE EFMC ALSO INCLUDES, ON AN AD HOC BASIS, ALL OTHER MINISTRIES AND ORGANS OF GOVERNMENT.

C. GENERAL SCOPE:

(1) - CONTRACTOR IS RESPONSIBLE FOR REVIEWING, OVERSEEING, AND IMPLEMENTING THE FINANCIAL MANAGEMENT PARTNERSHIP AGREEMENT (INCLUDING REFORM MEASURES) SIGNED FEBRUARY 10, 1987 BETWEEN THE USG AND THE GCL FOLLOWING THE AID ADMINISTRATOR'S CONSULTATIONS WITH THE PRESIDENT AND SENIOR ECONOMIC LEADERSHIP OF LIBERIA.

(2) - RELATIONSHIP WITH OPEX CONTRACTOR COP

- UNDER THE GENERAL DIRECTION OF THE USAID DIRECTOR THE CONTRACTOR WILL DIRECT THE SENIOR FINANCIAL ADVISOR (CHIEF OF PARTY) OF THE OPERATIONAL EXPERT CONTRACT TEAM, WHO IN TURN WILL BE RESPONSIBLE FOR PERFORMANCE OF INDIVIDUAL OPERATING EXPERTS. THE CONTRACTOR WILL ASSUME A STRATEGIC ROLE IN ASSISTING THE GCL TO ACHIEVE THE REFORM MEASURES INCLUDED IN THE FINANCIAL MANAGEMENT PARTNERSHIP AGREEMENT MENTIONED ABOVE.

(3) - RELATIONSHIP TO EFMC

- IN HIS POSITION AS ADVISOR TO THE EFMC, THE CONTRACTOR WILL ENDEAVOR TO MAKE THIS BODY THE FOCAL POINT FOR INTER-MINISTERIAL COORDINATION AND COOPERATION AMONG THE GCL ENTITIES CONCERNED WITH DEFINING AND IMPLEMENTING ECONOMIC, FISCAL AND PUBLIC ADMINISTRATION POLICIES, PROCEDURES AND REFORMS.

- HE WILL BRING TO THE ATTENTION OF EFMC MEMBERS PROGRESS AND CONCERNS ARISING OUT OF THE WORK OF THE OPERATIONAL EXPERTS AS WELL AS OF GENERAL TRENDS IN ECONOMIC AND FINANCIAL MATTERS.

(4) - RESOLUTION OF DISAGREEMENTS

- IN ACCORDANCE WITH THE PREAMBLE OF THE FINANCIAL MANAGEMENT PARTNERSHIP AGREEMENT, THE CONTRACTOR REPRESENTS A LEVEL OF APPEAL ABOVE THE OPEX AND CHIEF OF PARTY FOR RESOLUTION OF DISAGREEMENTS WHICH CANNOT BE MADE AT THE DEPUTY MINISTER LEVEL OR BELOW. AS A RESULT OF THE REPORTING AND REVIEW REQUIREMENTS THE CONTRACTOR, WITH THE AID MISSION DIRECTOR (OR DESIGNEE) AND THE CHIEF OF PARTY (OR DESIGNEE) WILL SEEK RESOLUTION AT THE MINISTERIAL OR OTHER APPROPRIATE (E.G., MANAGING DIRECTOR) LEVEL OF THE GCL. DISAGREEMENTS WHICH CANNOT BE RESOLVED AT THIS LEVEL WILL BE REFERRED AS NECESSARY TO THE PRESIDENT OF LIBERIA THROUGH THE U.S. AMBASSADOR.

(5) - TRAINING:

- ALL ABOVE ACTIVITIES ARE TO INCORPORATE ON THE JOB OR IN-SERVICE TRAINING AS APPROPRIATE.

(5) - MEETINGS AND REPORTING:

- THE CONTRACTOR WILL CHAIR A MONTHLY PROJECT MEETING WITH A PREPARED AGENDA. PARTICIPANTS INCLUDE:

- (A) APPROPRIATE EFMC MEMBERS AND STAFF
- (B) OTHER GCL PARTICIPANTS ACCORDING TO THE AGENDA.
- (C) OPEX COP AND PERSONNEL AS APPROPRIATE.
- (D) THE USAID DIRECTOR OR DESIGNATE AND USAID OH PROJECT MANAGER.
- (E) OTHER GCL, USG ADVISORY, OR DONOR REPRESENTATIVES AS APPROPRIATE.

- MEETINGS SHOULD BE KEPT SMALL ENOUGH TO BE MANAGEABLE. (MORE FREQUENT MEETINGS WITH MORE RESTRICTED AGENDAS AND A SMALLER NUMBER OF PARTICIPANTS MAY ALSO BE CALLED.) A SUMMARY REPORT OF EACH MEETING WILL BE PREPARED AND DISTRIBUTED TO THE PARTICIPANTS. THE CONTRACTOR WITH THE OPEX COP WILL PROVIDE, THROUGH THESE REPORTS OR OTHER COMMUNICATION, INPUTS TO THE USAID QUARTERLY PROJECT IMPLEMENTATION REVIEWS PREPARED BY THE USOR PROJECT OFFICER.

c. Desired Qualifications for the Position:

EDUCATION: M.A. desired in accounting, business administration, public administration, financial management, or a related field.

EXPERIENCE: Minimum 20 years of increasing levels of experience in financial management, banking, accounting, public administration, or a related field. Must have demonstrated experience with public finance and expenditure control systems. Overseas experience, especially in developing countries, is desired.

OTHER: Should be knowledgeable of issues of international debt management and negotiations with international lending and financing organizations. Must possess strong interpersonal and negotiating skills. Must have had major supervisory skills over both staff and resources. Candidates should have demonstrated ability to operate effectively in adverse work environments and circumstances. Strong decision making skills required.

POSITIONS FOR THE CONTRACT TEAM

1. SENIOR FINANCIAL MANAGER (EXPENDITURE CONTROL)  
- Assignment: Ministry of Finance
2. SENIOR CASH MANAGER (ALTERNATE CHIEF OF PARTY)  
- Assignment: Ministry of Finance
3. SENIOR SYSTEMS MANAGER  
- Assignment: Ministry of Finance
4. COMPUTER SYSTEMS PROGRAMMER  
- Assignment: Ministry of Finance, Ministry of Planning and Bureau of the Budget
5. SENIOR PROCUREMENT/CONTRACT/LEASE MANAGER  
- Assignment: General Services Agency
6. SENIOR TAX COLLECTIONS/AUDIT MANAGER  
- Assignment: Ministry of Finance
7. SENIOR CUSTOMS AND EXCISE MANAGER  
- Assignment: Ministry of Finance
8. SENIOR CUSTOMS MANAGER  
- Assignment: Ministry of Finance
9. SENIOR IMPORT/EXPORT MANAGER  
- Assignment: Ministry of Commerce
10. SENIOR CENTRAL BANK MANAGER  
- Assignment: National Bank of Liberia
11. SENIOR BUDGET MANAGER  
- Assignment: Bureau of the Budget
12. SENIOR JOB INSPECTION MANAGER  
- Assignment: Bureau of the Budget and Civil Service Agency
13. INTERNAL AUDIT AND TRAINING EXPERT  
- Assignment: Ministry of Finance
15. SENIOR PUBLIC CORPORATION MANAGER  
- Assignment: Liberia Petroleum Refining Company (LPRC)
16. PUBLIC CORPORATION FINANCIAL EXPERT,  
- Assignment: Liberian Produce Marketing Corporation (LPMC)
17. BANK SUPERVISION ADVISOR  
- Assignment: National Bank of Liberia
18. ADMINISTRATIVE/EXECUTIVE OFFICER  
- Assignment: General administrative support for entire CP&X team

Additional Background Information: (for inclusion in the PIC/T)

## ADDITIONAL BACKGROUND INFORMATION:

THE BASIC TERMS OF REFERENCE FOR THE OPERATIONAL EXPERT POSITIONS ARE CONTAINED IN THE FINANCIAL MANAGEMENT PARTNERSHIP AGREEMENT SIGNED FEBRUARY 10, 1987 FOR THE U.S. BY AID ADMINISTRATOR M. PETER MCPHERSON AND FOR THE REPUBLIC OF LIBERIA BY FINANCE MINISTER ROBERT C. TUBMAN. THE AGREEMENT CONTAINED A SINGLE PAGE PREAMBLE, WHICH NOTED:

- THAT THE PRESIDENT OF THE REPUBLIC OF LIBERIA HAS ULTIMATE AUTHORITY FOR EXECUTIVE BRANCH OPERATIONS;
- THAT DISAGREEMENTS BETWEEN OPERATIONAL EXPERTS AND GOVERNMENT PERSONNEL SHOULD BE RESOLVED AT THE MINISTERIAL LEVEL (OR BELOW) AND WHERE SUCH EFFORTS FAIL, WILL BE REFERRED TO THE PRESIDENT FOR HIS DETERMINATION;
- THAT INSTITUTION BUILDING AND TRAINING ARE TO BE UNDERTAKEN CONCURRENTLY WITH OPERATING RESPONSIBILITIES TO HELP ENSURE THAT SYSTEM IMPROVEMENTS ARE MAINTAINED AFTER OPEX DEPARTURES;
- THAT REVIEW AND RECOMMENDATIONS OF EXISTING SYSTEMS BE MADE WITH LIBERIAN COUNTERPARTS WITH A VIEW TO IMPLEMENTING IMPROVEMENTS;

TAKEN TOGETHER, THE PREAMBLE TERMS ASSURE THAT OPERATIONAL AND CO-SIGNATORY RESPONSIBILITIES OF OPEX NOTWITHSTANDING, ULTIMATE SOVEREIGNTY IN FISCAL AFFAIRS AND PUBLIC ADMINISTRATION REMAINS WITH THE PRESIDENT OF LIBERIA.

THE PREAMBLE ALSO UNDERLINES THE PURPOSE OF THE AGREEMENT, AND THE RESULTING PROJECT, WHICH IS TO ESTABLISH A WORKING PUBLIC ADMINISTRATION FINANCE SYSTEM TO HELP THE PRESIDENT AND HIS RESPONSIBLE CABINET MINISTERS IMPLEMENT THE REQUIRED SYSTEMS TO BRING THE FISCAL SITUATION IN THE COUNTRY UNDER CONTROL.

REFORM MEASURES: MEASURES INTENDED TO BRING THE FISCAL SITUATION UNDER CONTROL ARE EMBODIED IN A FIVE POINT ONE PAGE "REFORM MEASURES" DOCUMENT ALSO SIGNED ON FEBRUARY 10, 1987, SIMULTANEOUSLY WITH THE TERMS OF REFERENCE. THE ACTIVITIES OF THE OPERATIONAL EXPERTS ARE DESIGNED TO ASSIST THE GOI IN ACHIEVING THESE REFORM MEASURES.

REPORTING AND REVIEW: THE OPEX AGREEMENT PROVIDES FOR A JOINT GOVERNMENT OF LIBERIA AND U.S. GOVERNMENT REVIEW OF THE PROGRAM WITHIN ONE YEAR. THIS REVIEW AS WELL AS NORMAL AID PROJECT EVALUATION STANDARDS AND THE AGREEMENT'S PROVISION FOR RESOLUTION OF DISAGREEMENTS WILL REQUIRE REGULAR REPORTING FROM EACH OPERATIONAL EXPERT THROUGH THE CHIEF OF PARTY.

SUMMARY REPORTS WILL BE PREPARED, INITIALLY ON A MONTHLY BASIS. THE REPORTS WILL INCLUDE:

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- REVENUE, DISBURSEMENT, AND CONTRACT DOCUMENTS ROUTINELY CO-SIGNED. (THIS REQUIREMENT MAY BE DROPPED ONCE THE CO-SIGNING PROCESS IS WELL ESTABLISHED).
- REVENUES AND DISBURSEMENT DOCUMENTS WHICH HAVE PASSED THROUGH THE GOL SYSTEM WITHOUT THE REQUIRED OPEX CO-SIGNATURE (EXCEPTION REPORTING).
- REVENUE AND DISBURSEMENT DOCUMENTS WHICH HAVE NOT BEEN CO-SIGNED BY THE GOL (EXCEPTION REPORTING)
- MONTHLY REVENUE COLLECTED AND SOURCE - COMPARED TO BUDGET
- MONTHLY EXPENDITURES COMPARED TO BUDGET
- LIST OF CONTRACTS SIGNED IN EXCESS OF DCL 100,000
- ANY INCREASE OR DECREASE IN GOVERNMENT PAYROLL AMOUNT OR IN NUMBER OF EMPLOYEES
- AMOUNT PAID IN EXTERNAL AND DOMESTIC DEBT AND NAME OF PAYEE
- CONCRETE EXAMPLES OF PROGRESS ON TAX COLLECTIONS (CUSTOMS, INCOME, EXCISE)
- OTHER EXCEPTIONS OR DISAGREEMENTS MONTHLY OR ON AN AS NEEDED BASIS WHEN THE OPEX CONSIDERS THAT THE INTENT OF THE AGREEMENT HAS NOT BEEN MET.
- MAJOR PENDING ACTIONS REQUIRING AGREEMENT.
- POSITIVE ACHIEVEMENTS REFLECTING THE INTENT OF THE AGREEMENT.

THESE MONTHLY REPORTS WILL BE PREPARED IN ORIGINAL AND 5 COPIES, SIGNED BY THE OPEX AND DISTRIBUTED AS FOLLOWS:

- ORIGINAL TO THE MINISTER OF FINANCE, FOR DISTRIBUTION TO THE FOLLOWING: DIRECTOR OF GSA, MINISTER OF COMMERCE, GOVERNOR OF THE NATIONAL BANK OF LIBERIA, DIRECTOR OF THE BUREAU OF THE BUDGET, MINISTER OF PLANNING, DIRECTOR GENERAL OF THE CIVIL SERVICE AGENCY, MANAGING DIRECTOR OF LPMC OR LPRC ACCORDING TO THE ASSIGNMENT OF THE OPERATIONAL EXPERTS;
- ONE COPY TO THE TEAM LEADER
- ONE COPY TO THE CHIEF OF PARTY
- 1 COPY TO THE OPERATIONAL EXPERTS FILE
- TWO COPIES TO THE USAID DIRECTOR THROUGH THE USAID DIRECT HIRE PROJECT OFFICER

THESE REPORTS WILL FORM THE BASIS OF QUARTERLY PROJECT IMPLEMENTATION REPORTS (PIRS). BASED ON THESE PIRS, OR MORE FREQUENTLY IN THE CASE OF SERIOUS DISAGREEMENTS, THE USAID DIRECTOR WILL SEEK RESOLUTION OF DISAGREEMENTS WITH THE APPROPRIATE GOL HEAD OF AGENCY. DISAGREEMENTS NOT RESOLVED AT THIS LEVEL WILL BE REFERRED, AS NECESSARY, TO THE PRESIDENT OF LIBERIA THROUGH THE U.S. AMBASSADOR.

