

# LIBERIA

Most Liberians live below the extreme poverty line (defined in notes) according to latest estimates from 2007, with over 3 million people in Liberia being among the poorest 20% of people worldwide.

- ODA (US\$740 million) and remittances (US\$501 million) are the largest international resource flows
- Domestic resources are among the lowest in the world, with government spending totalling \$286 (PPP 2005) per person
- ODA grew 40% in 2014, driven by growing infrastructure, health and humanitarian assistance

## Overview



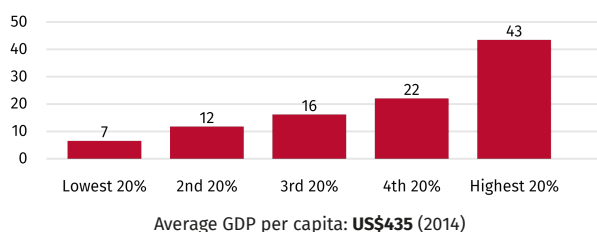
**Over 80% of people in Liberia lived in extreme poverty at the last count, in 2007**

2000-2014, % of population living on under \$1.25 per day



**The richest 20% of Liberia's population has seven times the income of the poorest 20%**

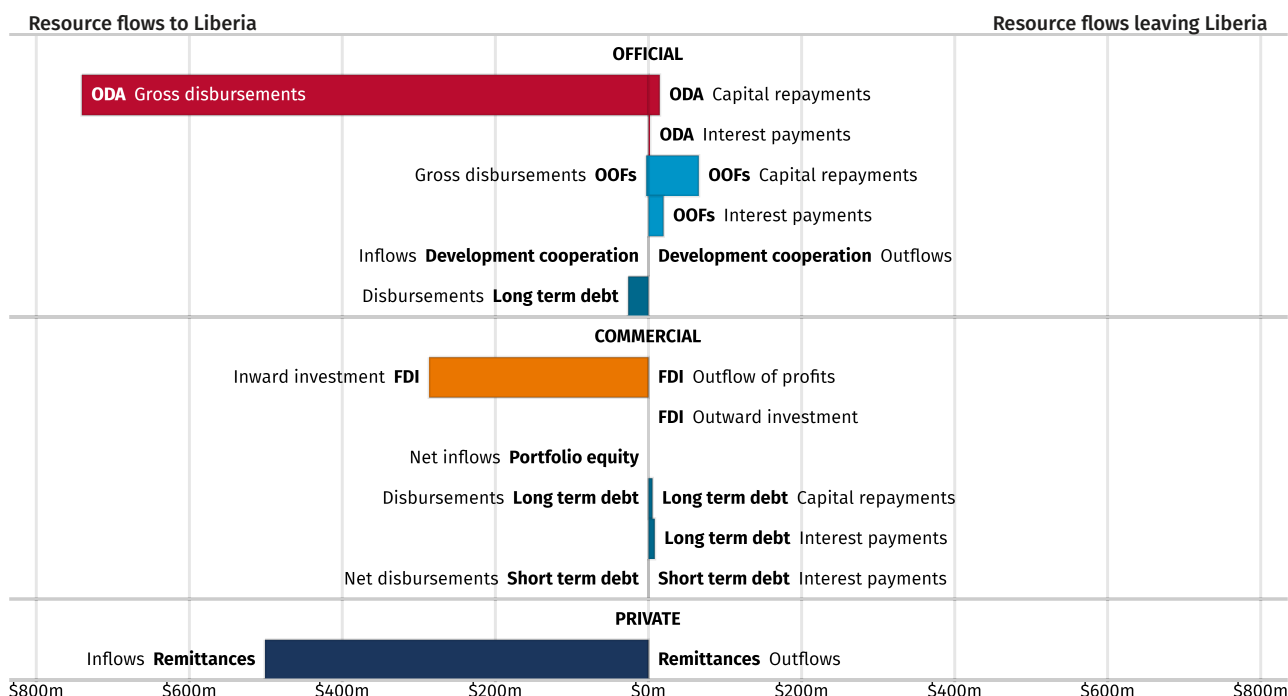
2014, share of income of bottom 20% of population



