REPUBLIC OF LIBERIA

MINISTRY OF FINANCE
DEBT MANAGEMENT UNIT (DMU)

THIRD QUARTER 2011/2012

PUBLIC DEBT MANAGEMENT REPORT

January 1-March 31, 2012

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ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
BADEA	Arab Bank for Economic Development in Africa
BWI	Breton Woods Institution
CBL	Central Bank of Liberia
CNY	Chinese Yuan
CPI	Consumer Price Index
CPIA	Country Policy & Institutional Assessment
CS-DRMS	Commonwealth Secretariat Debt Recording & Management System
DeMPA	Debt Management Performance Assessment
DMS	Debt Management Strategy
DMU	Debt Management Unit
DSF	Debt Sustainability Framework
ECF	Extended Credit Facility of the IMF
EU/EIB	European Union/European Investment Bank
EUR	Euro
FDA	Forestry Development Authority
GBP	Great Britain Pound
GDP	Gross Domestic Product
GoL	Government of Liberia
HIPC	Heavily Indebted Poor Country
IDA	International Development Association of the World Bank
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IRAI	IDA Resource Allocation Index
JPY	Japanese Yen
KWD	Kuwaiti Dinar
LBDI	Liberia Bank for Development & Investment
LIMINCO	Liberia Mining Company
LPMC	Liberia Produce Marketing Corporation

LRD	Liberian Dollar
LTL	Long-Term Loan
MFAU	Macro-Fiscal Analysis Unit
MoF	Ministry of Finance
MoJ	Ministry of Justice
MoPEA	Ministry of Planning & Economic Affairs
MoS	Ministry of State
MTDS	Medium Term Debt Management Strategy
NGDP	Nominal Gross Domestic Project
NPV	Net Present Value
OFID	OPEC Fund for Development
PCC	Permanent Claims Commission
PRS	Poverty Reduction Strategy
PV	Present Value
SAR	Saudi Arabia Riyal
SDR	IMF Special Drawings Rights
SOE	State Owed Enterprises
TDS	Total Debt Service
TEDS	Total External Debt Service
USD	United States Dollar

EXECUTIVE SUMMARY

Economic growth is heavily dependent on the maintenance of a sustainable level of debt. This is why a debt management strategy must be designed to meet the objective of maintaining a sustainable debt profile while responding to the country's urgent development financing needs. Making effective use of new borrowing will require the Government to adopt and implement sound debt management practices.

The principle objective for debt management in Liberia is to ensure that government's financing needs and payment obligations are met on a timely basis, subject to a prudent balance between costs and risks. The secondary objective aims to develop the domestic debt market, while providing relevant and reliable information and advice to policymakers on a timely basis.

The Debt Management Unit (DMU) of the Ministry of Finance has the responsibility to ensure that fiscal authorities are fully informed of the costs, risks, and all other relevant issues associated with the debt portfolio.

This report, ***Third Quarter 2011/2012 Public Debt Management Report***, provides an update of the ***Second Quarter 2011/2012 Public Debt Management Report***. The *Third Quarter 2011/2012 Public Debt Management Report* covers the period January 1-March 31, 2012 and highlights movements in the debt portfolio and various debt management activities during the period under review.

The scope of this report, as all previous debt management reports, covers all Central Government domestic and external debts. Accordingly, within the existing debt portfolio are some liabilities (contingent liabilities) related to state-owned enterprises (SOEs) and other government parastatals that were assumed by government. However, there is currently no new borrowing by SOEs within the existing debt portfolio.

The stock of debt outstanding was updated on a loan-by-loan basis from the CS-DRMS database and includes new disbursements on World Bank credits and other debt management activities during the reporting period.

Changes in debt sustainability and risk indicators were also recorded during the reporting period as a result of updated debt and macro data. However, overall, the changes were trivial and therefore did not negatively impact the generally low level of risk and sustainability of the debt portfolio.

1. INTRODUCTION AND ECONOMIC OVERVIEW

1.1 Introduction

This quarterly publication is a key deliverable of the Expenditure & Debt Management Department of the Ministry of Finance (MoF). The scope and coverage of the report reflects Government's commitment to both transparency in reporting and accountability in the management of public debt.

This ***Third Quarter 2011/2012 Public Debt Management Report*** is organized under five (5) sections. Section I outlines the key topics presented in the report and summarizes the macroeconomic assumptions on which all simulations and projections are based. Section II summarizes the institutional and legal framework for implementing debt management activities in Liberia. Section III examines the status of the public debt and its composition, while Section IV provides an analysis of various risks associated with the portfolio and also highlights indicators that must be sustained in order to keep the debt within manageable proportions.

Finally, Section V highlights various other debt management issues not captured in the previous sections and concludes with a roadmap on how to resolve these issues in order to improve the efficiency of debt management and strengthen the evolving role of debt managers in Liberia's public policy.

1.2 Economic Overview

The medium-term macroeconomic assumptions underpinning the analysis in this report were provided by the Macro-Fiscal Analysis Unit (MFAU) of the Ministry of Finance (MoF) and are aligned with government's reform and development initiatives. Liberia is currently experiencing a period of relative political and economic stability. Reconstruction efforts began in 2006 and have gathered momentum in line with the national visioning plan intended to achieve a middle income status for Liberia come 2030. The country is implementing PRS II after a generally successful completion of PRS I. PRS II focuses on the following three (3) strategic areas and prioritizes most of the specific initiatives where implementation was not fully completed during PRS I:

- Investment in infrastructure;
- Investment in people; and
- Investment in institutions.

Growth of the Liberian economy increased from 5.6 percent in 2010 to 6.4 percent in 2011. Growth for 2012 is estimated at 8.8 percent, 2.4 percentage point increase over growth reported in 2011, and is estimated to average about 6.0 percent in the medium term, mainly driven by activities in the Agricultural and Services Sectors, and the Mining Sector (in view of the restart of iron ore production). This promising medium-term growth outlook will be essential as Liberia begins the path of transition to middle income status.

However, the outlook is vulnerable to heightened downside risks from a global economic slowdown and commodity price weakness, with the principal risks centering on a fall in commodity export prices and related foreign direct investment on the one hand, and a reduction in aid due to budgetary austerity of donor countries on the other.

In spite of a yearly average of 8.5 percent, inflation reached 11 percent by end-2011, as against projections of 6 percent. The imported food price index expressed in US dollars remained high despite moderating international rice and food prices. This discrepancy in prices was likely due to the effects of rising fuel prices on costs of distribution and limited competition among importers and local suppliers. However, the CPI is estimated at 5.2 percent in 2012 and projected to average below 5.0 percent in the medium term in view of a predicted moderation in international prices.

On the monetary side, monetary policy in 2011 targeted the maintenance of broad exchange rate stability while protecting the foreign currency reserve position. Foreign exchange reserve accumulation continues to be in line with program objectives in 2012 with the Central Bank of Liberia (CBL) using foreign exchange auctions to limit excess volatility in the exchange rate.

Exports of goods and services are expected to improve significantly in view of favorable medium-term prospects of a larger scale foreign investment commitments, new investments in the mining and non-mining sectors (iron ore and commercial agriculture), all of which are expected to drive overall growth.

Fiscal performance by end 2011 showed a solid revenue outturn and a pickup in current spending. Revenues were boosted by trade taxes and a frontloading of non-tax revenues. By December 2011, total spending surpassed revenue growth due to payroll increases for teachers and health workers. The overall fiscal balance recorded a smaller surplus compared to the previous fiscal year. During the second half of the fiscal year (this quarter and the next), fiscal authorities intend to limit the growth of discretionary recurrent spending and use savings to boost capital spending. Table 1 below summarizes selected economic indicators.