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DETAILED SCOPES OF WORK:

1. SENIOR FINANCIAL MANAGER (EXPENDITURE CONTROL) AND CHIEF OF PARTY:

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR FINANCIAL MANAGER AT THE LEVEL OF DEPUTY MINISTER FOR EXPENDITURE AND DEBT MANAGEMENT IN THE MINISTRY OF FINANCE. THE CONTRACTOR WILL WORK CLOSELY WITH THE BUREAU OF GENERAL ACCOUNTING TO ENSURE THAT BUDGETARY CONTROL IS MAINTAINED WITHIN THE GOVERNMENT OF LIBERIA. THE SENIOR FINANCIAL MANAGER WILL FUNCTION AS THE CHIEF OF PARTY FOR THE CONTRACT TEAM, AND WILL RELY ON OTHER MEMBERS OF THE CONTRACT TEAM TO EFFECTIVELY CARRY OUT HIS TASKS. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOV. THE EMPLOYMENT PERIOD SHALL BE FOR A THREE YEAR PERIOD BEGINNING 0/A JUNE 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR FINANCIAL MANAGER WILL FULFILL THE OPERATIONAL, AUDIT AND REPORTING, AND TRAINING FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - CO-SIGN ALL PURCHASE ORDERS, LEASES, AND CONTRACTS ENTERED INTO BY THE GOVERNMENT OF LIBERIA INCLUDING, BUT NOT LIMITED TO, CONSTRUCTION, SUPPLIES, PERSONAL SERVICES, TRAVEL AUTHORIZATION, REGULAR PAYMENT VOUCHERS, AND SPECIAL PURCHASE ORDER VOUCHERS. OVERSEE POSTINGS TO APPROPRIATION AND ALLOTMENT LEDGERS TO ENSURE AVAILABILITY OF FUNDS. ENSURE THAT ALL TRANSACTIONS ARE POSTED AND CERTIFIED AS TO FUND AVAILABILITY PRIOR TO SIGNATURE AND RELEASE. REVIEW COMPUTER GENERATED REPORTS TO VERIFY ABOVE ONCE THE SYSTEM HAS BEEN IMPLEMENTED.

(B) - ELIMINATE ALL EXTRA-BUDGETARY TRANSACTIONS INCLUDING THE CLOSING OF EXTRA-BUDGETARY ACCOUNTS (E.G., 627, REENTRY AND DRIVER LICENSE ACCOUNTS) TO ENSURE CONFORMITY WITH BUDGETARY CONTROLS. THIS WILL BE PERFORMED JOINTLY WITH THE SENIOR CASH MANAGER.

(C) - INITIALLY, SUSPEND DOMESTIC ARREAR PAYMENTS PENDING FORMATION OF SPECIAL COMMITTEE (PRESENTLY CONCEIVED TO BE UNDER THE ECONOMIC AND FINANCIAL MANAGEMENT COMMITTEE) TO AUTHENTICATE DELIVERY AND PRICING OF GOODS AND/OR SERVICES. THE ACTUAL STUDY WILL BE PERFORMED BY GOVERNMENT PERSONNEL ASSIGNED TO THE TASK UNDER THE DIRECTION AND SUPERVISION OF THE SENIOR FINANCIAL MANAGER.

(D) - DISALLOW ALL PAYMENT REQUESTS THAT FAIL TO FOLLOW THE

STANDARD PROCEDURES, I.E., DIRECT PURCHASES WITHOUT GSA APPROVED PURCHASE ORDERS, CONSTRUCTION PAYMENT REQUESTS WITHOUT CONTRACTS, ETC.

(E) - SUPERVISE THE IMPLEMENTATION OF THE AUTOMATED BUDGETARY ACCOUNTING SYSTEM TO ENSURE COMPLIANCE WITH BUDGETARY CONTROL AND TIMELY REPORTING OF TRANSACTIONS. PRESENT MANUAL SYSTEM DOES NOT PROVIDE ADEQUATE CONTROLS AND TIMELY REPORTING. SYSTEMS AND PROGRAMMING SUPPORT WILL BE PROVIDED BY THE SENIOR SYSTEMS MANAGER AND COMPUTER SYSTEMS PROGRAMMER.

(2) AUDIT AND REPORTING FUNCTIONS:

(A) - INSTITUTE AND IMPLEMENT COMPREHENSIVE PAYROLL AUDIT OF ALL GOVERNMENTAL MINISTRIES AND AGENCIES FOR THE PURPOSE OF ELIMINATING PERSONNEL NOT EMPLOYED BY GOVERNMENT. AUDIT WILL BE PERFORMED BY GOVERNMENT AUDITORS UNDER THE SUPERVISION OF THE SENIOR FINANCIAL MANAGER.

(B) - PROVIDE TIMELY FINANCIAL REPORTING TO THE MINISTER OF FINANCE AND MEMBERS OF THE ECONOMIC AND FINANCIAL MANAGEMENT COMMITTEE ON THE STATUS OF THE BUDGET AND VIOLATIONS THEREOF INCLUDING ATTEMPTS TO DEVIATE FROM THE BUDGETARY CONTROL PROCESS.

(3) TRAINING FUNCTIONS:

(A) - INITIATE TRAINING PROGRAM FOR BUREAU OF GENERAL ACCOUNTING PERSONNEL IN THE AREAS OF PRE-AUDITING, ACCOUNTING CONTROL, BATCH PROCESSING, FILE MAINTENANCE, AND FINANCIAL REPORTING.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN ACCOUNTING, BUSINESS ADMINISTRATION, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD. LICENSED CERTIFIED PUBLIC ACCOUNTANT DESIRED.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, PUBLIC ADMINISTRATION, OR A RELATED FIELD. MUST HAVE DEMONSTRATED EXPERIENCE IN THE MANAGEMENT AND DESIGN OF PUBLIC FINANCE AND EXPENDITURE CONTROL SYSTEMS. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS HIGHLY DESIRABLE.

OTHER: SHOULD BE KNOWLEDGEABLE OF ISSUES OF INTERNATIONAL DEBT MANAGEMENT AND NEGOTIATIONS WITH INTERNATIONAL LENDING AND FINANCING ORGANIZATIONS. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

2. SENIOR CASH MANAGER (DISBURSEMENT CONTROL) AND ALTERNATE CHIEF OF PARTY:

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR CASH MANAGER AT THE LEVEL OF DEPUTY MINISTER FOR EXPENDITURE AND DEBT MANAGEMENT IN THE COMPTROLLER'S OFFICE OF THE MINISTRY OF FINANCE. THE CONTRACTOR WILL ENDEAVOR TO IMPROVE THE FINANCIAL EXPENDITURE PERFORMANCE OF THE GOL THROUGH INCREASED AND IMPROVED REVIEW AND OVERSIGHT OF VOUCHERS, PLANNING DOCUMENTS, AND CONTROLS, ENSURING THAT ONLY LEGITIMATE EXPENSES (I.E., PAYROLL AND ITEMS PREVIOUSLY APPROVED IN THE BUDGET) ARE APPROVED FOR PAYMENT, OVERSEEING THE DEVELOPMENT OF AUTOMATED SYSTEMS OF FINANCIAL CONTROL, AND OVERSEEING THE TRAINING OF MINISTRY PERSONNEL IN THESE SYSTEMS. THE SENIOR CASH MANAGER WILL FUNCTION AS THE ALTERNATE CHIEF OF PARTY FOR THE CONTRACT TEAM, AND WILL RELY ON OTHER MEMBERS OF THE CONTRACT TEAM TO EFFECTIVELY CARRY OUT HIS TASKS. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOL. THE EMPLOYMENT PERIOD SHALL BE FOR A THREE YEAR PERIOD BEGINNING O/A JUNE 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR CASH MANAGER WILL FULFILL THE OPERATIONAL, SYSTEMS DEVELOPMENT/PLANNING, AND TRAINING FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - PREPARE CASH FLOW PROJECTIONS, MONITOR BANK BALANCES, AND UPDATE PROJECTIONS ON A TIMELY BASIS. ADVISE THE MINISTER OF FINANCE ON CASH AVAILABILITY FOR DISBURSEMENTS OF PAYROLLS AND GOVERNMENT OPERATING EXPENSES. MONITOR PAYMENT SCHEDULES APPROVED BY THE MINISTER OF FINANCE TO ENSURE CONFORMANCE WITH THE BUDGET. PRIORITIZE MONTHLY PAYMENTS WITH EMPHASIS ON BRINGING THE PAYROLL CURRENT.

(B) - CO-SIGN ALL GOVERNMENT CHECKS AND DEBIT INSTRUCTIONS BASED ON PAYMENT SCHEDULES APPROVED BY MINISTRY OF FINANCE AND PAYMENT VOUCHERS APPROVED BY THE SENIOR FINANCIAL MANAGER. VERIFY THAT ALL CHECKS ARE SUPPORTED BY AUDITED PAYMENT VOUCHERS SIGNED BY THE SENIOR FINANCIAL MANAGER.

(C) - NOTIFY NATIONAL BANK OF LIBERIA AND ALL EIGHT GOVERNMENT AND PRIVATE COMMERCIAL BANKS WITH WHICH THE GOVERNMENT HAS ACCOUNTS TO ACCEPT ONLY PAYMENT REQUESTS BEARING THE SIGNATURE OF THE CASH MANAGER. ESTABLISH PROCEDURES TO PROHIBIT USE OF PROMISSORY NOTES AND ASSIGNMENT OF PAYMENT VOUCHERS.

(D) - SUPERVISE THE RECONCILIATION OF CASH BOOK BALANCES WITH BANK STATEMENTS TO ENSURE ACCURACY OF AMOUNTS AND LEGITIMACY OF TRANSACTIONS. ANY VIOLATIONS WILL BE REPORTED TO THE SENIOR

FINANCIAL MANAGER IMMEDIATELY. THIS IS ALSO INTENDED TO PURGE THE SYSTEM OF ALL EXTRA-BUDGETARY ACCOUNTS AND TRANSACTIONS.

(2) SYSTEMS DEVELOPMENT/PLANNING FUNCTIONS:

(A) - OVERSEE THE DEVELOPMENT AND IMPLEMENTATION OF A DAILY CASH REPORTING SYSTEM WHICH INCLUDES PRIOR DAY'S BALANCES, WITHDRAWALS, DEPOSITS, AND CURRENT BALANCES ON A TIMELY BASIS, (E.G., EACH DAY'S TRANSACTIONS AND BALANCES PUBLISHED AT THE BEGINNING OF THE NEXT DAY'S BUSINESS). ENSURE THAT FINANCIAL REPORTS, WHICH INCLUDE DETAILED PRINTOUTS LISTING ALL PAYMENTS BROKEN DOWN BY BANK ACCOUNTS, ARE FURNISHED TO MINISTER OF FINANCE, DEPUTY MINISTERS, AND SENIOR FINANCIAL MANAGER (CHIEF OF PARTY) AND TEAM LEADER.

(B) - SUPERVISE THE IMPLEMENTATION OF THE AUTOMATED REVENUE ACCOUNTING AND DISBURSEMENT ACCOUNTING SYSTEM IN CONJUNCTION WITH THE SENIOR SYSTEMS MANAGER OF AUTOMATED DATA PROCESSING (ADP).

(3) TRAINING FUNCTIONS:

(A) - INITIATE TRAINING PROGRAM FOR EMPLOYEES OF THE COMPTROLLER'S OFFICE IN THE AREAS OF DEBT MANAGEMENT, REVENUE ACCOUNTING, DISBURSEMENT ACCOUNTING, ACCOUNTING CONTROL, BANK RECONCILIATION, AND FINANCIAL REPORTING.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN ACCOUNTING, BUSINESS ADMINISTRATION, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD. LICENSED CERTIFIED PUBLIC ACCOUNTANT DESIRED.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, PUBLIC ADMINISTRATION, OR A RELATED FIELD. MUST HAVE DEMONSTRATED EXPERIENCE IN THE MANAGEMENT AND DESIGN OF PUBLIC FINANCE AND EXPENDITURE CONTROL SYSTEMS. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS HIGHLY DESIRABLE.

OTHER: SHOULD BE KNOWLEDGEABLE OF ISSUES OF INTERNATIONAL DEBT MANAGEMENT AND NEGOTIATIONS WITH INTERNATIONAL LENDING AND FINANCING ORGANIZATIONS. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

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5. SENIOR SYSTEMS MANAGER (COMPUTER SYSTEMS CONTROL) MINISTRY OF FINANCE:

4. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR SYSTEMS MANAGER WITHIN THE BUREAU OF DATA PROCESSING IN THE MINISTRY OF FINANCE. THE CONTRACTOR'S COUNTERPART WILL BE THE MINISTRY OF FINANCE'S DIRECTOR OF DATA PROCESSING. IN THIS POSITION, THE CONTRACTOR WILL BE RESPONSIBLE FOR DEVELOPING AND IMPLEMENTING A SYSTEM OF AUTOMATED FINANCIAL ORGANIZATION AND CONTROL. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GCL. THE EMPLOYMENT PERIOD SHALL BE FOR A THREE YEAR PERIOD BEGINNING O/A JUNE 30, 1987.

3. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR SYSTEMS MANAGER WILL FULFILL THE OPERATIONAL, SYSTEMS DEVELOPMENT, PROCUREMENT OVERSIGHT, AND TRAINING FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - DEVELOP AND IMPLEMENT AN ORGANIZATION AND MANAGEMENT PROGRAM FOR THE BUREAU OF DATA PROCESSING. BASED ON THE WORKLOAD, DETERMINE STAFF LEVEL REQUIREMENTS (SYSTEMS ANALYSTS AND PROGRAMMERS). ALSO, DEVELOP AND IMPLEMENT A TRAINING PROGRAM FOR BUREAU PERSONNEL.

(B) - OVERSEE THE EFFORTS OF THE MINISTRY OF FINANCE MANAGEMENT TO PROVIDE THE FACILITIES, ENVIRONMENT, AND PERSONNEL REQUIRED TO CONTINUE THE CURRENT AND FUTURE COMPUTER APPLICATIONS.

(C) - PARTICIPATE IN THE SELECTION OF QUALIFIED AND COMPETENT DATA PROCESSING PERSONNEL TO WORK IN THE BUREAU OF DATA PROCESSING. PARTICIPATE IN ONGOING RECRUITMENT PROGRAM WHICH ESTABLISHES POTENTIAL CANDIDATES FOR POSITIONS AS THEY BECOME AVAILABLE.

(2) SYSTEMS DEVELOPMENT FUNCTIONS:

(A) - SUPERVISE THE DESIGN OF SYSTEMS AND PROGRAMS CONCERNED WITH BUT NOT LIMITED TO PAYROLL AND CHECK WRITING, POSITION CONTROL, BUDGETARY ACCOUNTING, REVENUE AND DISBURSEMENT AUTHORITY, IMPORT AND MANIFEST CONTROL, REAL ESTATE AND OTHER TAXES. DEVELOP APPROPRIATE SECURITY MEASURES TO PREVENT UNAUTHORIZED MANIPULATION OF SYSTEMS AND PROGRAMS.

(B) - DEVELOP REQUIREMENTS AND PROCEDURES TO ENSURE BOTH PHYSICAL AND SYSTEMS SECURITY FOR THE AUTOMATED DATA PROCESSING EQUIPMENT. DEVELOP PROCEDURES TO PERMIT ONLY AUTHORIZED USERS ACCESS TO THE SYSTEM AND ALL PROGRAMMING DOCUMENTATION. DEVELOP MECHANISM TO PROVIDE A COMPLETE AUDIT TRAIL OF SYSTEMS

ACTIVITY. THE PHYSICAL PROTECTION SHOULD BE PROVIDED BY LOGICAL ACCESS CONTROLS THAT LIMIT AUTHORIZED USERS' ACCESS TO THE COMPUTER, PROGRAMS, AND FILES.

(CC) - PARTICIPATE IN DEVELOPMENT OF THE ADP ORGANIZATION WHICH WILL AFFORD MICRO, MINI, AND MAIN FRAME COMPATIBILITY.

(CD) - WORK WITH THE BUREAU OF THE BUDGET, MINISTRY OF PLANNING AND ECONOMIC AFFAIRS, MINISTRY OF COMMERCE, AND OTHER MINISTRIES, AS APPROPRIATE, TO DEVELOP SYSTEMS AND PROGRAMS THAT ENSURE COMPATIBILITY OF ALL GOL BUDGET AND ACCOUNTING SYSTEMS INCLUDING STANDARDIZED BUDGET, REVENUE, AND ACCOUNTING CODES. THE SPECIFIC OBJECTIVES, LISTED IN ORDER OF PRIORITY ARE:

(CI) DEVELOPMENT OF A THOROUGH CUSTOMS DOCUMENTATION SYSTEM, EVENTUALLY INVOLVING ALL IMPORTS AND EXPORTS ENTERING LIBERIA. INITIAL PHASE TO CONCENTRATE ON THE FREEPORT OF MONROVIA WITH EVENTUAL EXPANSION TO ALL PORTS OF IMPORT AND EXPORT. SPECIFIC AREAS INCLUDE A MANIFEST CONTROL SYSTEM FOR THE FREEPORT; DEVELOPMENT OF A HISTORICAL DATA BASE FILE WITH APPLICATION TO BOTH CUSTOMS DATA COLLECTION, AND AN ACCURATE DATA FILE OF CORPORATE IMPORTATIONS (FOR CORPORATE TAX AUDITING AND EXCISE TAX CALCULATION PURPOSES); AND AN INVENTORY CONTROL CHECK OF BONDED WAREHOUSES.

(CII) COMPLETION OF PAYROLL, POSITION CONTROL, AND QUARTERLY ACCOUNTING PROCEDURES; (SYSTEMS INCLUDING AUDITABLE CHANGE RECORDS HAVE BEEN DESIGNED AND PROGRAMMED BUT NOT YET IMPLEMENTED);

(CIII) COMPLETION OF THE DEVELOPMENT OF AN ACCOUNTING SYSTEM WHERE THE PROGRAM SPECIFICATIONS HAVE ALREADY BEEN DEVELOPED. THE THREE PHASES OF THE SYSTEM REQUIRING PROGRAMMING AND IMPLEMENTATION ARE BUDGETARY ACCOUNTING, REVENUE ACCOUNTING, AND DISBURSEMENT ACCOUNTING.

(CIV) TAX ACCOUNTING PROCEDURES, INCLUDING REAL ESTATE, INCOME, CORPORATE, AND GENERAL GOVERNMENT OPERATIONS.

(CV) COMPILATION OF A DATA FILE OF ALL AUTHORIZED TAX WAIVER AGREEMENTS, LETTER AGREEMENTS, AND CONTRACTS ENTERED INTO BY THE GOL. INCLUDED IN THIS WOULD BE DOCUMENTS GRANTING CUSTOMS DUTY FREE AUTHORITY (IMPORT AND EXPORT), REDUCTION OF TAX OBLIGATION FROM PUBLISHED REVENUE AND FINANCE STANDARDS, DEFERRED PAYMENTS, DRAWBACK, AND FUTURE PAYMENTS.

(CVI) DEVELOPMENT OF A PERSONNEL CONTROL SYSTEM THAT IDENTIFIES MCF EMPLOYEES BY ALL PERTINENT ASPECTS OF THEIR EMPLOYMENT, I.E., LOCATION, POSITION TITLE AND DESCRIPTION, EDUCATION, SALARY, DATE OF EMPLOYMENT, ETC. THIS TASK SHOULD BE COORDINATED WITH THE SENIOR JOB INSPECTION MANAGER (POSITION CONTROL).

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(3) PROCUREMENT OVERSIGHT FUNCTIONS:

(A) - REVIEW CONSTRUCTION DESIGNS AND SUPERVISE THE SITE PREPARATION FOR COMPUTERS PROCURED UNDER THE ECONOMIC AND FINANCIAL MANAGEMENT AND TRAINING PROJECT. WITH THE ASSISTANCE OF THE USAID ENGINEER, ENSURE THAT CONSTRUCTION PLANS MEET HOUSING AND ELECTRICAL SUPPLY STANDARDS ESTABLISHED BY COMPUTER MANUFACTURER.

(B) - OVERSEE OR PARTICIPATE IN CONTRACT NEGOTIATIONS, AND CO-SIGN CONTRACT, FOR ALL COMPUTER HARDWARE/SOFTWARE MAINTENANCE ARRANGEMENTS. ENSURE THAT APPROPRIATE MAINTENANCE AND REPAIR CONTRACTS ARE ENTERED INTO TO MAXIMIZE EQUIPMENT UTILIZATION.

(C) - DEVELOP AND APPROVE ALL SOFTWARE/HARDWARE ACCEPTANCE TESTS, APPLICATION DOCUMENTATION PACKAGES, AND HARDWARE/SOFTWARE CONTINGENCY PLANS.

(D) - PARTICIPATE (AS A PANEL OR COMMITTEE MEMBER) IN ALL COMPUTER SOFTWARE AND HARDWARE PROCUREMENT. CO-SIGN ALL CONTRACTS FOR COMPUTER OR RELATED PROCUREMENT.

(4) TRAINING FUNCTIONS:

(A) - INITIATE A TRAINING PROGRAM ON COMPUTER OPERATIONS FOR COMPUTER OPERATORS, PROGRAMMERS, ANALYSTS, DATA ENTRY PERSONNEL, AND VARIOUS ADP CLERICAL POSITIONS.

(B) - IDENTIFY AND TRAIN A LIBERIAN COUNTERPART FROM EACH FUNCTIONAL AREA TO BE COMPUTERIZED.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. OR M.S. DESIRED IN COMPUTER SCIENCE, BUSINESS ADMINISTRATION, ACCOUNTING, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN DESIGNING, IMPLEMENTING, AND OVERSEEING IMPLEMENTATION OF LARGE SCALE COMPUTER SYSTEMS FOR FINANCIAL CONTROL AND MANAGEMENT. SHOULD BE FAMILIAR WITH VARIOUS COMPUTER SYSTEMS AND AUTOMATED DATA PROCESSING FORMATS. ABILITY TO PROGRAM COMPUTERS AND TO DESIGN SECURITY PROCEDURES IS DESIRED. OVERSEAS WORK EXPERIENCE IS DESIRED.

OTHER: MUST HAVE ABILITY TO EVALUATE DATA PROCESSING NEEDS, DESIGN APPROPRIATE PROGRAMS, AND FOLLOW THROUGH TO IMPLEMENTATION ESTABLISHMENT OF RELEVANT COMPUTER SYSTEMS IN MINISTRY OPERATIONS.

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MUST POSSESS STRONG INTERPERSONAL, NEGOTIATION, AND TEACHING SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

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4. COMPUTER SYSTEMS PROGRAMMER:

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS COMPUTER SYSTEMS PROGRAMMER WITHIN THE BUREAU OF THE BUDGET, THE MINISTRY OF FINANCE, THE MINISTRY OF COMMERCE, THE MINISTRY OF PLANNING AND ECONOMIC AFFAIRS, AND OTHER MINISTRIES, AS APPROPRIATE. THE CONTRACTOR WILL SUPPORT THE SENIOR SYSTEMS MANAGER IN THE DESIGN AND PROGRAMMING OF THE FISCAL MANAGEMENT CONTROL SYSTEMS. THE PROGRAMMER WILL ALSO PROVIDE SUPPORT IN THE IMPLEMENTATION OF THE PAYROLL AUDIT AND POSITION CONTROL SYSTEMS. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE COMPUTER SYSTEMS PROGRAMMER WILL FULFILL THE OPERATIONAL, SYSTEMS DEVELOPMENT, AND TRAINING FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - ASSIST THE SENIOR SYSTEMS MANAGER IN THE DEVELOPMENT AND IMPLEMENTATION OF ORGANIZATION AND MANAGEMENT STRUCTURE FOR THE BUREAU OF DATA PROCESSING IN THE GOL MINISTRY OF FINANCE.

(B) - PARTICIPATE IN THE SELECTION OF QUALIFIED AND COMPETENT DATA PROCESSING PERSONNEL.

(2) SYSTEMS DEVELOPMENT FUNCTIONS:

(A) - ASSIST THE SENIOR SYSTEMS PROGRAMMER IN THE IMPLEMENTATION OF SECURITY SYSTEMS IN ORDER TO PREVENT UNAUTHORIZED MANIPULATION OF SYSTEMS AND PROGRAMS.

(B) - PARTICIPATE IN THE ANALYSIS, DESIGN, AND PROGRAMMING FOR THE FINANCIAL CONTROL SYSTEM, CUSTOMS, AND OTHER REVENUE AREAS. DUE TO THE SIZE AND COMPLEXITY OF THESE INITIAL APPLICATIONS, A UNIFORM METHODOLOGY OF DESIGNING THESE SYSTEMS MUST BE DEVELOPED. THE CONTRACTOR WILL BE RESPONSIBLE FOR DEVELOPING SPECIFICATIONS AND PROCEDURES FOR ALL APPLICATIONS.

(C) - DEVELOP AND SUPERVISE ALL PLANS FOR:

- (I) SYSTEMS ACCEPTABILITY TESTING
- (II) SYSTEMS IMPLEMENTATION
- (III) HARDWARE/SOFTWARE CONTINGENCY

(D) - DEVELOP PROCEDURES AND MONITOR THE ACCEPTANCE OF ALL SOFTWARE, HARDWARE, AND DOCUMENTATION.

(E) - DEVELOP PROCEDURES AND MONITOR ALL PHYSICAL AND SYSTEM SECURITY ACTIVITIES.

(F) - DEVELOP CONTINGENCY PLAN AND MONITOR ALL BACKUP PROCEDURES FOR SYSTEMS HARDWARE/SOFTWARE.

(3) TRAINING FUNCTIONS:

(A) - ASSIST THE SENIOR SYSTEMS PROGRAMMER IN THE DEVELOPMENT AND IMPLEMENTATION OF TRAINING PROGRAMS FOR THE BUREAU PERSONNEL.

(B) - PARTICIPATE AS INSTRUCTOR IN ADP TRAINING PROGRAMS.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. OR M.S. DESIRED IN COMPUTER SCIENCE, BUSINESS ADMINISTRATION, ACCOUNTING, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN DESIGNING AND IMPLEMENTING LARGE SCALE COMPUTER SYSTEMS FOR FINANCIAL CONTROL AND MANAGEMENT. OVERSEAS WORK EXPERIENCE IS DESIRED.

OTHER: MUST POSSESS STRONG INTERPERSONAL, NEGOTIATION, AND TEACHING SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

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5. SENIOR PROCUREMENT/CONTRACT/LEASE MANAGER (PROCUREMENT CONTROL):

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS CO-DIRECTOR OF THE GOVERNMENT OF LIBERIA GENERAL SERVICES AGENCY (GSA). THE CONTRACTOR WILL SUPPORT THE DIRECTOR GENERAL OF THE GSA AND ASSIST IN ITS DAILY MANAGEMENT. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR PROCUREMENT/CONTRACT/LEASE MANAGER WILL FULFILL THE OPERATIONAL FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - CO-REVIEW AND CO-APPROVE ALL PROCUREMENT DOCUMENTS AND CONTRACTS TO ENSURE COMPLIANCE WITH GOL REGULATIONS WITH RESPECT TO COST, QUALITY, AND DELIVERY. ACTIVITIES INCLUDE, BUT ARE NOT LIMITED TO LEASES, CONSTRUCTION, AND SUPPLY/SERVICE PROCUREMENT CONTRACTS.