## Resource flows to and from Liberia

**ODA is the largest inflow and accounts for 47.5% of total international flows to Liberia**

2014, international resource inflows and outflows (US\$ billions, constant 2012 prices)



**Notes:** We define extreme poverty as measured using the \$1.25 (PPP 2005) extreme poverty line. 2. Purchasing power parity (PPP) prices are the rate at which a country's currency would have to be converted into that of another country to buy the same amount of goods and services in each country. PPPs are constructed by comparing the cost of a common basket of goods in different countries. Depth of poverty is a measure of the average gap in incomes for people living below the poverty line spread across the population of the whole country, expressed as a percentage of the \$1.25 a day poverty line. 'Domestic public resources available' refers to the total non-grant revenue either collected or projected to be collected by the government in the financial year 2014. Across countries in sub-Saharan Africa the richest 20% of the population have 10 times the income of the poorest 20% on average. Acronyms: ODA: official development assistance.

## Government finance

Grant funding accounts for over 30% of total government revenue. External concessional project loans are the major source of finance. Development expenditure makes up 21% of total spending and is primarily externally financed.

### Grant funding has increased over time and now accounts for a third of government revenue

2013, latest year of actual revenue (US\$ billions, constant 2012 prices)

Total Revenue and grants 100% of total   US\$0.6bn	Grants 31% of total   US\$0.2bn	
	revenue 69% of total   US\$0.4bn	Tax Revenue 57% of total   US\$0.3bn
		Non-Tax Revenue 12% of total   US\$0.1bn

### Domestic borrowing is limited to the central bank and non-concessional borrowing dominates external finance

2013, latest year of actual financing (US\$ billions, constant 2012 prices)

Financing 100% of total   US\$0.1bn	Net Domestic Finance 30% of total   US\$0bn	Bank Financing 37% of total   US\$0.1bn
	Net External Finance 70% of total   US\$0.1bn	Loans 73% of total   US\$0.1bn

### Interest payments only account for 1% of government expenditure

2013, latest year of actual expenditure (US\$ billions, constant 2012 prices)

Total Expenditure 100% of total   US\$0.7bn	Capital Expenditure 21% of total   US\$0.2bn	Externally Financed 9% of total   US\$0.1bn
		Domestically financed 3% of total   US\$0.03bn
	Recurrent Expenditure 79% of total   US\$0.6bn	Domestically financed 8% of total   US\$0.1bn
		Subsidies And Transfers 14% of total   US\$0.1bn
		Wages And Salaries 31% of total   US\$0.2bn
		Goods And Services 33% of total   US\$0.2bn

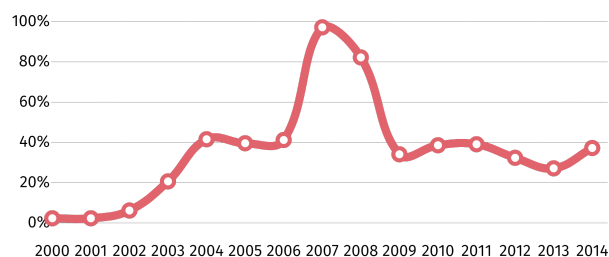
Notes: Year of data refers to the 2015 fiscal year running from July 2014 to June 2015. The pink boxes represent negative values, typically showing repayments of loans under financing. Some labels have been omitted from these visualisations; please refer to the online country profile page on the Development Data Hub for more details.

## ODA

ODA to Liberia grew 37% in 2014, driven by growth in ODA for infrastructure, the sector receiving the most overall, and in health and humanitarian assistance in response to the Ebola crisis. Health and humanitarian ODA were primarily a combination of mixed project aid and cash grants. IDA, the US and EU provided 72% of health ODA and the US, Denmark and Sweden provided almost 60% of humanitarian ODA. At US\$98 billion, governance and security was the third largest sector overall. General budget support more than tripled from 2013 to 2014 to US\$72 million, with over 80% from IMF concessional trust funds.