Table 1: Selected Economic Indicators (Calendar year)

Indicators	2010	2011	2012p
Real GDP Growth (%)	5.6	6.4	8.8
Nominal GDP (US$ mn)	1758.8	1983.1	2130.9
CPI Inflation (average, in %)	7.3	8.5	5.2
Total Revenue (incl. grants)	288	374.9	470.8
% of GDP	16.4	18.9	22.1
Total Revenue (excl. grants)	275	340.6	468.4
Grants	13	40.3	33.5
Total Expenditure & Net Lending	282.2	382.9	472.9
% of GDP	16	19.3	22.2
Current Expenditure	250.5	309.4	418.8
Capital Expenditure	31.7	73.5	54.1
Imports (US$ mn)	-674	-982	-1221
Exports (US$ mn)	215	371	467
% of GDP	12.2	18.7	21.9
Gross Official Reserves (US$ mn)	391.4	415.8	373.7
Months of import coverage	3.4	2.9	2.2

Source: MFAU, MoF; IMF

2. INSTITUTIONAL AND REGULATORY ARRANGEMENTS

2.1 Background

Prior to the formulation of the PFM Act in 2009 the legal and institutional framework for managing the country's debt was very weak. Debt management was characterized by the following weaknesses, among others:

- Lack of coordination among the various agencies involved in contracting and managing public debt;
- Weak and unreliable database;
- Weak institutional arrangements for managing domestic and external debt; and
- Vague legal framework.

This section summarizes the legal and institutional arrangements for public debt management in Liberia which served to overcome the weaknesses above.

2.2 Institutional Structure

Debt Management in Liberia is the responsibility of the MoF. The policy mandate of the MoF is to formulate and implement a coherent and effective fiscal policy and to provide for the adequate management of public financial resources. In fulfilling its mandate, the MoF has among its main responsibilities debt management and resource mobilization.

The 2009 PFM Act bestows upon the Minister of Finance the overall responsibility for managing Liberia's domestic and external debts and overseeing new borrowing.

However, several other stakeholders play very important roles in debt management operations. The Ministry of Planning & Economics Affairs (MoPEA), the Ministry of Justice (MoJ), the Ministry of State (MoS) and the CBL are among key debt management stakeholders. The role of each stakeholder in the management of the public debt is described in Appendix 1 of this report.

2.3 Legal Framework

Five (5) pieces of legislation constitute the legal framework for debt management in Liberia:

- The Constitution of 1986, Article 34;
- The Executive Law creating the MoF, Chapter 21.3;
- The Revenue Code of Liberia Act of 2000, Section 2300;
- The 1999 Act to Authorize the Establishment of the CBL; and
- The PFM Act of 2009.

Details of the five pieces of legislation outlined above are provided in Appendix 2.

3. SOURCES OF FINANCING & THE PUBLIC DEBT

The goal of Liberia's public debt management is to meet two objectives that are crucial for the country's economic growth. The primary objective entails striking a balance between cost and risk, that is, meeting Liberia's financing needs at minimum cost and prudent level of risk. The second objective is to develop the domestic debt markets.

3.1 Financing Sources

3.1.1 External Sources of Financing

In recent years, Liberia's main source of external financing has been grants as the HIPC process restricted borrowing activities. The no borrowing restriction has since been lifted now that Liberia reached the HIPC completion point in June 2010. Since then the GoL has contracted new credits on concessional terms from Multilateral Institutions including the World Bank, the IMF, and the African Development Bank (AfDB), in order to meet its overwhelming needs for national reconstruction while at the same time maintaining the debt portfolio at sustainable thresholds.

External financing is expected to increase going forward in alignment with the Public Sector Investment Plan (PSIP) and the National Agenda for Transformation[1]. A summary of post HIPC financing is provided in Appendix 4.

3.1.2 Domestic Sources of Financing

There is no formal domestic debt market in Liberia currently. In the recent past, the only domestic borrowing has been through CBL financing[2] to government, and commercial bank loans (mainly on a short or medium term basis). However, government intends to begin the issuance of three-month Treasury Bills to be managed by the CBL.

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[1] This refers to Government's plan: to achieve middle income status by 2030;

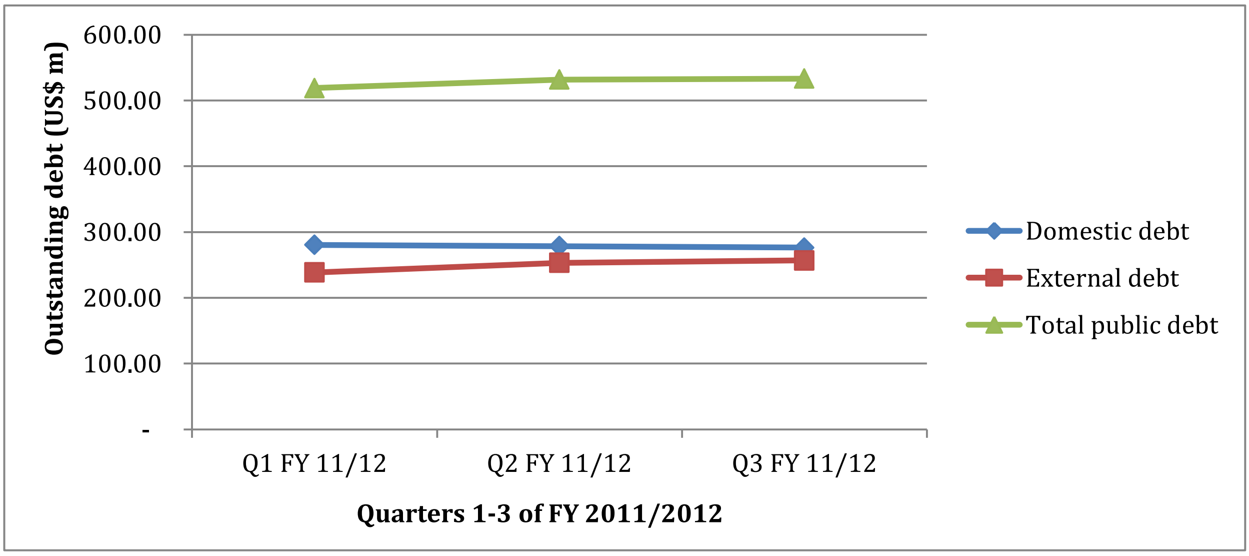
[2] CBL financing has mainly been on a shot term basis and intended for liquidity management purposes.

The start of the issuance of T-Bills, mainly intended to smoothen intra-year revenue fluctuations as required by the Debt Management Strategy (DMS), was delayed in 2011, but is however scheduled to begin during the current fiscal year. Notwithstanding in view of the delays, the DMS provides the option of CBL bridge financing with a limit not exceeding US$ 20 million (or its equivalent in Liberian dollars) in the case of shortfalls in projected revenues and grant flows.

3.2 The Public Debt

Total public debt, comprising both external and domestic debt, increased slightly from USD 531.7 million in December 2011 to USD 533.18 million as at end-March 2012, representing a 0.3 percent increase over the period. This increase is primarily on account of new disbursements on the World Bank's IDA credits. Chart 1 below shows trends in total public debt during FY 2011/2012.