(B) - REPLACE PRESENT AD-HOC PROCUREMENT SYSTEM WITH CENTRALIZED BULK PURCHASING FOR COMMODITIES (THIS SYSTEM HAS BEEN DESIGNED, BUT NOT YET IMPLEMENTED).

(C) - AUDIT ALL EXISTING LEASES TO ENSURE AUTHENTICITY AND VALUE. JOINTLY REVIEW AND SIGN LEASES WITH THE SENIOR FINANCIAL AND CASH MANAGERS. WHERE NECESSARY, ABRIGATE ONGOING AGREEMENTS AND RENEGOTIATE WITH THE ASSISTANCE OF THE SENIOR FINANCIAL AND CASH MANAGERS.

(D) - DEVELOP A CENTRALIZED DELIVERY, WAREHOUSING, AND DISTRIBUTION SYSTEM. DEVELOP PROCEDURES TO ENSURE THAT ALL GOVERNMENT PROCURED COMMODITIES ARE PROCURED THROUGH THESE SYSTEMS AND THAT ADEQUATE INVENTORY RECORDS ARE MAINTAINED.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. OR M.S. DESIRED IN BUSINESS ADMINISTRATION, LAW, PUBLIC ADMINISTRATION, ENGINEERING, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN CONTRACT MANAGEMENT, PROCUREMENT, PUBLIC ADMINISTRATION, ETC. EXPERIENCE WITH REVIEWING ENGINEERING COST ESTIMATES IS STRONGLY DESIRED. RELATED OVERSEAS WORK EXPERIENCE IS DESIRED.

OTHER: MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

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5. SENIOR TAX COLLECTIONS/AUDIT MANAGER (COLLECTION/AUDIT CONTROL):

4. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR TAX COLLECTIONS/AUDIT MANAGER IN THE MINISTRY OF FINANCE. THE CONTRACTOR'S COUNTERPART WILL BE THE DEPUTY MINISTER FOR REVENUE. IN THIS POSITION, THE CONTRACTOR WILL BE RESPONSIBLE FOR JOINTLY SUPERVISING, MONITORING, AND CONTROLLING CURRENT AND DELINQUENT TAX COLLECTION EFFORTS AND THE TRANSFER OF REVENUES TO GOVERNMENT ACCOUNTS. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GCL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

5. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR TAX COLLECTIONS/AUDIT MANAGER WILL FULFILL THE RETURNS PROCESSING, AUTOMATED DATA PROCESSING, AND COLLECTION FUNCTIONS OUTLINED BELOW:

(1) RETURNS PROCESSING FUNCTION:

(A) - ASSIST THE CHIEF AUDITOR'S OFFICE IN THE DESIGN AND IMPLEMENTATION OF A CASE ASSIGNMENT SYSTEM. ENSURE COMPLIANCE WITH CASE ASSIGNMENT SYSTEM AFTER AUDIT IS ASSIGNED TO A REVENUE AUDITOR (EACH REVENUE AUDITOR MUST FORMULATE AN AUDIT PLAN FOR THE AUDIT; ALL SUCH PLANS ARE SUBJECT TO THE OPEX APPROVAL PRIOR TO TAXPAYER CONTACT).

(B) - REVIEW AND APPROVE COMPLETED AUDITS TO ENSURE THAT THE CORRECT TAX LIABILITY HAS BEEN ASSESSED. PARTICULAR ATTENTION WILL BE DIRECTED TOWARD CASES INVOLVING NEGOTIATED SETTLEMENTS.

(C) - ASSIST IN THE DESIGN AND IMPLEMENTATION OF AN APPEALS FUNCTION IN THE INCOME TAX AREA. CONTRACTOR OR HIS DELEGATE WILL SIT ON APPEALS BOARD.

(2) AUTOMATED DATA PROCESSING FUNCTION:

(A) - WORKS DIRECTLY WITH THE COMPUTER SPECIALISTS TO DEFINE IN DETAIL THE PROCESSES TO BE AUTOMATED. THIS WILL INCLUDE A CASE AND TIME REPORTING SYSTEM FOR AUDIT AND COLLECTION. ALL PROJECTS WILL REQUIRE HANDBOOKS, TRAINING, AND AN IMPLEMENTATION SCHEDULE.

(B) - PARTICIPATE IN ALL SYSTEMS ACCEPTABILITY TESTS FOR APPLICATIONS DEVELOPED IN THE AUDIT/COLLECTION FUNCTIONS.

(C) - HAS CO-APPROVAL AUTHORITY FOR ACCEPTANCE OF ALL DOCUMENTATION, PROGRAMS, AND PROCEDURES RELATING TO AUTOMATION IN THE AUDIT/COLLECTION FUNCTIONS.

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(B) COLLECTION FUNCTION:

(A) - ASSIST IN IMPLEMENTATION OF A CENTRAL COLLECTION BUREAU (CCB) THAT COLLECTS ALL REVENUES. APPROVES FINAL CCB ORGANIZATIONAL STRUCTURE. ONCE CCB IS ESTABLISHED, WILL HAVE CO-SIGNATURE AUTHORITY OVER ALL INSTALLMENT AGREEMENTS ISSUED, SEIZURE NOTICES, AND RELEASE OF SEIZURE NOTICES. ALSO WILL ASSIST IN IMPLEMENTING AN IMPARTIAL CASE ASSIGNMENT SYSTEM.

(B) - CO-APPROVES IN ADVANCE ANY DEVIATION FROM THE COLLECTION REVENUE MANUAL. ASSISTS IN THE DESIGN AND IMPLEMENTATION OF A RETURNS COMPLIANCE PROGRAM (RCP); HAS FINAL SIGNATURE AUTHORITY OVER THE PROGRAM SELECTED. COORDINATE THE COLLECTION BUREAU RCP WITH THE DIRECT TAXATION RCP.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN ACCOUNTING, BUSINESS ADMINISTRATION, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD. LICENSED CERTIFIED PUBLIC ACCOUNTANT DESIRED.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN TAX COLLECTION ADMINISTRATION, AUDIT, FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, PUBLIC ADMINISTRATION, OR A RELATED FIELD. RELATED OVERSEAS WORK EXPERIENCE IS DESIRED.

OTHER: MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

7. SENIOR CUSTOMS AND EXCISE MANAGER (CUSTOMS AND EXCISE CONTROL):

1. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR CUSTOMS AND EXCISE MANAGER IN THE MINISTRY OF FINANCE. THE CONTRACTOR'S COUNTERPART WILL BE THE DEPUTY MINISTER FOR REVENUE LEVEL WORKING THROUGH THE COMMISSIONER OF CUSTOMS AND EXCISE. IN THIS POSITION, THE CONTRACTOR WILL BE RESPONSIBLE FOR JOINTLY MONITORING AND CONTROLLING CUSTOMS AND EXCISE TAX COLLECTION EFFORTS AND THE TRANSFER OF REVENUES TO GOVERNMENT ACCOUNTS. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOV. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

3. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR CUSTOMS AND EXCISE MANAGER WILL FULFILL THE OPERATIONAL, WAIVER CONTROL, AND REVIEW AND ANALYSIS FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - COMPUTERIZATION: ASSIST SENIOR SYSTEM MANAGER IN COMPUTERIZATION OF VARIOUS CUSTOMS AND EXCISE RECORDS.

(B) - TRANSFER OF FUNDS: OVERSEE TRANSFER OF FUNDS TO GOVERNMENT ACCOUNTS.

(2) WAIVER CONTROL FUNCTIONS:

(A) - IMPORT/EXPORT/STUMPAGE DUTY WAIVER: JOINTLY REVIEW, SIGN AND ABRGATE (WHERE NECESSARY) GOVERNMENT CONTRACTS, AGREEMENTS OR LETTERS WHICH WAIVE TAX OBLIGATIONS; EXAMINE THESE DOCUMENTS FOR PRECISENESS OF TERMS AND CORRECT LANGUAGE WHERE APPROPRIATE; RENEGOTIATE ALL CONTRACTS BEING RENEWED, TO INCLUDE ON-SITE EXAMINATION, ETC.; MAINTAIN A CURRENT, ABBREVIATED LISTING OF "WAIVER AGREEMENTS" AND ADAPT SAME TO ADP. JOINTLY APPROVE ALL DUTY FREE, DUTY REDUCED, CRAWBACK, DEFERRED PAYMENT, FUTURE PAYMENT AND STUMPAGE TAX PAYMENTS WHICH ARE ROUTINELY PROCESSED.

(B) - EXCISE DUTY WAIVER: JOINTLY REVIEW, SIGN AND ABRGATE (WHERE NECESSARY) EXISTING GOVERNMENT AGREEMENTS WHICH WAIVE EXCISE TAX OBLIGATION AND DEVIATE FROM THE REVENUE AND FINANCE EXCISE TAX STRUCTURE. EXAMINE PRECISENESS OF LANGUAGE AND SEEK INTERPRETATION AND CORRECTION WHERE APPROPRIATE; RENEGOTIATE ALL CONTRACTS BEING RENEWED, TO INCLUDE ON-SITE EXAMINATION, ETC. JOINTLY APPROVE ALL ROUTINELY PROCESSED REQUESTS FOR EXCISE TAX WAIVER.

(B) REVIEW AND ANALYSIS FUNCTIONS:

(A) - TRANSHIPMENT REVIEW: REVIEW ALL TRANSHIPMENT ENTRIES BEFORE RETURN OF TRANSHIPMENT BOND; JOINTLY APPROVE RETURN OF BOND THROUGH SIGNATURE. REVIEW ALL TRANSHIPMENT ENTRIES TO ENSURE ACCURACY OF TAX OBLIGATION AND CORRECTNESS OF LANDING CERTIFICATE PREPARATION.

(B) - SPECIAL RELEASE REVIEW: REVIEW AND JOINTLY APPROVE ALL SPECIAL RELEASE ENTRIES.

(C) - ANALYSIS: PREPARE A MONTHLY STATISTICAL ANALYSIS OF ALL WAIVER ACTIONS TO INCLUDE ANALYSIS BY NATURE OF ACTIVITY, AMOUNT AND LOCATION. ANALYZE TRENDS AND MAKE PROJECTIONS ON THEIR IMPACT UPON OVERALL GOVERNMENT REVENUE WHILE DEVELOPING A HISTORICAL DATA BASE. REFER QUESTIONABLE TAX WAIVER PRACTICES, NOTED THROUGH ANALYSIS, TO THE SENIOR FINANCIAL MANAGER FOR MORE EXTENSIVE REVIEW AND INVESTIGATION.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN ACCOUNTING, BUSINESS ADMINISTRATION, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN CUSTOMS OR EXCISE TAX COLLECTION ADMINISTRATION, AUDIT, FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, PUBLIC ADMINISTRATION, OR A RELATED FIELD. RELATED OVERSEAS WORK EXPERIENCE IS DESIRED.

OTHER: MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

4. SENIOR DUTY MANAGER (DUTY CONTROL):

4. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR DUTY MANAGER IN THE MINISTRY OF FINANCE. THE CONTRACTOR'S COUNTERPART WILL BE AT THE DEPUTY MINISTER FOR REVENUE LEVEL; HE WILL WORK THROUGH THE COMMISSIONER OF CUSTOMS AND THE NATIONAL PORT AUTHORITY AT THE FREEPORT. IN THIS POSITION, THE CONTRACTOR WILL BE RESPONSIBLE FOR JOINTLY MONITORING AND CONTROLLING CUSTOMS TAX COLLECTION EFFORTS AND THE TRANSFER OF REVENUES TO GOVERNMENT ACCOUNTS. THE CONTRACTOR ALSO WILL WORK WITH THE EEC-FUNDED OPERATIONAL EXPERTS AT NATIONAL PORT AUTHORITY (NPA). THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE SLL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

5. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR DUTY MANAGER WILL FULFILL THE OPERATIONAL/ENFORCEMENT AND STATISTICS/AUTOMATION FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL/ENFORCEMENT FUNCTIONS:

(A) - ENFORCEMENT OF CUSTOMS CONTROL OVER GOODS: ASSURE, UNDER AUTHORITY OF THE REVENUE AND FINANCE LAWS OF THE REPUBLIC OF LIBERIA, CUSTOMS CONTROL OF ALL IMPORTED GOODS MANIFESTED FOR LIBERIA AND ALL GOODS DELIVERED FOR EXPORT.

(B) - SYSTEMS CONTROL: CO-SUPERVISE, WITH ALL COLLECTORS OF CUSTOMS AND THE DIRECTORS OF PORT AUTHORITIES, THE SYSTEMS THAT CONTROL THE DOCUMENTATION, MOVEMENT, ASSESSMENT, AND COLLECTION OF DUTIES, FEES, CHARGES, AND PENALTIES FOR ALL GOODS IMPORTED TO AND EXPORTED FROM LIBERIA.

(C) - ASSESSMENT AND COLLECTION CONTROL: HAS CO-SIGNATURE AUTHORITY FOR THE FINAL APPRAISEMENT, CLASSIFICATION, ASSESSMENT, AND COLLECTION OF POSSIBLE LEVIES ASSOCIATED WITH THE IMPORTATION AND EXPORTATION OF GOODS; FOR THE MOVEMENT AND/OR STORAGE OF SUCH GOODS; AND FOR THE FINAL RELEASE OF SUCH GOODS FROM CUSTOMS CONTROL. JOINTLY SUPERVISE THE TRANSFER OF ALL FUNDS COLLECTED TO GOVERNMENT ACCOUNTS.

(D) - COMPLIANCE CONTROL: IMPLEMENT A SYSTEM OF FINES, PENALTIES, AND FORFEITURES BY AUTHORITY OF CHAPTER 55 OF THE REVENUE AND FINANCE LAWS OF LIBERIA, AS AMENDED. CONTRACTOR WILL HAVE AUTHORITY TO LEVY FINES AND PENALTIES IN THE CASE OF SMUGGLED GOODS. CO-AUTHORIZE FINAL ADMINISTRATIVE DETERMINATION FOR APPLICATION OF SUCH FINES, PENALTIES, AND FORFEITURES.