### ODA as a proportion of national income grew from 28.5% in 2013 to 38.8% in 2014

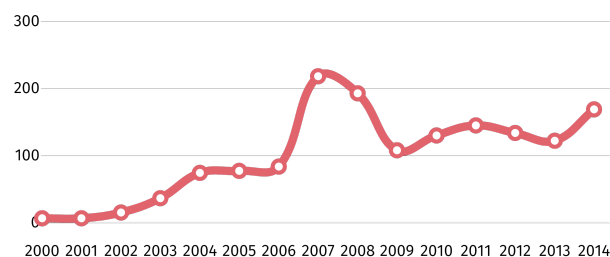
Gross ODA % of GDP



■ Total ODA as a % of GDP ■ Total ODA (excl-non-transfer) % of GDP

### ODA per capita has been increasing overall since 2000

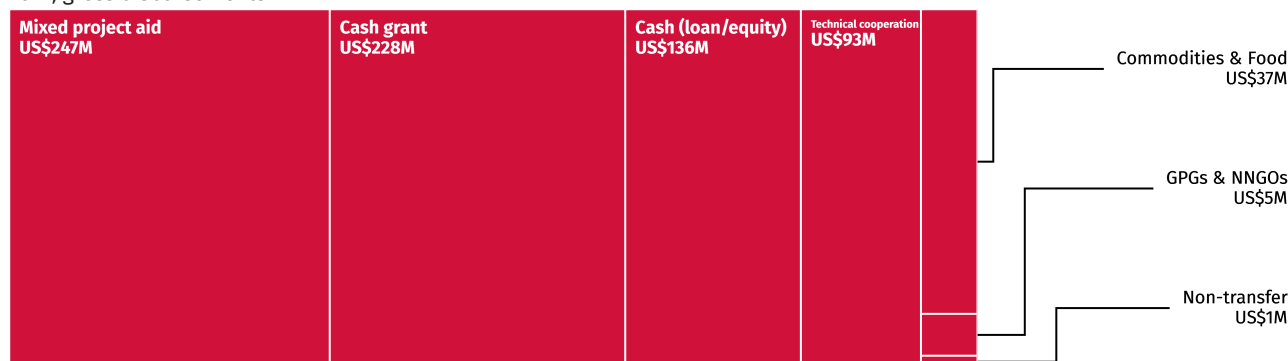
ODA per person living under \$1.25 a day