Chart 1: Trends in public debt, Q1-Q3 of FY 2011/2012



Source: DMU, MoF

Currency composition of total debt

The currency composition of total public debt revealed that foreign currency debt accounted for 97 percent while the local currency (the Liberian Dollar) accounted for the remaining 3 percent. Of the foreign currency debt, the USD accounted for more than 78 percent while the euro accounted for more than 7 percent. See Table 2 for detail breakdown of the currency composition of total public debt.

Table 2: Currency composition of total public debt (March 31, 2012)

Currency	Initial outstg. amount (A)	Initial share of portfolio	Additions due to unbundling of SDR (B)	Outstg. amount after re-allocation of SDR (A+B)	Share of portfolio after re-allocation of SDR
CNY	5,385,825.27	1.0%	-	5,385,825.27	1.0%
EUR	7,310,586.40	1.4%	31,266,242.79	38,576,829.19	7.2%
KWD	9,729,111.76	1.8%	-	9,729,111.76	1.8%
SAR	28,470,233.95	5.3%	-	28,470,233.95	5.3%
SDR	83,599,579.66	15.7%	-	-	0.0%
JPY	-	0.0%	7,858,360.49	7,858,360.49	1.5%
GBP	-	0.0%	9,446,752.50	9,446,752.50	1.8%
USD	382,691,820.66	71.8%	35,028,223.88	417,720,044.53	78.3%
LRD	15,990,192.45	3.0%	-	15,990,192.45	3.0%
Total debt	**533,177,350.14**	**100.0%**	**83,599,579.66**	**533,177,350.14**	**100.0%**
Total FX debt	**517,187,157.68**	**97.0%**	**-**	**517,187,157.68**	**97.0%**
Total less LRD & USD	**134,495,337.03**	**25.2%**	**-**	**134,495,337.03**	**25.2%**

Source: DMU, MoF

Total Debt Service

Total debt service increased from USD 2.88 million during the quarter ending-December 2011 to USD 4.18 million at end-March 2012. (Table 3).

Table 3: Total debt service, Q1-Q3 of FY 11/12 (USD millions)

Category	Q1 FY 11/12	Q2 FY 11/12	Q3 FY 11/12
Principal	1.33	1.87	3.26
Interest	1.01	1.01	0.92
Total Debt Service (TDS)	**2.34**	**2.88**	**4.18**

Source: DMU, MoF

3.2.1 External Debt Profile

By end-March 2012, total external debt stood at USD 256.8 million, an increase of 1.4 percent when compared with USD 253.2 million recorded at end-December

2011. The increase is primarily on account of new disbursements on IDA credits during the quarter under review. See Table 4.

Table 4: Changes in external debt stock (Q1-Q3 of FY 11/12, USD millions)

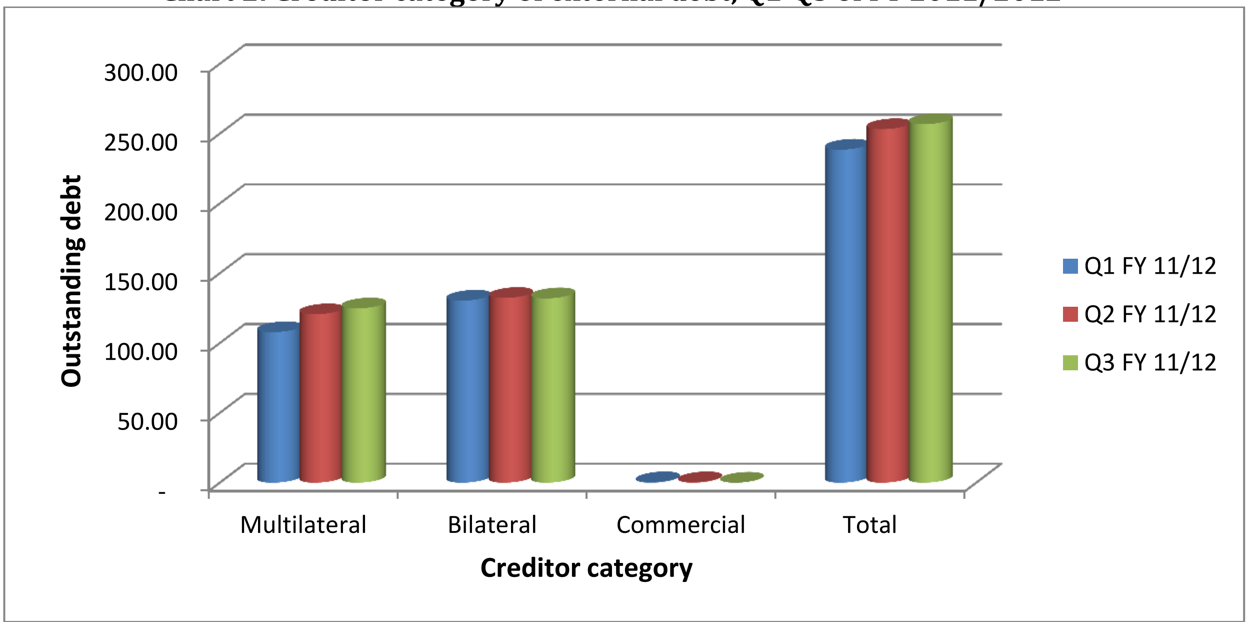
Description	Q1 FY 11/12	Q2 FY 11/12	Q3 FY 11/12
Disbursed Outstg Debt (start of period)	**232.90**	**238.50**	**253.20**
Disbursements	13.43	17.22	3.95
Principal Repayments	-0.77	0.00	-0.78
Net Flows On Debt	12.65	17.22	3.17
Interest Payments	0.15	0.07	0.15
Net adjustments on debt[3]	-7.05	-2.52	0.43
Disbursed Outstg Debt (end of period)	**238.50**	**253.20**	**256.80**

Source: DMU/MoF

External Debt by Creditor Category

At end-March 2012, the profile of external debt by creditor category showed a 48.6 percent share in favor of multilateral creditors and 51.4 percent to bilateral creditors. There are currently no commercial credits as final settlement was made to Nick-TC-Scan. See Chart 3.2.

Chart 2: Creditor category of external debt, Q1-Q3 of FY 2011/2012



Source: DMU, MoF

[3] *Net adjustments refer to deductions due to debt relief, deductions/additions to debt stock due to debt data reconciliation, FX fluctuations, etc.*

External Debt by Creditor

Analysis of the external debt by creditor showed that Taiwan was the largest creditor, with a share of 32.4 percent as at end March 2012. The IMF, the Saudis, BADEA, and the World Bank accounted for 22.7 percent, 11.1 percent, 8.0 percent, and 8.6 percent respectively. The rest of the external creditors accounted for the remaining 17.2 percent share, as shown in Table 5.