(2) STATISTICS/AUTOMATION FUNCTIONS:

(A) - STATISTICS: MAINTAIN AND EXPAND TO INCLUDE SIGNIFICANT RURAL PORTS, A MANUAL STATISTICAL DATA COLLECTION SYSTEM THAT TRACKS THE DISPOSITION OF MERCHANDISE IMPORTED INTO LIBERIA.

(B) - AUTOMATION: WORK WITH SENIOR SYSTEMS MANAGER TO ESTABLISH AN AUTOMATED DATA COLLECTION SYSTEM TO:

(I) ASSIST IN THE TRACKING OF MANIFESTS TO ENSURE THAT REVENUE IS COLLECTED ON ALL MANIFESTED GOODS NOT EXPORTED.

(II) ASSIST IN INVENTORY CONTROL AND THE TRACKING OF ALL BONDED GOODS WITHDRAWN.

(III) EXPAND THE STATISTICAL DATA COLLECTION SYSTEM TO PROVIDE DETAILED DATA ON IMPORTS, INCLUDING DESCRIPTION, AMOUNT, KIND, IMPORTER, VALUE, OF IMPORTED AND EXPORTED GOODS, AND TO DETAIL THE REVENUE ASSESSED BY KIND OF LEVY AND WHETHER COLLECTED IN CASH OR DEFERRED BY DUTY FREE CONCESSION, PRIOR GOVERNMENT OBLIGATION SUCH AS DRAWBACK, FUTURE PAYMENT, OR DEFERRED PAYMENT.

(IV) DEVELOP COMPLIANCE AND EXCEPTION REPORTING FOR UNENTERED AND STORED GOODS.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN ACCOUNTING, BUSINESS ADMINISTRATION, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN CUSTOMS OR EXCISE TAX COLLECTION ADMINISTRATION, AUDIT, FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, PUBLIC ADMINISTRATION, OR A RELATED FIELD. RELATED OVERSEAS WORK EXPERIENCE IS DESIRED.

OTHER: MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

9. SENIOR IMPORT/EXPORT MANAGER (IMPORT/EXPORT CONTROL):

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR IMPORT/EXPORT MANAGER IN THE MINISTRY OF COMMERCE, INDUSTRY, AND TRANSPORTATION WITHIN THE BUREAU OF FOREIGN TRADE. IN THIS POSITION, THE CONTRACTOR WILL BE RESPONSIBLE FOR JOINTLY MONITORING AND CONTROLLING IMPORT AND EXPORT CONTROLS FOR THE GOVERNMENT OF LIBERIA. THE CONTRACTOR WILL WORK CLOSELY WITH THE SENIOR CUSTOMS MANAGER AND THE SENIOR TAX COLLECTOR/AUDIT MANAGER IN CARRYING OUT HIS DUTIES. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR IMPORT/EXPORT MANAGER WILL FULFILL THE OPERATIONAL AND STATISTICAL FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - IMPORT/EXPORT CONTROLS: SUPERVISE THE PROCESSING OF IMPORT AND EXPORT DOCUMENTATION TO ENSURE THAT A PROPER VALUATION BASIS IS DEVELOPED FOR PRICE, QUALITY AND QUANTITY CONTROLS. IN THE CASE OF EXPORTS, CONFIRM WORLD MARKET PRICES FOR THE LEVEL OF THE GOL'S EXPORT EARNING SURRENDER REQUIREMENTS.

(B) - PERMITS AND LICENSES: IN CONJUNCTION WITH TAX STUDY (SEE SENIOR TAX COLLECTION/AUDIT MANAGER) DETERMINE THE ADVISABILITY OF IMPORT AND EXPORT DUCTAS. SUPERVISE, UNDER EXISTING COMMERCE REGULATIONS, THE ISSUANCE OF ALL IMPORT AND EXPORT PERMITS AND LICENSES; MAINTAIN RECORDS AND CONDUCT SURVEYS OF IMPORTERS AND BANKS TO DETERMINE COMMODITY STOCK LEVELS IN ORDER TO AVOID SHORTAGES OF ESSENTIAL COMMODITIES.

(C) - MINISTRY OF FINANCE TAX OBLIGATIONS: COORDINATE IMPORT AND EXPORT DOCUMENTATION WITH SENIOR CUSTOMS MANAGER, AND SENIOR CUSTOMS/EXCISE MANAGER TO ENSURE PROPER ASSESSMENT AND VALUATION WITH RESPECT TO PRICES, QUALITY AND QUANTITIES FOR THE PURPOSES OF VERIFYING CUSTOMS LEVIES. ADDITIONALLY, SUPPLY DOCUMENTATION RELATING TO TAX AUDITS AND PROVIDE ANALYTICAL RESEARCH, AS APPROPRIATE, FOR CORPORATE TAX AND BUSINESS TRADE LEVY IN COORDINATION WITH SENIOR TAX COLLECTION/AUDIT MANAGER.

(2) STATISTICAL FUNCTIONS:

(A) - ESTABLISH A SYSTEM OF DATA STORAGE AND RETRIEVAL WITH RESPECT TO EXPORTED MERCHANDISE FOR USE IN DAY-TO-DAY DETERMINATION OF ACCURATE TAX OBLIGATIONS DUE GOVERNMENT AND TO PROJECT ECONOMIC GROWTH INDICATORS. AS APPLICABLE, THIS DATA

WOULD BE AN EXTENSION OF THE SBS PROGRAM, AND SHOULD BE DEVELOPED WITH THE SENIOR SYSTEMS MANAGER AND COMPUTER SYSTEMS PROGRAMMER. COORDINATES STATISTICAL ACTIVITIES WITH MINISTRY OF PLANNING AND ECONOMIC AFFAIRS REGARDING IMPORT/EXPORT AND RELATED STATISTICAL DATA AND FORECASTING METHODS.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN ACCOUNTING, BUSINESS ADMINISTRATION, PUBLIC ADMINISTRATION, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN IMPORT/EXPORT MANAGEMENT AND CONTROL, IMPLEMENTATION AND SUPERVISION OF COMMERCE REGULATIONS, AND AUTOMATED DATA MANAGEMENT FOR IMPORT/EXPORT RECORDS. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS DESIRED.

OTHER: MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

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10. SENIOR CENTRAL BANK MANAGER (FOREIGN EXCHANGE CONTROL):

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR CENTRAL BANK MANAGER FOR THE NATIONAL BANK OF LIBERIA. THE POSITION WILL BE AT THE LEVEL OF DEPUTY GOVERNOR RESPONSIBLE FOR FOREIGN EXCHANGE. THE CONTRACTOR WILL BE RESPONSIBLE FOR JOINTLY REVIEWING, APPROVING, AND CO-SIGNING ALL OFFSHORE FOREIGN EXCHANGE TRANSFERS INCLUDING DEBT PAYMENTS. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR CENTRAL BANK MANAGER WILL FULFILL THE OPERATIONAL FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - JOINTLY APPROVE AND CO-SIGNS ALL DEBIT AND CREDIT FOREIGN EXCHANGE TRANSACTIONS. OVERSEE DEPOSITS OF ALL OFFSHORE REVENUES (TRADITIONAL OFFSHORE REVENUES AND RECEIPTS INCLUDING, BUT NOT LIMITED TO, MARITIME, CONCESSION, ROYALTIES, INCOME, AND CORPORATE TAXES OF CONCESSIONS LOCATED IN LIBERIA BUT REMITTING OFFSHORE), PLUS THE 25 PERCENT EXPORT EARNINGS SURRENDER.

(B) - CO-APPROVE FOREIGN EXCHANGE DISBURSEMENT BASED UPON APPROVED OFFSHORE GOL BUDGET.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN BUSINESS ADMINISTRATION, BANKING, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, PUBLIC ADMINISTRATION, OR A RELATED FIELD. MUST HAVE DEMONSTRATED EXPERIENCE IN BANKING (INTERNATIONAL EXPERIENCE PREFERRED). OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS HIGHLY DESIRABLE.

OTHER: SHOULD BE KNOWLEDGEABLE OF ISSUES OF INTERNATIONAL BANKING AND DEBT MANAGEMENT AND NEGOTIATIONS WITH INTERNATIONAL LENDING AND FINANCING ORGANIZATIONS. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

11. SENIOR BUDGET MANAGER (BUDGET CONTROL):

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR BUDGET MANAGER AT THE LEVEL OF DEPUTY DIRECTOR AT THE BUREAU OF THE BUDGET. THE CONTRACTOR WILL BE RESPONSIBLE FOR JOINTLY DEVELOPING, REVIEWING, APPROVING, AND IMPLEMENTING THE ANNUAL BUDGET FOR THE GOVERNMENT OF LIBERIA. THE EMPLOYMENT PERIOD SHALL BE FOR A THREE YEAR PERIOD BEGINNING ON/ A JUNE 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR BUDGET MANAGER WILL FULFILL THE OPERATIONAL FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - CO-SUPERVISE THE DEVELOPMENT AND IMPLEMENTATION OF THE ANNUAL BUDGET AND MIDYEAR BUDGET REVIEW. OVERSEE THE COMPLETION OF MINISTRY/AGENCY BUDGETS TO ENSURE THAT ALL COSTS OF GOVERNMENT ARE INCLUDED IN THE ANNUAL BUDGET. REVIEW AND CO-APPROVE REVENUE ESTIMATES BASED UPON REALISTIC ECONOMIC PROJECTIONS AS WELL AS PRIOR YEAR COLLECTIONS REALIZED.

(B) - CO-SUPERVISE THE IMPLEMENTATION OF THE POSITION CONTROL SYSTEM ESTABLISHED AS PART OF THE NEW PAYROLL SYSTEM. REVIEW AND APPROVE ALL PERSONNEL ACTION NOTICES TO ENSURE THAT POSITIONS ARE VALID AND INCLUDED IN THE CURRENT YEAR BUDGET.

(C) - REVIEW AND CO-APPROVE ALL BUDGETARY TRANSFER REQUESTS TO INSURE THAT FUNDS ARE AVAILABLE AND THAT THE REQUESTS ARE IN LINE WITH THE OVERALL BUDGET PLAN. CONSULT WITH THE SENIOR FINANCIAL MANAGER WITH REGARD TO BUDGET TRANSFER REQUESTS.

(D) - WORK WITH THE JOB POSITION/INSPECTION MANAGER, SENIOR FINANCIAL MANAGER AND THE SENIOR CASH MANAGER ON THE PAYROLL AUDIT AND BRINGING THE PAYROLL CURRENT.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN BUSINESS ADMINISTRATION, BANKING, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN PUBLIC ADMINISTRATION, BUDGETING, FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, OR A RELATED FIELD. MUST HAVE DEMONSTRATED EXPERIENCE IN BUDGETARY PROGRAMMING AND FORWARD PLANNING. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS HIGHLY DESIRABLE.

OTHER: SHOULD BE KNOWLEDGEABLE OF ISSUES OF PUBLIC ADMINISTRATION AND BUDGETING. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

12. SENIOR JOB INSPECTION MANAGER (POSITION CONTROL):

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR SYSTEMS JOB INSPECTION MANAGER FOR POSITION CONTROL. THE POSITION WILL BE AT THE LEVEL OF DEPUTY DIRECTOR AT THE BUREAU OF THE BUDGET AND CIVIL SERVICE AGENCY. THE CONTRACTOR WILL BE RESPONSIBLE FOR OVERSEEING THE IMPLEMENTATION OF A COMPREHENSIVE JOB CLASSIFICATION SCHEME WITH A VIEW TO RATIONALIZING THE SIZE OF THE GOI WORKFORCE. THE CONSULTANT WILL WORK WITH THE SENIOR BUDGET MANAGER, SENIOR FINANCIAL MANAGER, AND THE CASH MANAGER IN CARRYING OUT HIS/HER DUTIES. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOI. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR JOB INSPECTION MANAGER WILL FULFILL THE OPERATIONAL FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - SCREEN ALL PERSONNEL ACTION NOTICES AGAINST THE POSITION CONTROL SYSTEM TO INSURE COMPLIANCE WITH BUDGETED POSITIONS. ELIMINATE ALL UNAUTHORIZED POSITIONS.

(B) - DEVELOP AND MANAGE A POSITION CLASSIFICATION SURVEY IMPLEMENTED BY THE CIVIL SERVICE AGENCY PERSONNEL. ENSURE THAT ALL POSITION DESCRIPTIONS ARE STANDARDIZED AND PERSONNEL QUALIFICATIONS ARE REVIEWED FOR CONFORMANCE WITH ESTABLISHED POSITIONS.

(C) - DEVELOP AND IMPLEMENT A TRAINING PROGRAM FOR PERSONNEL ANALYSTS IN THE CIVIL SERVICE AGENCY TO ENABLE THE ANALYSTS TO PERFORM THE POSITION CLASSIFICATION SURVEY.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN BUSINESS ADMINISTRATION, BANKING, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN PUBLIC ADMINISTRATION, PERSONNEL MANAGEMENT, OR A RELATED FIELD. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS DESIRED.

OTHER: SHOULD BE KNOWLEDGEABLE OF ISSUES OF PERSONNEL MANAGEMENT AND PUBLIC ADMINISTRATION. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

13. INTERNAL AUDIT AND TRAINING EXPERT:

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS INTERNAL AUDIT AND TRAINING EXPERT IN THE MINISTRY OF FINANCE. WORKING WITH THE OPERATIONAL EXPERTS AT THE LEVEL OF DEPUTY MINISTER IN MINISTRY OF FINANCE THE CONTRACTOR WILL IMPLEMENT CONTROLS TO INSURE COMPLIANCE WITH ECONOMIC RECOVERY PROGRAMS AND REFORM MEASURES. THE INTERNAL AUDIT AND TRAINING EXPERT WILL SURVEY EXISTING INTERNAL AUDIT OPERATIONS WITHIN THE MINISTRY OF FINANCE AND SUBMIT A SERIES OF RECOMMENDATIONS TO CONSOLIDATE THE FUNCTIONS WITHIN ONE ORGANIZATION WHICH WILL REPORT DIRECTLY TO THE MINISTER OF FINANCE. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOV. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE INTERNAL AUDIT AND TRAINING EXPERT WILL FULFILL THE FUNCTIONS DESCRIBED BELOW.