■ Total ODA as a % of GDP ■ Total ODA (excl-non-transfer) % of GDP

### Cash grants account for almost a third of aid to Liberia

2014, gross disbursements

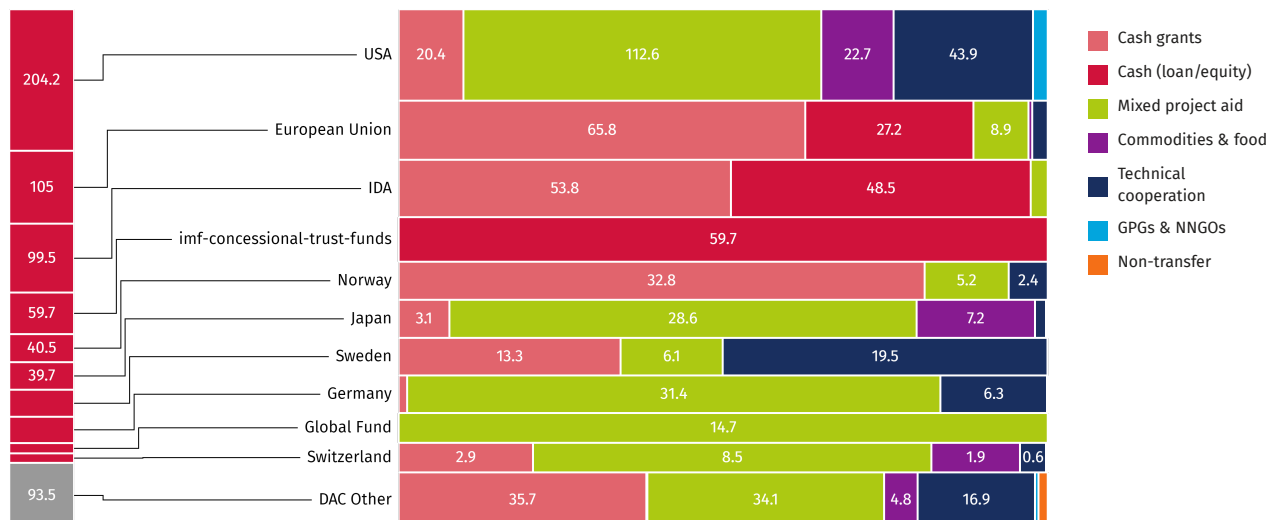


Note: GPGs, global public goods; NGOs, Northern non-governmental organisations.

### Most aid provided by the US is reported as mixed project aid; most EU and IDA aid is provided as grants

2014, US\$ millions, gross disbursements

#### Aid from the ten largest donors



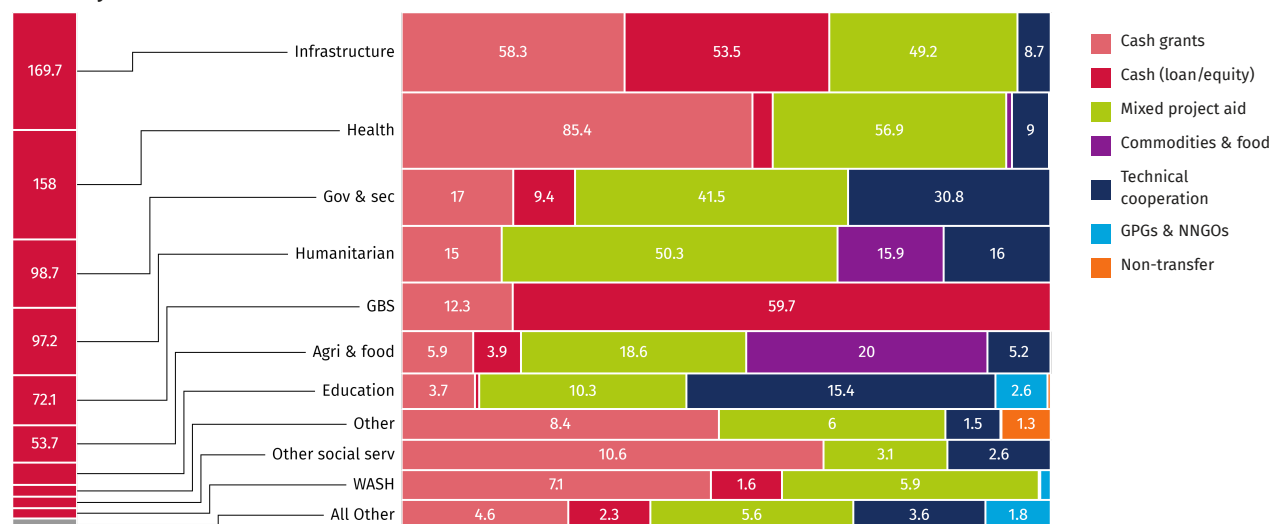
Note: The spikes in ODA receipts in 2008 and 2010 are due to exceptional debt relief. ODA is equivalent to 0.64% of GDP in all developing countries and 2.6% in sub-Saharan Africa in 2014. ODA per capita is equivalent to US\$47 in sub-Saharan Africa. Acronyms: IDA: International Development Association.