Table 5: Liberia's External Debt Outstanding by Creditor (USD)

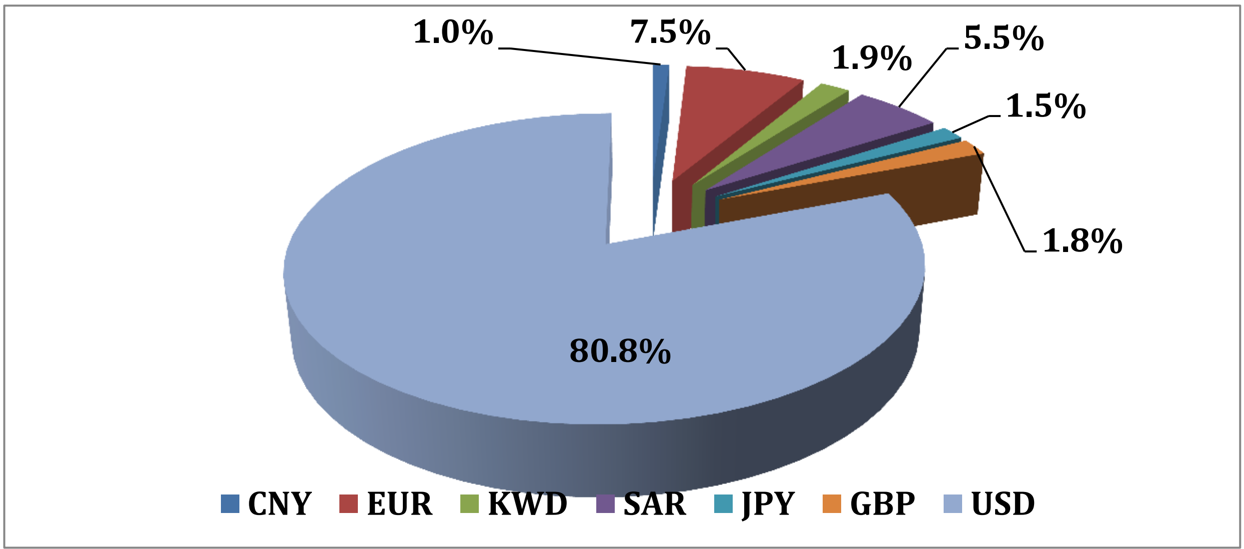
	Q1 FY 11/12		Q2 FY 11/12		Q3 FY 11/12	
Creditor	**Debt Outstg.**	**% of total outstg**	**Debt Outstg.**	**% of total outstg**	**Debt Outstg.**	**% of total outstg**
AfDB Group	6,939,420.16	2.9%	6,168,374.16	2.4%	5,397,327.39	2.1%
BADEA	20,277,666.57	8.5%	20,278,017.83	8.0%	20,655,715.22	8.0%
China	5,334,466.32	2.2%	5,380,183.78	2.1%	5,385,825.27	2.1%
ECOWAS	3,098,179.03	1.3%	3,016,438.09	1.2%	3,043,591.28	1.2%
EU/EIB	2,067,220.11	0.9%	1,980,875.44	0.8%	2,044,715.38	0.8%
France	5,625,000.00	2.4%	5,625,000.00	2.2%	5,265,871.01	2.1%
IFAD	3,436,983.45	1.4%	-	0.0%	-	0.0%
IMF	45,442,149.40	19.1%	57,876,385.00	22.9%	58,397,373.06	22.7%
Kuwait	9,808,569.11	4.1%	9,701,169.59	3.8%	9,729,111.76	3.8%
Nick-TC-Scan	253,099.19	0.1%	253,099.19	0.1%	-	0.0%
OFID	13,092,339.92	5.5%	13,092,339.92	5.2%	13,092,339.92	5.1%
Saudi Arabia	28,470,233.95	11.9%	28,470,233.95	11.2%	28,470,233.95	11.1%
Taiwan	81,215,867.00	34.1%	83,157,333.33	32.8%	83,157,333.33	32.4%
World Bank Group	13,425,238.17	5.6%	18,210,063.88	7.2%	22,158,615.32	8.6%
Total	**238,486,432.38**	**100.0%**	**253,209,514.16**	**100.0%**	**256,798,052.88**	**100.0%**

Source: DMU, MoF

External Debt by Currency Composition

The currency composition of Liberia's external debt weighed in favor of the USD, accounting for an 80.8 percent share. The Euro and the Saudi Riyal accounted for 7.5 percent and 5.5 percent respectively. All other currencies accounted for the remaining 6.3 percent. See Table 6.

Table 6: Currency Composition of External Debt (USD Millions)



Source: DMU, MoF

Maturity Structure of External Debt

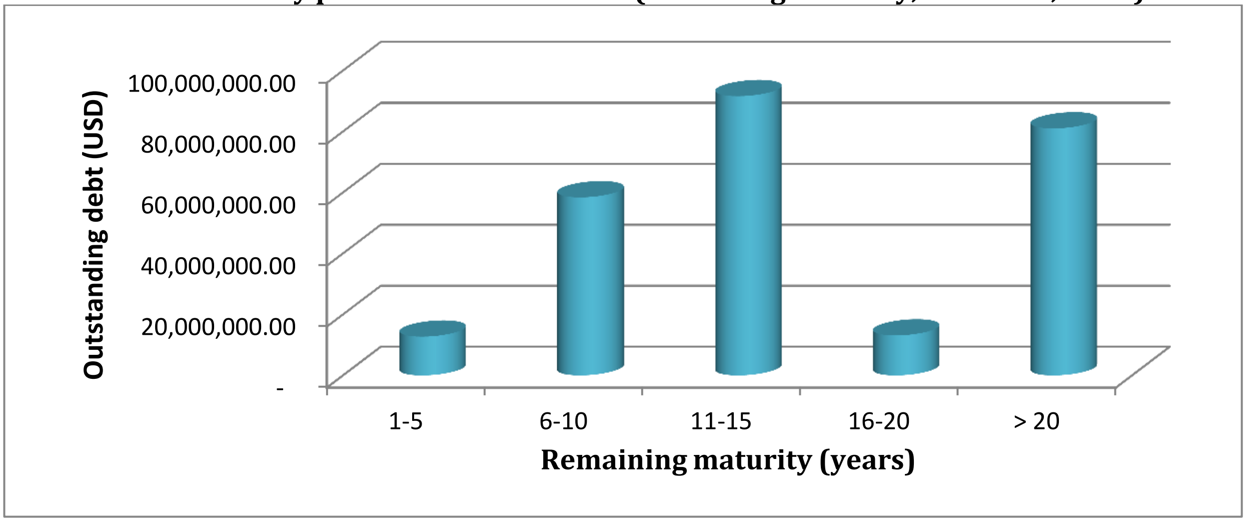
Within the existing external debt portfolio, debts with remaining maturity of 11-15 years and those with remaining maturity of more than 20 years accounted for the highest proportion of the debt, 35.7 percent and 31.5 percent respectively; implying that majority of the external debt was contracted on concessional terms. Debts with remaining maturity between 6–10 years accounted for 22.7 percent while debts with remaining maturity of 1-5 years and 16-20 years accounted for 10 percent jointly (See Table 7 & Chart 3).

Table 7: Maturity Structure of External Debt, March 31, 2012

Remaining Maturity (Years)	Outstg. Debt	% of total
1-5	12,707,913.79	4.9%
6-10	58,397,373.06	22.7%
11-15	91,586,749.88	35.7%
16-20	13,092,339.92	5.1%
> 20	81,013,676.24	31.5%
Total	**256,798,052.88**	**100.0%**

Source: DMU, MoF

Chart 3: Maturity profile of external debt (remaining maturity, March 31, 2012)



Source: DMU, MoF

Interest Rate Structure of External Debt

The interest rate structure of the external debt portfolio showed no variable interest rate in the existing portfolio, which implies an external debt portfolio based entirely on fixed rate interest. Also, the average interest rate on external debt was maintained at 2.1 percent during the period under review, implying adherence to the policy of concessional borrowing.

External Debt Service

Total external debt service increased from USD 0.07 million during the quarter ending-December 2011 to USD 0.92 million at end-March 2012. This increase is due primarily to the payment of NTF loans under the African Development Bank Group. See Table 8.