(1) INITIAL TASKS:

(A) OPERATIONAL FUNCTIONS: OVERSIGHT RESPONSIBILITY OF THE VARIOUS FUNCTIONS OF THE MINISTRY OF FINANCE. AREAS OF OVERSIGHT INCLUDE: BUDGETARY CONTROL; CASH MANAGEMENT; REVENUE ACCOUNTING; TAX ADMINISTRATION AND DEBT MANAGEMENT.

(B) PAYROLL AUDIT FUNCTIONS: WORKING WITH THE SENIOR FINANCIAL MANAGER AND THE CASH MANAGER THE INTERNAL AUDIT EXPERTS WILL INVOLVE THE INTERNAL AUDIT STAFF IN THE COMPREHENSIVE PAYROLL AUDIT OF THE GOVERNMENT MINISTRIES AND AGENCIES. THEY WILL ALSO MONITOR THE AUDITS TO INSURE THAT THOSE EMPLOYEES IDENTIFIED TO BE REMOVED FROM THE PAYROLL ARE ACTUALLY REMOVED FROM THE PAYROLL REGISTER.

(C) TRAINING FUNCTION: ENSURE THE INTERNAL AUDIT STAFF IS TRAINED AND PROFICIENT IN AUDITING AND ACCOUNTING. INITIATE A TRAINING PROGRAM COVERING VARIOUS ASPECTS OF INTERNAL AUDITING AND DEVELOP AN AUDIT HANDBOOK FOR USE IN THE TRAINING PROGRAM.

(D) AUDIT FUNCTION:

(I) ESTABLISH A SYSTEM OF INTERNAL CONTROL IN ALL FUNCTIONS, REVIEW INTERNAL DOCUMENTS, AND CONDUCT NECESSARY CHECKS (SURPRISE AUDITS) AND BALANCES TO ENSURE COMPLIANCE WITH ESTABLISHED AUDIT PROCEDURES.

(II) PERIODICALLY REVIEW EXTERNAL DOCUMENTS, SUPPLIER AND VENDOR INVOICES.

(III) REVIEW ALL MANAGERS' SPAN OF CONTROL AND AUTHORITY. ENACT CHANGES WHERE APPROPRIATE TO LIMIT SPAN OF AUTHORITY.

(IV) ENSURE THAT ALL MEMBERS OF THE INTERNAL AUDIT STAFF ARE INDEPENDENT OF ALL MINISTERS. CONTRACTOR WILL HAVE AUTHORITY TO SELECT OR REMOVE MEMBERS OF THE STAFF.

(V) SIGN OFF ON ALL AUDIT PROGRAMS AND ALL COMPLETED AUDITS CONDUCTED BY INTERNAL AUDIT STAFF.

(VI) CONDUCT ROUTINE AS WELL AS SURPRISE AUDITS ON ANY FUNCTION WITH THE MINISTRY OF FINANCE.

(2) UPON COMPLETION OF THE ABOVE TASKS, THE CONTRACTOR WILL SPLIT HIS TIME WITH THE AUDITOR GENERAL'S OFFICE. THIS EXPERT WILL WORK AT THE LEVEL OF DIRECTOR IN THE AUDITOR GENERAL'S OFFICE TO:

(A) ESTABLISH A COMPREHENSIVE AUDIT PROGRAM TO COVER ALL MINISTRIES AND AGENCIES OF GOVERNMENT.

(B) PERFORM AN ORGANIZATION AND MANAGEMENT STUDY IDENTIFYING FUNCTIONAL RESPONSIBILITIES AND STAFFING PATTERNS FOR THE OFFICE.

(C) REVIEW THE EXISTING OFFICE STRUCTURE AND REORGANIZE AS APPROPRIATE TO CONTRIBUTE TO AN EFFECTIVE AND COHESIVE ORGANIZATION WHICH HAS CLEAR LINES OF AUTHORITY AND RESPONSIBILITY. THIS MAY INCLUDE THE INCORPORATION OF SCATTERED FUNCTIONS (ACCOUNTANTS, AUDITORS, INSPECTORS) FROM A VARIETY OF DIFFERENT ORGANIZATIONS INTO A SINGLE BODY. ADDITIONALLY, ORGANIZATIONAL PLACEMENT SHOULD ENSURE INTEGRITY OF WORK EFFORT AND MINIMIZE CONFLICTS OF INTEREST.

(D) DEVELOP THE TERMS OF REFERENCE FOR AN AUDIT UNIVERSE OUTLINING POTENTIAL AUDIT AREAS UNDER THE SCOPE OF MANAGEMENT, FINANCIAL AND REGULATORY AUDITS. INCLUDED HERE WILL BE PRIORITIZATION OF AUDITS TO BE CONDUCTED AND THE DEVELOPMENT OF A YEARLY AUDIT SCHEDULE.

(E) INITIATE A TRAINING PROGRAM COVERING ALL ASPECTS OF AUDIT INCLUDING INTERVIEWING TECHNIQUES, EXAMINATION OF FINANCIAL RECORDS, REPORT WRITING AND FORMAT STYLE, AND POST-AUDIT PROCEDURES. A HANDBOOK OF AUDIT TECHNIQUES AND PROCEDURES WILL BE DEVELOPED IN CONJUNCTION WITH THE TRAINING EXERCISES.

(F) DEVELOP AN AUDIT MANUAL FOR USE IN THE OFFICE OF AUDITOR GENERAL. QUALIFIED AUDITORS WILL BE SELECTED AND TRAINED TO CONDUCT PROFESSIONAL AUDITS OF ALL MINISTRIES AND AGENCIES.

(G) SUPERVISE AND OVERSEE AUDITS TO ENSURE COMPLIANCE WITH TRAINING PRINCIPLES, THOROUGHNESS OF COMPLETED REPORTS, AND

PROGRESS OF AUDIT PLAN. PROVIDE FEEDBACK TO SENIOR LEVEL MANAGEMENT AND ROUTINELY PARTICIPATE IN OPENING AND CLOSING OF AUDIT DISCUSSIONS/NEGOTIATIONS WITH MAJOR BUSINESS AND GOVERNMENT OFFICIALS.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN BUSINESS ADMINISTRATION, BANKING, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN FINANCIAL AND MANAGEMENT AUDIT OR A RELATED FIELD. TRAINING EXPERIENCE IS DESIRED. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS DESIRED.

OTHER: SHOULD BE KNOWLEDGEABLE OF PRINCIPLES OF AUDIT ADMINISTRATION. MUST POSSESS STRONG INTERPERSONAL, NEGOTIATION, AND TRAINING SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

14. SENIOR PUBLIC CORPORATION MANAGER LPRC, (FINANCIAL CONTROL)

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS SENIOR PUBLIC CORPORATION MANAGER OF THE LIBERIA PETROLEUM REFINING CORPORATION (LPRC). THE CONTRACTOR WILL BE ASSIGNED TO THE LPRC AT THE MANAGING DIRECTOR LEVEL AND WILL BE RESPONSIBLE FOR DEVELOPING AND IMPLEMENTING A FINANCIAL PLAN TO ASSURE LEGALITY AND PROPRIETY OF ALL FUNDING TRANSACTIONS. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GCL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR PUBLIC CORPORATION MANAGER WILL FULFILL THE OPERATIONAL AND CONTROLLER FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - OVERSEE COLLECTION OF EXCISE AND OTHER TAXES DUE THE GOVERNMENT AND THEIR PROPER TRANSFER INTO GOVERNMENT ACCOUNTS.

(B) - ENSURE THE ELIMINATION OF FREE CONSUMPTION (PRIVATE, GOVERNMENT, AND PARASTATAL) OF ALL LPRC PRODUCTS.

(2) CONTROLLER FUNCTIONS:

(A) - CO-SIGN ALL CHECKS AND REQUISITIONS AND PERFORM NORMAL CONTROLLER FUNCTIONS.

NOTE: THIS POSITION WAS CONSIDERED PROVISIONAL IN THE FEBRUARY 10, 1987 MCPHERSON/TUSMAN AGREEMENT, PENDING THE OUTCOME OF ONGOING PRIVATIZATION NEGOTIATIONS. THE POSITION WILL BE DROPPED FROM THE CONTRACT TEAM IF LPRC IS PRIVATIZED.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN BUSINESS ADMINISTRATION, BANKING, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN PRIVATE ENTERPRISE MANAGEMENT, FINANCIAL MANAGEMENT, PARASTATAL MANAGEMENT, OR A RELATED FIELD. MUST HAVE STRONG FINANCIAL MANAGEMENT SKILLS. MUST HAVE DEMONSTRATED EXPERIENCE IN MANAGING LARGE DIVERSE OPERATIONS SUCCESSFULLY. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS DESIRED.

OTHER: KNOWLEDGE OF THE PETROLEUM INDUSTRY IS DESIRED. SHOULD BE KNOWLEDGEABLE OF ISSUES OF MANAGEMENT OF PUBLIC CORPORATIONS. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

13. PUBLIC CORPORATION FINANCIAL EXPERT, LPMC, (FINANCIAL CONTROL)

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS A PUBLIC CORPORATION FINANCIAL EXPERT FOR THE LIBERIA PRODUCE MARKETING CORPORATION (LPMC). NOTE: ADDITIONAL INPUT FROM THE GOL/LPMC IS REQUIRED FOR THE SCOPE OF WORK. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOL. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE PUBLIC CORPORATION FINANCIAL EXPERT WILL FULFILL THE OPERATIONAL AND CONTROLLER FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - ASSIST IN DESIGNING AND IMPLEMENTING A PERFORMANCE CONTRACT FOR LPMC MANAGEMENT AS APPROPRIATE TO DEVELOP PLANS FOR THE TRANSITIONAL PHASE FROM PUBLIC TO PRIVATE CONTROL.

(B) - DEVELOP AND IMPLEMENT PLANS FOR PROMPT PAYMENT TO FARMERS AT PRICES REFLECTING WORLD MARKET PRICES.

(2) CONTROLLER FUNCTIONS:

(A) - CO-SIGN ALL CHECKS AND REQUISITIONS AND PERFORM NORMAL CONTROLLER FUNCTIONS.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN BUSINESS ADMINISTRATION, BANKING, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 15 YEARS OF INCREASING LEVELS OF EXPERIENCE IN PRIVATE ENTERPRISE MANAGEMENT, FINANCIAL MANAGEMENT, PARASTATAL MANAGEMENT, OR A RELATED FIELD. MUST HAVE STRONG FINANCIAL MANAGEMENT SKILLS. MUST HAVE DEMONSTRATED EXPERIENCE IN MANAGING LARGE DIVERSE OPERATIONS SUCCESSFULLY. OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS DESIRED.

OTHER: KNOWLEDGE OF CASH CROP MARKETING (COFFEE, COCOA, RICE) IS DESIRED. SHOULD BE KNOWLEDGEABLE OF ISSUES OF MANAGEMENT OF PUBLIC CORPORATIONS. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

16. BANK SUPERVISION ADVISOR - NATIONAL BANK OF LIBERIA:

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS TO ACT AS BANK SUPERVISION ADVISOR IN THE NATIONAL BANK OF LIBERIA AT THE DEPUTY GOVERNOR LEVEL. IN THIS POSITION, THE CONTRACTOR WILL BE RESPONSIBLE FOR SUPERVISING AND ASSISTING IN THE BANK'S DAILY AFFAIRS INCLUDING FOREIGN EXCHANGE DISBURSEMENTS AND TRANSFERS. THE CONTRACTOR WILL WORK CLOSELY WITH THE SENIOR CENTRAL BANK MANAGER IN CARRYING OUT HIS DUTIES. THE CONTRACTOR WILL HAVE A FIDUCIARY RELATIONSHIP BETWEEN HIMSELF/HERSELF AND THE GOV. THE EMPLOYMENT PERIOD SHALL BE FOR APPROXIMATELY THREE YEARS BEGINNING AS CLOSE TO JUNE 30, 1987 AS POSSIBLE, BUT NOT LATER THAN SEPTEMBER 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE SENIOR BANK SUPERVISION ADVISOR WILL FULFILL THE OPERATIONAL FUNCTIONS OUTLINED BELOW:

(1) OPERATIONAL FUNCTIONS:

(A) - DEVELOP AND IMPLEMENT AN ORGANIZATION FOR BANK EXAMINATION. THIS SHOULD INCLUDE THE SELECTION OF COMPETENT BANK EXAMINERS AND THE DEVELOPMENT OF A BANK EXAMINATION PROCEDURES MANUAL AND A TRAINING PROGRAM FOR THE BANK EXAMINERS.

(B) - REVIEW THE EXISTING BANK COLLECTION AND MONITORING SYSTEM IN OPERATION AND IMPLEMENT CHANGES AND IMPROVEMENTS WHEREVER NECESSARY.

(C) - REVIEW AND WHERE NECESSARY PROPOSE REVISION, ADDITIONS, AND DELETIONS, TO THE EXISTING BANKING LAWS AND REGULATION. MAINTAINING LIAISON WITH BANKERS ASSOCIATION.

(D) - SUPERVISE THE PERIODIC EXAMINATION OF ALL COMMERCIAL BANKS AND CREDIT INSTITUTIONS LICENSED IN LIBERIA.

(E) - ADVISE THE GOVERNOR AND BOARD OF DIRECTORS ON MATTERS CONCERNING BANK EXAMINATIONS, NEW BANKING INSTITUTION, BANK EXPANSION AND CLOSURES AND OTHER RELEVANT ITEMS RELATING TO THE BANKING SYSTEM.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: M.A. DESIRED IN BUSINESS ADMINISTRATION, BANKING, PUBLIC ADMINISTRATION, ACCOUNTING, FINANCIAL MANAGEMENT, OR A RELATED FIELD.

EXPERIENCE: MINIMUM 20 YEARS OF INCREASING LEVELS OF EXPERIENCE IN FINANCIAL MANAGEMENT, BANKING, ACCOUNTING, PUBLIC ADMINISTRATION, OR A RELATED FIELD. MUST HAVE DEMONSTRATED EXPERIENCE IN BANKING (INTERNATIONAL EXPERIENCE PREFERRED). OVERSEAS EXPERIENCE, ESPECIALLY IN DEVELOPING COUNTRIES, IS DESIRED.