## What is aid spent on?

### Almost a quarter of all aid to Liberia goes to infrastructure, one third of which is in the form of grants

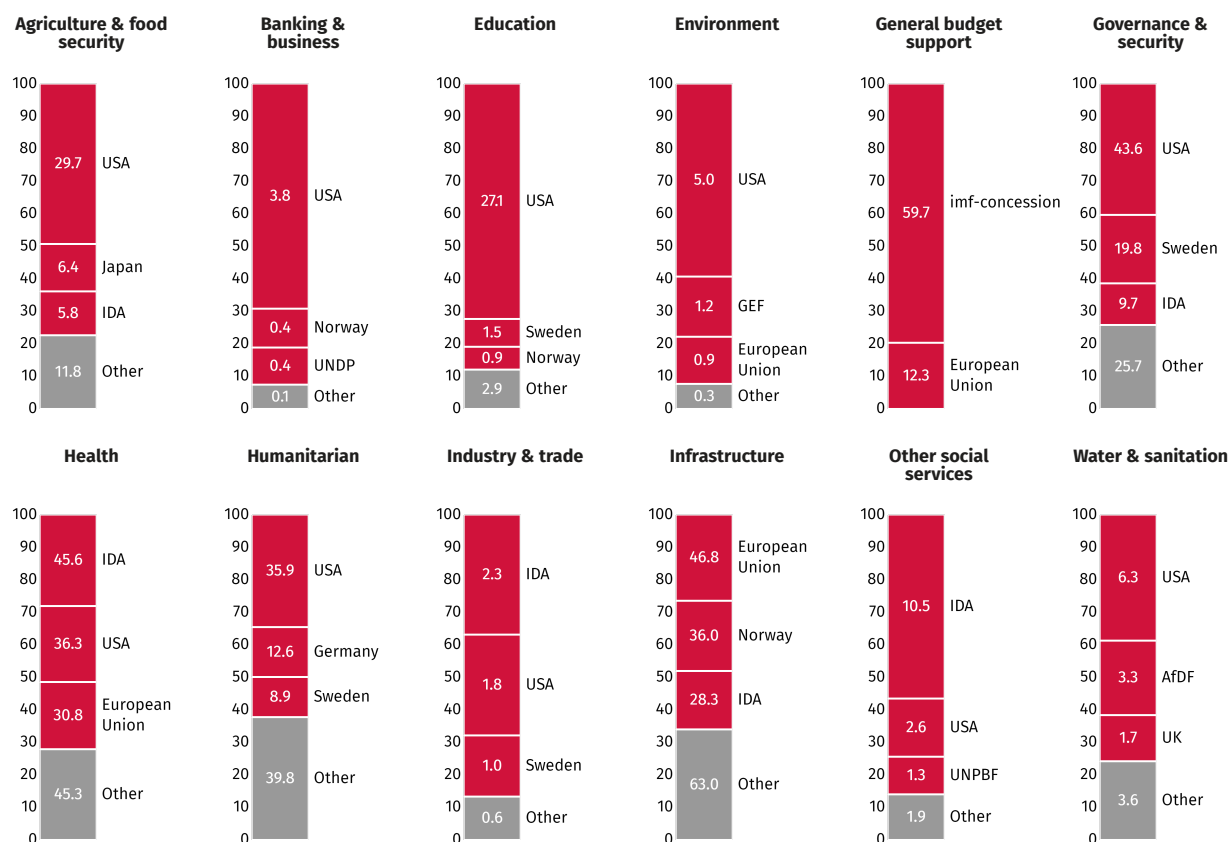
2014, US\$ millions, gross disbursements

Total aid by sector



### The US provides the majority of aid in seven sectors; the IMF provides over 80% of budget support aid

2014, gross ODA, % of total (US\$ disbursements in columns)



Notes: Data is from the OECD Development Assistance Committee (ODA and other official flows data), the World Bank (long-term debt, remittances, gross national income (GNI) and poverty), the United Nations Conference on Trade and Development (FDI), IMF article IV publications (domestic revenue and expenditure), Global Financial Integrity (illicit financing and trade mispricing). Other official flows (OOFs) are typically loans that are either not sufficiently concessional to count as ODA, or are mainly in support of commercial objectives, such as donor exports. All data in US\$ is in 2012 prices. 'Other' sector aid includes multisector ODA, administrative costs, support for refugees in the donor country and unallocated or unspecified ODA. Acronyms: FDI: foreign direct investment; IMF: International Monetary Fund; OECD: Organisation for Economic Co-operation and Development; OOFs: other official flows.