Table 8: External Debt Service: Q1-Q3 of FY 11/12 (In USD Millions)

Category	Q1 FY 11/12	Q2 FY 11/12	Q3 FY 11/12
Principal	0.77	0	0.77
Interest	0.16	0.07	0.15
Total Ext. Debt Service	**0.93**	**0.07**	**0.92**

Source: DMU, MoF

New Disbursements on External Debt

Total disbursements on external loans during the quarter amounted to USD 3.95 million compared with USD 17.22 million disbursed during the previous quarter.

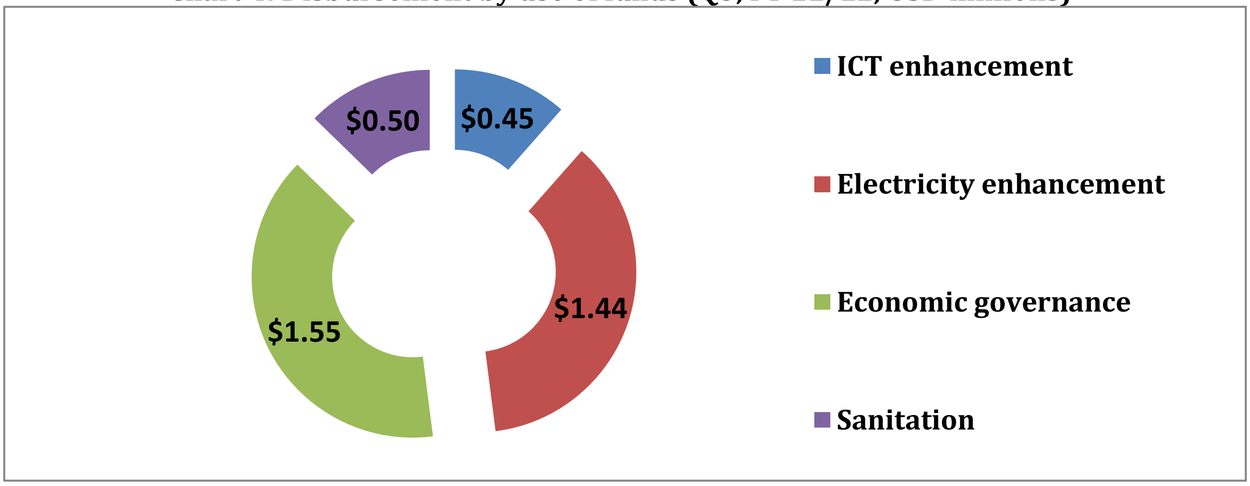
IDA credits accounted for the entire amount disbursed and were intended to be spent on electricity enhancement, economic governance and reform, sanitation and waste management, and communications infrastructure enhancement. See Table 9 and Chart 4:

Table 9: Disbursements profile (Q1-Q3 of FY 11/12, USD millions)

Creditor	Q1 FY 11/12	Q2 FY 11/12	Q3 FY 11/12	Total
IMF	-	12.43	-	12.43
World Bank	13.43	4.78	3.95	22.16
IDA 48550	13.43	4.50	0.45	18.38
IDA 48420	-	0.29	1.44	1.73
IDA 49070	-	-	1.55	1.55
IDA 49080	-	-	0.50	0.50
Total disbursements	**13.43**	**17.22**	**3.95**	**34.59**

Source: DMU, MoF

Chart 4: Disbursement by use of funds (Q3, FY 11/12, USD millions)



Source: DMU, MoF

3.2.2 Domestic Debt Profile

Total domestic debt stood at USD 276.38 million at the end of March 2012, representing a decrease of USD 2.12 million or 0.8 percent, compared with USD 278.5 million recorded at end-December 2011. The fall in domestic debt during the period was primarily on account of debt service payments (mainly court judgment debts) during the period. See Table 10.

Table 10: Composition of Domestic Debt by Creditor (USD Millions)

Category	Q1 FY 11/12 Debt stock	Q2 FY 11/12 Debt stock	Q3 FY 11/12 Debt stock
Suppliers' Credits	**3.3**	**2**	**1.9**
Salary Arrears	**5**	**5**	**5**
o/w EDP payroll arrears	1.3	1.3	1.3
Non-EDP payroll arrears	3.7	3.7	3.7
Financial Institutions	**269**	**268.5**	**268.2**
o/w CBL	261.5	261.5	261.3
LBDI	7.1	6.7	6.6
Ecobank	0.4	0.3	0.3
Miscellaneous/Court judgment debt	**3.1**	**3**	**1.3**
Total	**280.4**	**278.5**	**276.38**

Source: DMU, MoF

Domestic Debt by Instrument

Analysis of the domestic debt by instrument at end-March 2012 showed that the USD component of the CBL Long-Term Loan (LTL) constituted the largest share of domestic debt, accounting for nearly 87.5 percent, while the Liberian Dollar component and the CBL Capital Notes jointly accounted for a total of 7.0 percent, implying that the CBL alone holds 94.5 percent of the domestic debt. LBDI LTL constituted 2.1 percent share of total domestic debt, while all other domestic instruments accounted for the remaining 3.4 percent share. See Table 11.

Table 11: Composition of Domestic Debt by Instruments (Thousands of USD)

Instruments	Q1 FY 11/12	% share	Q2 FY 11/12	% share	Q3 FY 11/12	% share
CBL Capital Notes	6,993.43	2.5%	6,993.43	2.5%	6,993.43	2.5%
CBL-LTLI	241,790.27	86.2%	241,790.27	86.8%	241,790.27	87.5%
CBL-LTLII	12,714.57	4.5%	12,714.57	4.6%	12,541.58	4.5%
Court judgment debt	3,103.03	1.1%	2,955.80	1.1%	1,276.37	0.5%
Eco-I	92.05	0.0%	73.63	0.0%	69.23	0.0%
Eco-II	289.66	0.1%	234.48	0.1%	217.69	0.1%
EDP Payroll Arrears	1,304.18	0.5%	1,302.97	0.5%	1,295.22	0.5%
LBDI LTL	6,150.00	2.2%	5,850.00	2.1%	5,700.00	2.1%
LBDI STL/BMC	932.42	0.3%	891.88	0.3%	851.34	0.3%
Non-EDP Pay. Arrears	3,711.91	1.3%	3,708.46	1.3%	3,708.46	1.3%
Vendors/Rental Arrears	3,277.46	1.2%	1,971.40	0.7%	1,935.70	0.7%
Total	**280,358.97**	**100.0%**	**278,486.90**	**100.0%**	**276,379.30**	**100.0%**

Source: DMU, MoF

Domestic Debt by Maturity

Within the existing domestic debt portfolio, instruments with remaining maturity of more than 6 years accounted for nearly 95 percent, indicating the medium-to-long term nature of the domestic debt. Instruments with remaining maturity of 1-3 years and 4-6 years accounted for 3.1 percent and 2.4 percent respectively. See Table 12.

Table 12: Maturity structure of domestic debt, end-March 2012 (Thousands of USD)

Remaining Maturity (Years)	Outstanding amt	Share of domestic debt outstg.
1 – 3	8,502.68	3.1%
4 – 6	6,551.34	2.4%
> 6 years	261,325.28	94.6%
Total	**276,379.30**	**100.0%**

Source: DMU, MoF

Currency composition of domestic debt

Liberia's domestic debt is predominantly denominated in US dollars, which constituted about 94 percent of the portfolio, while the Liberian dollar accounted for the remaining 6 percent. See Table 13 and Chart 5.