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OTHER: SHOULD BE KNOWLEDGEABLE OF ISSUES OF INTERNATIONAL BANKING AND DEBT MANAGEMENT AND NEGOTIATIONS WITH INTERNATIONAL LENDING AND FINANCING ORGANIZATIONS. MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATION SKILLS. MUST HAVE HAD MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

17. ADMINISTRATIVE/EXECUTIVE OFFICER:

A. OBJECTIVE: THE PRIMARY OBJECTIVE OF THIS POSITION IS SERVE AS ADMINISTRATIVE SUPPORT OFFICER FOR THE SIXTEEN OPERATIONAL EXPERTS. THE CONTRACTOR WILL REPRESENT THE TECHNICAL ASSISTANCE CONTRACTOR AND WILL BE RESPONSIBLE FOR PROVISION OF FULL ADMINISTRATIVE AND LOGISTICAL MANAGEMENT SERVICES RELATE TO SUPPORT OF THE CONTRACT TEAM. THE EMPLOYMENT PERIOD SHALL BE FOR A THREE YEAR PERIOD BEGINNING O/A JUNE 30, 1987.

B. STATEMENT OF WORK: TO ACCOMPLISH THE OBJECTIVE STATED ABOVE, THE ADMINISTRATIVE/EXECUTIVE OFFICER WILL FULFILL THE FUNCTIONS OUTLINED BELOW:

(1) REAL PROPERTY LEASING: RESPONSIBLE FOR LEASE OF RESIDENCES AND REQUIRED OFFICE SPACE (FOR CONTRACT TEAM ADMINISTRATION; OPERATIONAL EXPERTS WILL BE STATIONED IN GOL OFFICES), PAYMENT OF UTILITIES, ETC., FOR THE CONTRACT TEAM.

(2) MAINTENANCE: CONTRACT WITH INDIVIDUALS OR LOCAL FIRMS FOR HOUSING AND EQUIPMENT MAINTENANCE AND REPAIR, SECURITY SERVICES, ETC.

(3) PERSONNEL: RECRUIT, CONTRACT FOR, AND SUPERVISE LOCAL ADMINISTRATIVE AND OTHER STAFF REQUIRED FOR EFFECTIVE SUPPORT OPERATIONS.

(4) PROCUREMENT AND SHIPPING: PURCHASE, LOCALLY OR IN THE U.S., REQUIRED FURNITURE AND APPLIANCES, SUPPLIES, ETC. MONITOR AND COORDINATE SHIPMENT, DELIVERY, AND RECEIPT OF PROPERTY, INCLUDING OBTAINING CUSTOMS CLEARANCES AND TAX EXEMPTIONS.

(5) MAINTAIN PERSONAL PROPERTY MANAGEMENT PROGRAM FOR BOTH EXPENDABLE AND NON-EXPENDABLE SUPPLIES. THIS INCLUDES WAREHOUSING, PROPERTY ACCOUNTABILITY, AND DISPOSAL. ARRANGE FOR TELEPHONES AND TELEX SERVICES, AS WELL AS MANAGE VEHICLE UTILIZATION AND REPAIR.

(6) MAINTAIN CLOSE LIAISON WITH USAID EXECUTIVE OFFICER TO DETERMINE LOCAL SOURCES OF SUPPLY, AND OBTAINING COOPERATION FOR SUPPLEMENTAL SUPPORT SERVICES AS NEEDED.

C. DESIRED QUALIFICATIONS FOR POSITION:

EDUCATION: MINIMUM BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION OR RELATED MANAGEMENT FIELD.

EXPERIENCE: 10-15 YEARS OF DEMONSTRATED PROGRESSIVELY RESPONSIBLE AND SUCCESSFUL EXPERIENCE IN THE FIELD OF MANAGEMENT AND ADMINISTRATION IS REQUIRED. THIS INCLUDES BUSINESS OR PUBLIC ADMINISTRATION, PERSONNEL ADMINISTRATION,

CONTRACT MANAGEMENT, PROCUREMENT AND SUPPLY, AND GENERAL SERVICES. RELATED OVERSEAS WORK EXPERIENCE IS STRONGLY DESIRED.

OTHER: MUST POSSESS STRONG INTERPERSONAL AND NEGOTIATING SKILLS. MUST HAVE HAD MANAGERIAL AND MAJOR SUPERVISORY SKILLS OVER BOTH STAFF AND RESOURCES. CANDIDATES SHOULD HAVE DEMONSTRATED ABILITY TO OPERATE EFFECTIVELY IN ADVERSE WORK ENVIRONMENTS AND CIRCUMSTANCES. STRONG DECISION MAKING SKILLS REQUIRED.

c. Evaluation Criteria for Contractor

The contractor will be selected against the following criteria:

- Qualifications of the Personnel;
- Qualifications of the Firm; and
- Quality and responsiveness of the proposal

The evaluation will be based on a one thousand point system as follows:

(1) Qualifications of Personnel: (max. 600 points)

(a) - Technical and management capacity and overseas experience of the Chief of Party (Senior Financial Manager). Demonstrated capability to work harmoniously with senior Government officials. (150 points)

(b) - Number of years of relevant experience in a senior management position for the following job assignments:

- (I) Senior Cash Manager (60 points)
- (II) Senior Systems Manager (60 points)
- (III) Senior Tax Collection/Audit Manager (60 points)
- (IV) Senior Central bank Manager (60 points)
- (V) Senior Budget Manager (60 points)

(c) - Technical qualification and experience of remaining team members. (150 points)

(2) Qualifications of firm (max. 250 points)

(a) - Demonstrated capability of the firm to carry out similar types of projects in developing countries. (100 points)

(b) - Demonstrated capability to provide technical support to a large project team. (50 points)

(c) - Percentage of personnel who are currently employees of the firm and number of years employed (100 points)

(3) Quality and Responsiveness of Proposal (max. 150 points)

(a) - Understanding of the objectives of the project and strategy to achieve objectives. (75 points)

(b) - Quality of firm's proposed methodology to obtain fiscal management controls. (75 points)

ANNEX G

TAX STUDY TERMS OF REFERENCE

Tax Study Terms of Reference

The EFMC, USAID, and present project advisors have recognized that the existing tax structure may not be the most appropriate for Liberia. However, major structural changes should not be undertaken without a review of the present tax collection system.

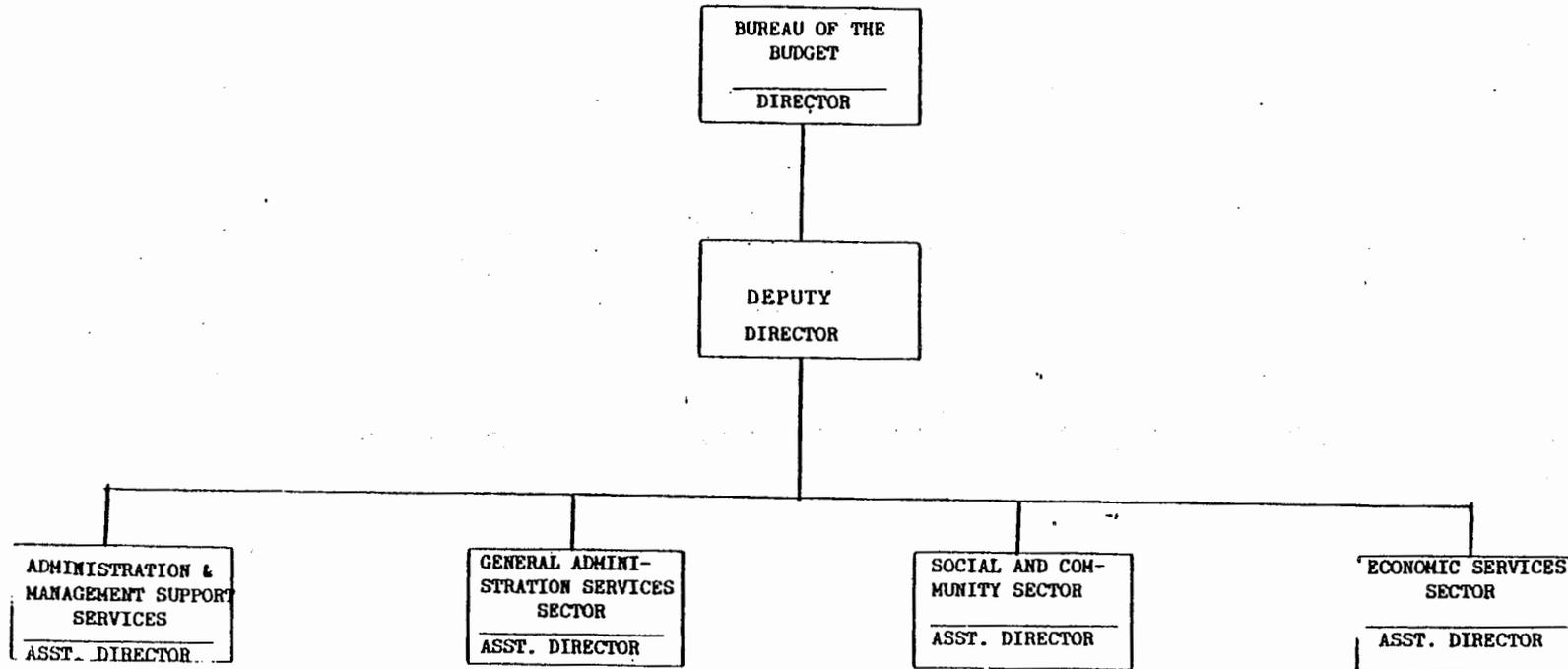
A study will be financed under the project to look at tax incidence, structure, and reform in conjunction with the Economic and Financial Management Committee, the operational experts, and their counterparts. The study will review all aspects of the direct and indirect tax system, including customs and excise. The analysis should include rates, actual collections, enforcement, compliance evasion, and audit procedures. The study should also analyze likely effect of general simplification of structure and lowering of tax rates with and without improvement in collection procedures, and consider cost effectiveness of present and alternate systems and desirability of turning some revenues (e.g., real estate and a revised hut tax) to localities in which taxes are raised. The study should recommend improvements to the system, if necessary.

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ANNEX H

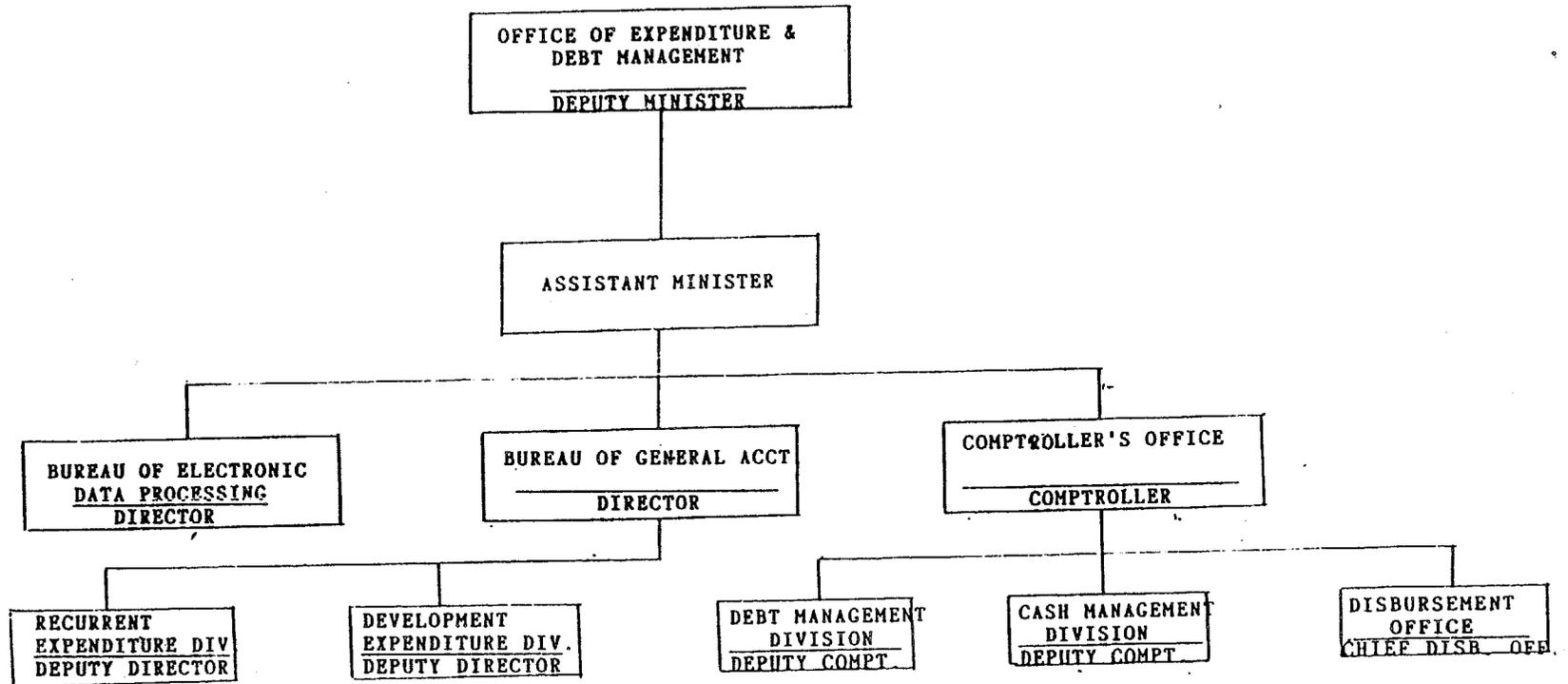
ORGANIZATION CHARTS AND FLOWCHARTS

1. Bureau of the Budget
2. Ministry of Finance
3. National Bank of Liberia



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MINISTRY OF FINANCE



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BUDGETARY CONTROL - TRANSACTION PROCESS  
 BUREAU OF GENERAL ACCOUNTING - MINISTRY OF FINANCE