Table 13: Currency composition of domestic debt, Q1-Q3, FY 11/12

Currency	Q1 FY 11/12	Q2 FY 11/12	Q3 FY 11/12
USD	92%	95%	94%
LRD	8%	5%	6%
Total	**100%**	**100%**	**100%**

Source: DMU, MoF

Domestic debt service

Total domestic debt service increased from USD 2.8 million at end-December 2011 to USD 3.27 million at end-March 2012, primarily on account of a payment of more than USD 2.1 million in court judgment debts. The total payment of USD 2.39 million represented principal repayment, while USD 0.88 million represented interest payment. See Table 14.

Table 14: Domestic Debt Service: Q1-Q3, FY 11/12 (In USD Millions)

Category	Q1 FY 11/12	Q2 FY 11/12	Q3 FY 11/12
Principal	0.56	1.87	2.39
Interest	0.85	0.94	0.88
Total Domestic Debt Service (TDDS)	**1.41**	**2.81**	**3.27**

Source: DMU, MoF

4. RISK & DEBT SUSTAINABILITY ANALYSIS

4.1 Risk Analysis

Based on the updated debt data for the third quarter and available macroeconomic indicators, simulations were conducted to determine various risks associated with the portfolio, which revealed some changes. However, overall, the changes were trivial and therefore did not negatively impact the generally low level of risk associated with the debt portfolio.

4.1.1 Foreign Currency Risk

The currency composition of the total portfolio remained unchanged compared with the previous quarter, showing that the debt porfolio is highly exposed to foreign exchange risk as reflected in the 97 percent dominance of foreign currency debt, mainly the US Dollars and the SDR, accounting for 72 percent and 16 percent respectively. The Liberian Dollar (the local currency) accounted for a meagre 3 percent of the portfolio, with the Saudi Riyal, the Kuwaiti Dinar, the Chinese Yuan, and the Euro comprising the remaining 8 percent.

Recognizing that the SDR is a basket of currencies comprising the dollar, euro, yen, and pound, other currency components in the SDR were unbundled and re-allocated appropriately for the purpose of the analysis. This action increased the initial shares of the dollar and euro in the portfolio from 71.8 percent and 1.4 percent to 78.3 percent and 7.2 percent respectively, and at the same time created additional shares of yen and pound in the portfolio. See Table 15 for detail.

However, the foreign exchange risk (mainly the US Dollars) is mitigated by the fact that the Liberian economy is highly dollarized and that approximately 80-85[4] percent of fiscal revenue is collected in US Dollars.

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[4] IMF Working Paper 09/37, De-dollarization in Liberia—Lessons from Cross-country Experience, *Lodewyk Erasmus; Jules Leichter; Jeta Menkulasi.*

Table 15: Currency Composition of total debt (USD)

Currency	Initial amt outstg. (A)	Initial share of portfolio	Amts due to unbundling of SDR (B)	Outstg. amt after re-allocation of SDR (A+B)	Share of portfolio after re-allocation of SDR
CNY	5.39	1.0%	-	5.39	1.0%
EUR	7.31	1.4%	31.27	38.58	7.2%
KWD	9.73	1.8%	-	9.73	1.8%
SAR	28.47	5.3%	-	28.47	5.3%
SDR	83.60	15.7%	-	-	0.0%
JPY	-	0.0%	7.86	7.86	1.5%
GBP	-	0.0%	9.45	9.45	1.8%
USD	382.69	71.8%	35.03	417.72	78.3%
LRD	15.99	3.0%	-	15.99	3.0%
Total debt	**533.18**	**100.0%**	**83.60**	**533.18**	**100.0%**
Total FX debt	**517.19**	**97.0%**	**83.60**	**517.19**	**97.0%**
Total Less LRD & USD	**134.50**	**25.2%**	**-**	**134.50**	**25.2%**

Source: DMU, MoF

4.1.2 Interest Rate Risk

Even though the debt portfolio is exposed to foreign exchange risks, the cost of the existing portfolio is relatively low as reflected by the average interest rate of the total portfolio of approximately 2.1 percent, which remained unchanged when compared with the previous quarter, implying that the vast majority of external debts were contracted on concessional terms, complemented by the relatively low cost of domestic borrowing.

Furthermore, the portfolio is also insulated by its relatively long average time to interest rate re-fixing (ATR) being 13.4 years. It can be noted that there is no interest rate risk of the existing portfolio since all of the debts were issued under a fixed interest rate regime.

4.1.3 Refinancing Risk

The average time to maturity (ATM) of the total debt portfolio increased from 13.1 years reported during the previous quarter to 13.4 years; ATM for the domestic debt portfolio remained unchanged at 14.7 years while ATM for external debt increased from 11.4 years to 12 years. All of these imply a lower refinancing risk of the debt when compared with the previous quarter (Table 16).

Table 16: Cost & risk indicators of the existing debt portfolio as at end March 2012

Risk Indicators		Ext. debt	Dom. debt	Total
Amount (in millions of USD)		256.8	276.4	533.2
Nominal debt as % GDP		12.9	13.9	26.9
NPV as % of GDP		10.2	11.3	21.5
Cost of debt	Weighted Av. IR (%)			2.1
Refinancing risk	ATM (years)	12.0	14.7	13.4
	Debt maturing in 1yr (% of total)	3.1	3.1	3.1
Interest rate risk	ATR (years)	12.0	14.7	13.4
	Debt refixing in 1yr (% of total)	3.1	3.1	3.1
	Fixed rate debt (% of total)	100.0	100.0	100.0
FX risk	FX debt (% of total debt)			97.0
	ST FX debt (% of reserves)			1.9

Source: DMU, MoF

However, it must be pointed out that in order to avoid the risk of default, debt service payments approaching maturity must be planned ahead of due dates and adequately budgeted for. Also, the low level of debt falling due within the next 12 months limits the exposure to refinancing (or rollover) risk. In addition, the relatively high level of government deposits maintained at the CBL also serves as a mitigating factor.

4.1.4 Other Risks

The risk arising from the State Owned Enterprises (SOEs) loans and guarantees can potentially represent a significant proportion of GOL contingent liabilities. Additionally, debts resulting from the continuing disputes in domestic claims against government also represent contingent liabilities on the balance sheet of government. It is therefore recommended that the Permanent Claims Commission (PCC) be reactivated bearing in mind it would have the necessary authority to establish a cut-off date and betting of emerging domestic market claims from the legacy period. This would help reduce the continuing uncertainty as to the negative impact on the budget and the debt ceiling of new domestic claims.

Appendix 5 provides a breakdown of domestic debts arising from disputed claims against government.

Lastly, although the government has not extended guarantees since 2006, several SOEs have begun to express their intention to borrow, thus the need to strengthen monitoring in this area of debt management is critical.

4.2 Debt Sustainability Indicators

The Debt Sustainability Framework (DSF) links debt sustainability thresholds to the quality of a country's policies and institutions, with a premise that countries with strong or good policies and institutions are more likely to be able to shoulder higher debt burdens and therefore are less likely to fall into debt distress than countries with weak or poor policies and institutions.

The quality, and hence classification, of a country's policy performance and institutional strength is measured by a country's CPIA[5] rating, which classifies countries as strong, medium or weak performers under the DSF as follows:

- Strong performer: Countries with an overall CPIA rating equal to or greater than 3.75;
- Medium performer: Countries with an overall CPIA rating of between 3.25 and 3.75; and
- Weak performer: Countries with an overall CPIA rating equal to or less than 3.25.

Liberia's 2011 CPIA rating[6] was 3.0, implying performance under the DSF. Based on this rating, analysis of the existing debt stock showed the following sustainability ratios for Liberia. (Table 17).

NPV of external debt to GDP and to export ratios at end March 2012 were approximately 10.2 percent and 54.4 percent respectively, which were well below

[5] The acronym CPIA refers to country policy and institutional assessment.

[6]The World Bank's 2011 CPIA rating of Sub-Sahara African countries estimates Liberia's CPIA as 3.0.

the DSF thresholds of 30 percent and 100 percent. The external debt service to export ratio was 3.5 percent, which was also below the acceptable DSF threshold of 15 percent.

Table 17: Liberia's Debt Sustainability Indicators (March, 2012)

Indicators	Sustainability threshold based on Liberia's CPIA rating	Actual Ratio
PV debt/GDP	30	10.2%
PV debt/export	100	54.4%
Debt service/exports	15	3.5%
PV debt/domestic budget revenue	200	59.2%
Debt service/domestic budget revenue	25	3.8%

Source: DMU, MoF

Furthermore, NPV of external debt to domestic budget revenue and external debt service to domestic revenue were also computed to be 59.2 percent and 3.8 percent respectively, which were also well below the DSF thresholds of 200 percent and 25 percent respectively.

On the domestic front, unlike external debt sustainability analysis, there are no officially agreed benchmarks for determining sustainability of a country's domestic debt stock and servicing burden. Furthermore, there are also no acceptable benchmarks defined in the PFM Act of 2009 or the current Debt Management Strategy. Going forward, the DMU intends to adopt domestic debt sustainability thresholds recommended by WAIFEM. However, analysis of the domestic debt revealed the following ratios:

Table 18: Liberia's Debt Sustainability Indicators (March, 2012)

Indicators	Actual Ratio
PV debt/GDP	13.3%
PV debt/domestic budget revenue	66.1%
Debt service/domestic budget revenue	4.3%

Source: DMU, MoF

5. OTHER DEBT MANAGEMENT ACTIVITIES AND THE WAY FORWARD

5.1 Progress on Post-HIPC Debt Relief Agreements

All Paris club creditors, with the exception of France, have provided debt relief to Liberia based on a 100 percent cancellation of HIPC eligible debt in compliance with the September 16, 2010 Agreed Minutes of the Paris Club. The arrangement with the French requires that Liberia repays a total of € 3.9 million (equivalent to USD 5.3 million using March 31, 2012 exchange rate) over a five-year period beginning October 2012. All payments made by Liberia, including principal and interest, will be reimbursed as grant support to Liberia's health sector from the French Government.

Among the four (4) Non-Paris Club creditors, only Taiwan is yet to provide debt relief to Liberia, thus the largest single external creditor to Liberia. Outstanding debt due Taiwan was in excess of USD 83.2 million as at March 31, 2012.

On the multilateral front, debt relief agreements with all multilateral creditors except the OPEC Fund for International Development (OFID) have been finalized. Agreement with OFID is expected to be finalized by end 2012.

5.2 Outstanding Reforms in Public Debt Management

The Government of Liberia (GoL) has made significant progress over the last six years in rationalizing and reducing its debts and building the capacity for effective debt management in the future. The Government is committed to ensuring that Liberia does not revert to an unsustainable debt situation going forward, and also to ensuring that all available resources are used to support rapid and sustainable economic growth and development.

The commitment of the Government to improving its public debt management is manifested in a 2009 request for a World Bank Debt Management Performance

Assessment (DeMPA) mission and a subsequent 2011 reform mission aimed at further strengthening this important area of public policy.

Against this background, major progress can be noted as part of government's achievements in strengthening the capacity for prudent debt management. The strengthening of the legal and institutional frameworks for debt management through the formulation of the PFM Act of 2009; the acquisition and installation of, and initial training in the CS-DRMS software aimed at improving debt data storage, analysis, and reporting; the publication of quarterly debt management reports with a complete profile of the debt portfolio and accompanying risk analysis; the creation of the Debt Management Committee (DMC); improved reporting to the President, the National Legislature and multilateral entities; and drafting of external borrowing procedures and of guidelines for the issuance of government guarantees. Many of these initiatives result from the 2009 PFM Act, the basis for various reforms being carried out in the area of public financial management.

In spite of the significant progress made in the area of public debt management, much more still needs to be done to enhance efficiency and build on the progress already made.

The reform plan, formulated by the World Bank, is structured under the following four (4) pillars ranging from short term reforms (12-18 months) to medium term reforms (18-36 months), most of which are yet to be implemented.

5.2.1 Reform Pillar I: Consolidate DMU's Back Office

It is recommended that during the next 12 months the DMU strengthens its traditional Back Office functions – including debt registration, settlement and payment, database management and statistics- so as to consolidate a critical building-block of debt management, as a necessary condition for subsequent reforms. An outdated and inaccurate debt database erodes the credibility of reports and accountability and increases operational risk of payment or disbursement operations. A debt servicing process which is not formally documented exposes the government to a higher probability of going unrecorded. In addition, there is a felt need for strengthening transparency and accountability mechanisms of the GOL's public financial management, which in the area of debt management requires an accurate and comprehensive debt database[7].

5.2.2 Reform Pillar II: Strengthen Analytical Capacity

The PFM Act of 2009 assigns a number of important analytical functions to the DMU. However, until very recently the DMU had exclusively back office functionality, and even now it has fairly limited front and middle office capabilities. Given that legal compliance requires stronger analytical capacity in DMU, the reform plan recommends that a number of reforms be implemented, including: a more appropriate DMU organizational structure, additional staffing, specialized training and creation of incentives to retain qualified staff. If actions are not taken in this area, the debt-related section of the PFM Act will be another example of the gap between formal law rules and their implementation in practice[8].

5.2.3 Reform Pillar III: Strengthen Governance

It is recommended that attention be given to the amendment of the PFM Act and its Regulations to include public debt management objectives, which typically are: i) obtaining the required funding for the fiscal needs; ii) minimizing cost subject to a prudent level of risk ; and iii) developing the domestic debt market. Achievement of the second objective will be gradual. Achievement of the third objective, however, is more distant; an amendment of the law and its regulations will give the DMU a solid mandate to promote the development of the money market and subsequently, the debt market. If this is lacking, as is currently the

[7] World Bank, Integrated Public Financial Management Reform Project, Project Appraisal Document, Report No. 64363-LR, November 18, 2011,

[8] World Bank, Integrated Public Financial Management Reform Project.

case, it is difficult for the DMU to get fully involved in this important yet difficult endeavor.

Other recommended modifications are the inclusion of: i) a definition of debt; ii) the requirement for the design and publication of an Annual Borrowing Plan, based on the medium-term debt management strategy, to be presented with the Budget; iii) a glossary of financial terms involved in the PFM Act and regulations; and iv) the possibility for the GOL to charge fees when extending guarantees and on-lending.

5.2.4 Reform Pillar IV: Design and Implement Strategy for T-Bills Issuance

The CBL has designed an issuance strategy of short-term CBL securities[9]. If and when the GOL decides to issue T-Bills, it should take into account not only GOL's medium-term debt management strategy but also CBL's issuance strategy and its implementation to diminish the possibility of competition between the two entities. Banks in Liberia are very interested in having short-term investment alternatives due to their high liquidity.

5.3 The Way Forward

5.3.1 Update of Current Debt Management Strategy

The current Debt Management Strategy needs to be revised to reflect prevailing market and macroeconomic conditions. In other words, an MTDS needs to be developed. It is recommended that the DMU takes the lead in developing the MTDS. The DMU is well-placed to carry out this activity. It performs back-office functions in respect of both domestic and external debt and is closest to the data on the existing debt portfolio that would be required when developing a strategy.