TRANSACTION DOCUMENTS:

1. ENCUMBRANCES:

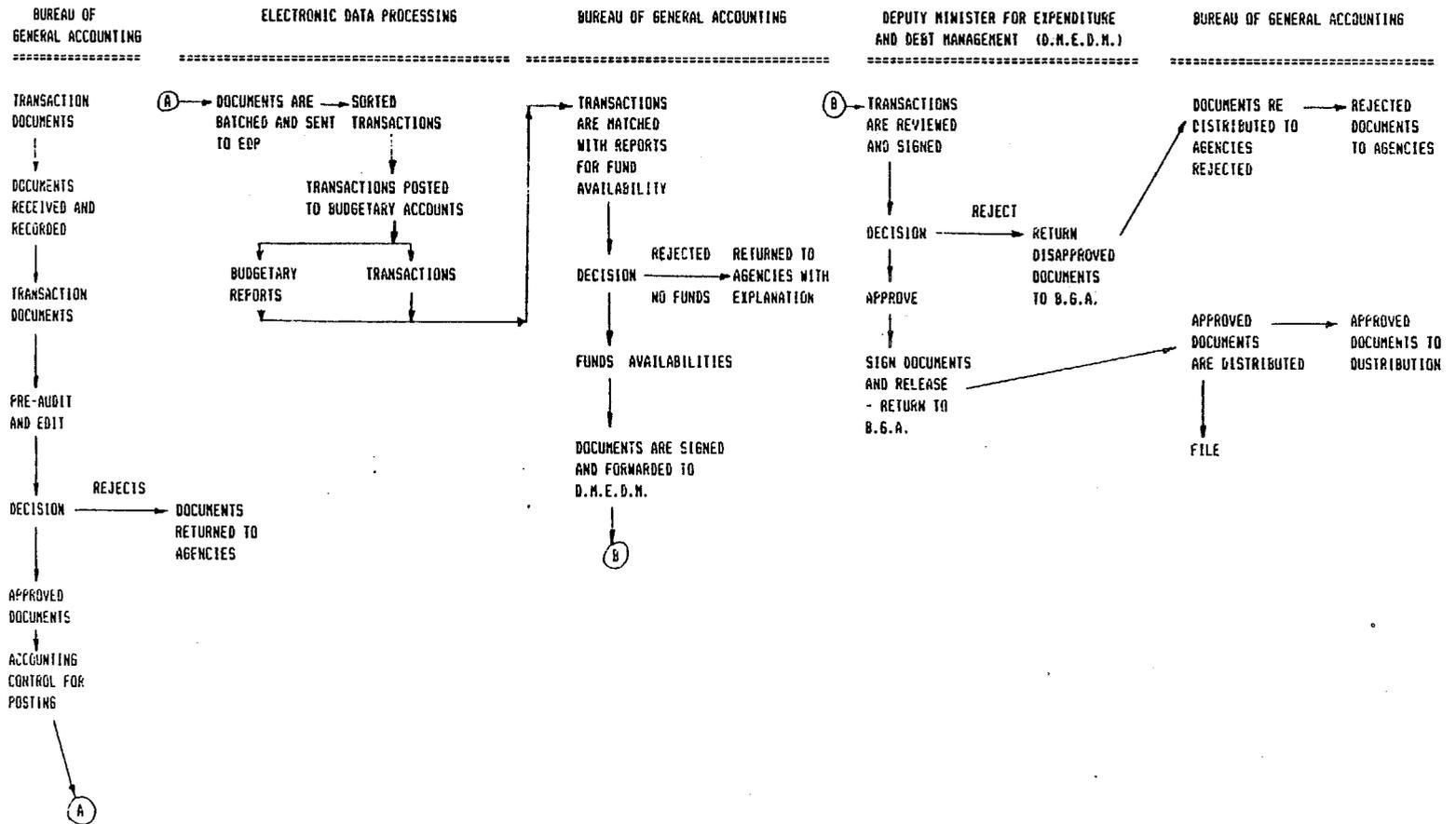
- A. PURCHASE ORDERS
- B. CONTRACT PURCHASE ORDERS
- C. ESSENTIAL ITEMS PURCHASE ORDERS
- D. MISC. ORDER

2. EXPENDITURES:

- A. PAYROLL VOUCHER
- B. PURCHASE ORDER VOUCHER
- C. REGULAR DISB. VOUCHER
- D. DEBIT MEMO NGL
- E. REFUND OF EXPENDITURES

3. INTERNAL TRANSFERS:

- A. APPROPRIATION SCHEDULE
- B. ALLOTMENT SCHEDULE
- C. ALLOTMENT AMENDMENTS
- D. CORRECTION VOUCHER
- E. ADJUSTMENT MEMORANDUM



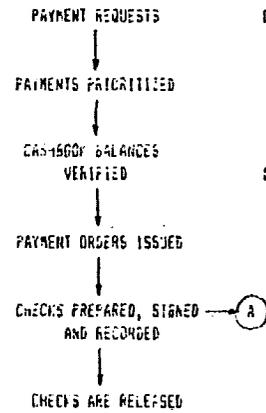
156

CASH CONTROL - TRANSACTION PROCESSING  
COMPTROLLER'S OFFICE - MINISTRY OF FINANCE

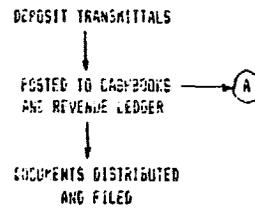
TRANSACTION DOCUMENTS:

1. PAYROLL VOUCHERS
2. PURCHASE ORDER VOUCHERS
3. REGULAR DISBURSEMENT VOUCHERS
4. ADVANCEMENT VOUCHERS
5. DEBIT MEMORANDA
6. REFUND OF EXPENDITURES
7. REVENUE DEPOSIT VOUCHERS
8. CREDIT MEMORANDA

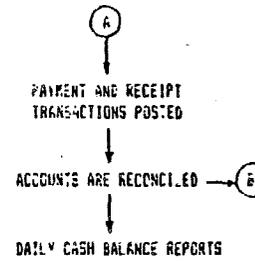
PAYMENTS



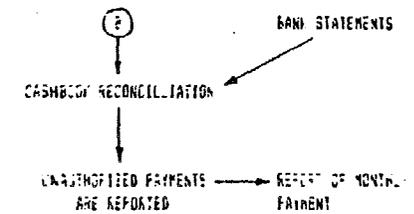
RECEIPTS



CASH BOOK POSTINGS



BANK RECONCILIATION



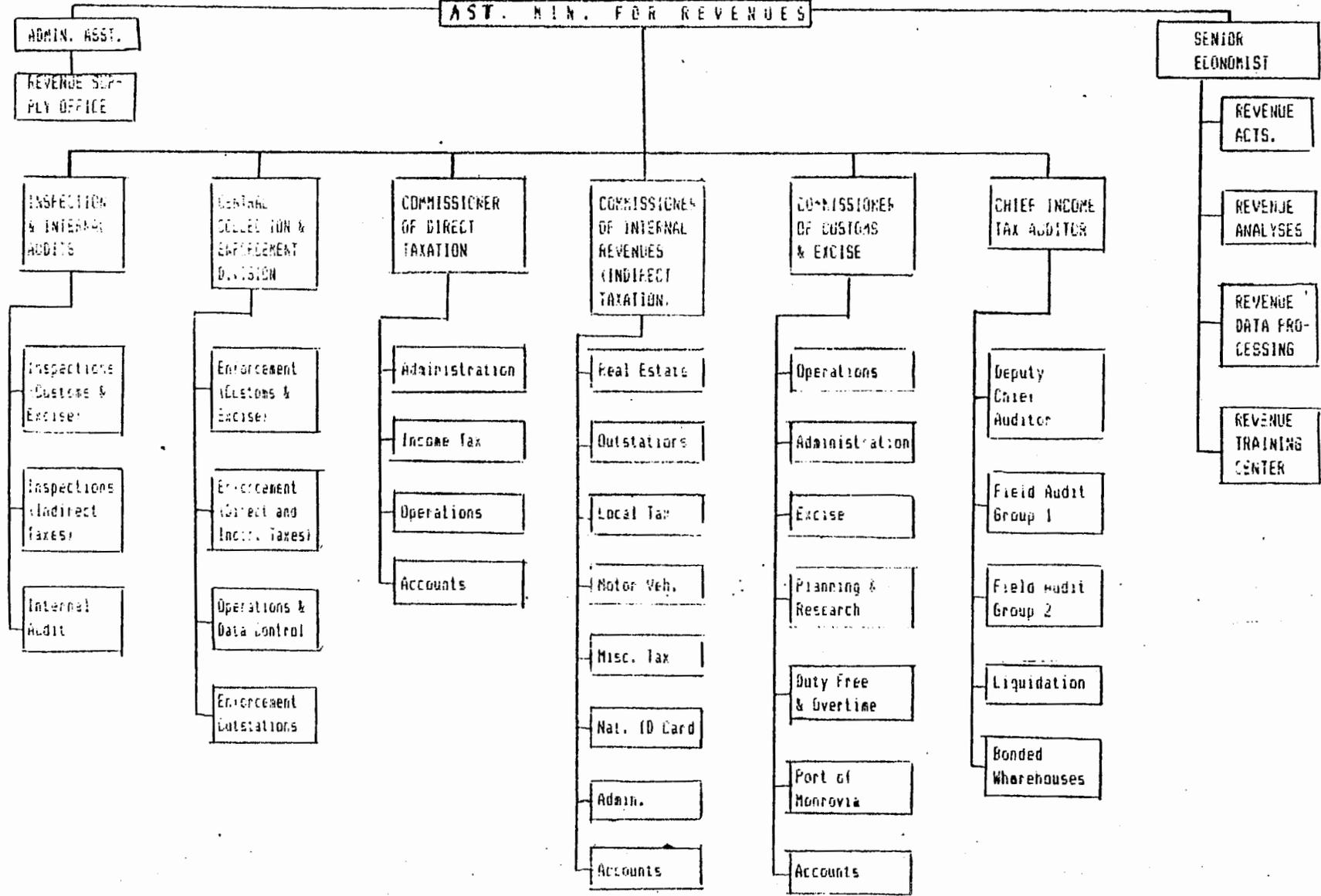
BEST AVAILABLE COPY

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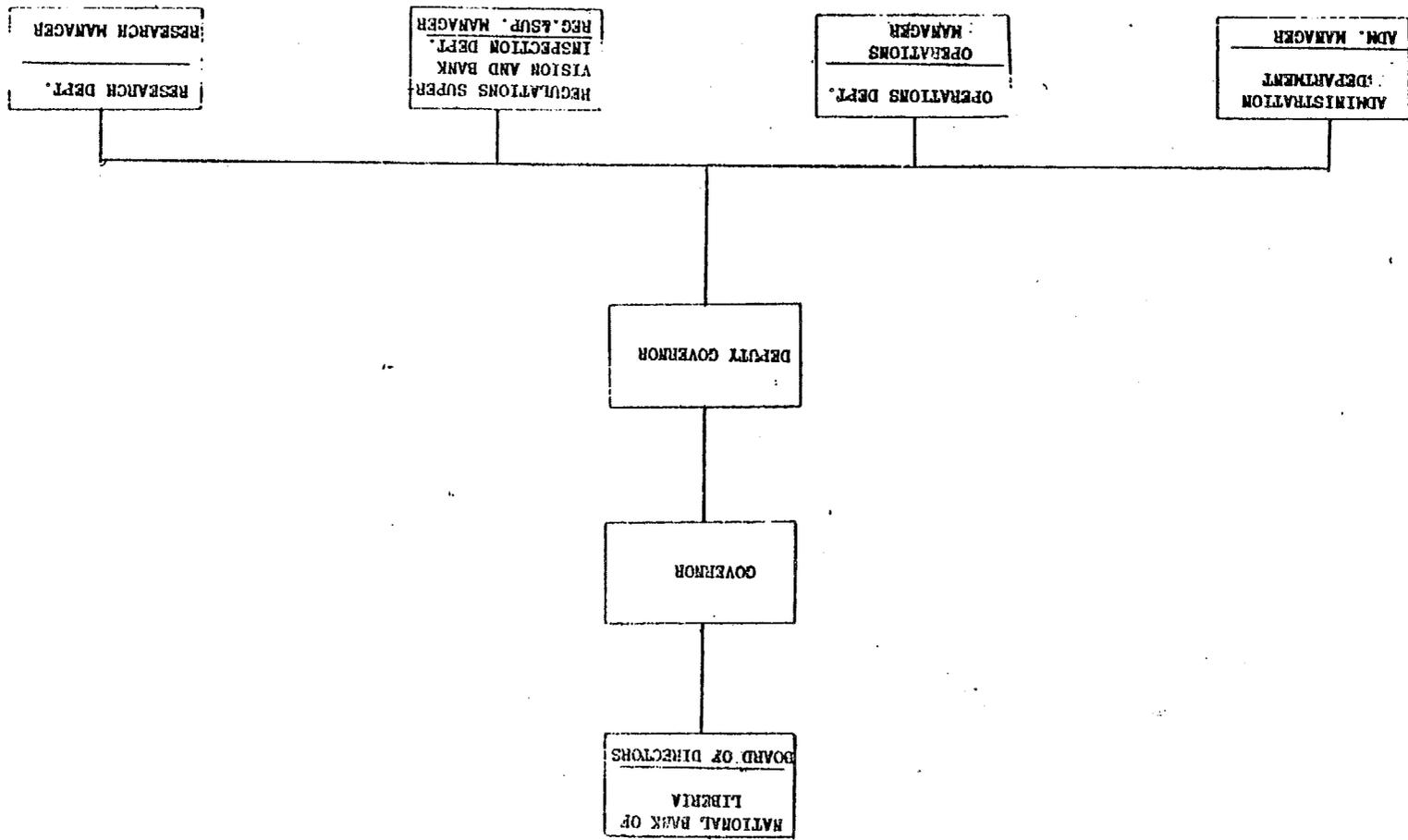
MINISTRY OF FINANCE OFFICE OF REVENUE

DEPUTY MINISTER FOR REVENUES

AST. MIN. FOR REVENUES



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