5.3.2 Developing a Borrowing Plan

[9] However, the mission team was unable to access the document and thus cannot provide an opinion of the strategy.

In order to make the MTDS operational, a detailed borrowing plan must be developed. This should cover all financing, but mainly important for domestic borrowing. The borrowing plan needs to take account of the likely timing of government cash flows throughout the fiscal year. The borrowing plan should take account of known market demand, (or, for external borrowing, creditor availability) terms and conditions, and should be adjusted when necessary.

Significant deviations from the strategy must require a clear and documented justification. Overall, the government will need to find an appropriate balance between meeting its own debt management objectives and catering to market preferences.

The cost-effectiveness of the MTDS will be influenced by the effectiveness of cash management. To that end, reforms already in place to improve cash management should continue. Automation of the entire budgetary accounting process in view of the installation of IFMIS is laudable, and other improvements must continue. Also, improving cash flow forecasting through better information-exchange between all relevant Agencies and Units of government must be a priority.

5.3.3 Disseminating the Strategy

Once the desired MTDS is determined, it should be published and disseminated. Publication of the strategy is an important mechanism for enhancing accountability of debt management, as well as transparency of debt management operations, especially in the domestic market. This should give sufficient guidance to investors on the likely issuance of debt across different segments of the market so that they can plan their participation in the market accordingly. It should also reinforce the government's commitment to adopting market-based pricing.

5.3.4 Monitoring and Review of the Strategy

The GoL will need to put into place mechanisms for regularly monitoring the implementation of the strategy. Similar to the practice of monitoring fiscal outturns, formal monitoring of debt management outturns is useful. The DMU prepares reports outlining debt management activities on a monthly and quarterly basis for inclusion in the Expenditure Department's reports to the minister. These reports, however, do not include an analysis of portfolio risks. These reports could be formalized and provide the basis for regular reporting, both within government and to the public, and for monitoring. In terms of formal review, at a minimum, the strategy should be reviewed at least once a year to determine whether key underlying assumptions remain valid.

In addition, if there are significant changes in fiscal or market conditions, the strategy should be reviewed. While the chosen strategy will have been tested for robustness to changing market and macroeconomic assumptions, it may be preferable to have appropriate "contingent strategies" already prepared rather than reacting to changing conditions.[10] These "contingent strategies" could be developed using the quantitative tool. A technical team, comprising staff seconded from agencies of the Debt Management Committee (DMC) members, need to be established with a responsibility to formulate and review the strategy periodically.

[10] These "contingent strategies" do not necessarily need to be publicly disclosed, although this can be helpful for promoting transparency and predictability, and for building confidence in the quality of the analysis underlying the chosen strategy.

APPENDICES

Appendix 1: Institutional Framework

The PFM Law and Regulations set out in detail the responsibilities of the Debt Management Committee. The following list brings together all of those responsibilities. The Debt Management Committee will:

- Approve all central government loan agreements;
- Approve all loan guarantees;
- Approve all contracts that contain commitments involving contingent financial liabilities of the Government or State Owned-Enterprises (SOEs);
- Approve any debt incurred by SOEs and public financial institutions through short- and medium-term borrowing and securities issued to finance capital and other non-recurrent expenditures;
- Approve any guarantees issued by SOEs and public financial institutions for any debt contracted with a supplier, contractor or other entity;
- Approve any repayment agreements by SOEs and public financial institutions extending beyond 90 days (which are considered a loan);
- Consent to the proposed annual borrowing plans of SOEs and public financial institutions before the start of their financial year, including any debt restructuring they intend to undertake;
- Determine the conditions that investment projects and specific programs approved by the National Legislature should meet, and the procedure for their consideration;
- Set forth, for a respective year: the maximum amount of the new government borrowing and the government guarantees which may be

undertaken throughout the year; and the maximum amount of government debt as at the end of the budget year;

- Propose restrictions on the issuance of debt and Social Security Corporations debt in the national Budget Law for the respective year in the event of any risk of noncompliance with PFM regulations;
- Consider the quarterly report on the state of the government debt prepared by the Minister of Finance;
- Approve the three-year debt management strategy prepared by the Minister of Finance;
- Approve the annual updates to the debt management strategy;
- Participate in the negotiations of government-guaranteed loans, together with the Minister of Finance;
- Approve any proposals for amendments to the loan or guarantee agreement, in the cases of government guarantees already issued, in consultation with the Minister of Finance;
- Determine the terms and conditions that projects applying for government-guaranteed financing should meet, and the government guarantee issuance procedures;
- Determine the procedure, manner and time limits for provision of information on the state of, and funds movement related to, debts of the National Social Security Corporation or other social security and provident funds to be set up in future;
- Determine the terms of the guarantee for the capital projects or non-recurrent expenditures of SOEs for which a guarantee is requested, to cover among other things the following aspects: value of the loan principal to be guaranteed; desired characteristics of the potential lender; minimum term of the loan; margin interest, loan interest; other fees and expenses;

- Approve guidelines, responsibilities and obligations of guarantee issuing agencies and related agencies; and, sequence and procedure of issuing a government guarantee, developed by the Debt Management Unit; and
- Approve repayment agreements for SOEs for accumulated arrears to suppliers for a period exceeding 90 days, which constitute debt of the enterprise.

Appendix 2: Legal Framework

The five pieces of legislation on which the Government's debt management strategy is based are as follows:

1. The Constitution of 1986 states in Article 34 that "*no loan shall be raised by the government on behalf of the Republic or guarantees given for any public institution or authority otherwise than by or under the authority of legislative enactment.*"
2. The executive law creating the Ministry of Finance, Chapter 21.3, states that one of the duties of the Deputy Minister of Finance for Fiscal Affairs is debt management. This duty is now the responsibility of the Deputy Minister of Finance for Expenditure and Debt Management.
3. The Revenue Code of Liberia Act of 2000 states in Section 2300 that "*the President is authorized and empowered to negotiate, conclude, and contract with any individual group, foreign government, or any financial institution at home or abroad, long or short term loans for the overall development of the country.*" Section 2301 gives the President the power to guarantee loans to state-owned enterprises (SOEs).
4. The 1999 Act to Authorize the Establishment of the Central Bank of Liberia regulates the functions of the central bank. Part VI of the Act states that the central bank may "*contract, purchase, and market financial instruments, debt obligations rated in one of the two highest rating categories recognized by reputed international credit rating agencies, and other securities issued or*

guaranteed by foreign central banks, governments, or international financial institutions." Part VII states that the central bank may purchase from, sell to, discount and re-discount for, or contract with financial institution, Treasury bills. Part VIII regulates central bank credits to the Government.

5. The Public Financial Management Act of 2009 aims to significantly improve the legal framework for debt management by allowing the President to delegate responsibility for borrowing to the Minister of Finance, restricting government guarantees, mandating debt recording and reporting, and giving debt service payments priority over most other expenditure. More specifically, the Act:

   - Makes the Minister of Finance responsible for government borrowing and debt;
   - Establishes a Debt Management Committee consisting of the Minister of Finance as Chair, the Governor of the Central Bank, and two other members appointed by the President, and requires the approval of the Committee for all government borrowing and guarantees;
   - Requires the approval of the Minister of Finance and the Debt Management Committee for any borrowing by an SOE or public financial institution, or any guarantees issued by an SOE or public financial institution;
   - Mandates the Ministry of Finance to report twice each year on debt to the President and the Legislature, and to issue biannual published reports; and
   - Makes debt service payments among the first call on budget resources.

Appendix 3: Summary of Post HIPC Financing Agreements

No	Name of Project	Funding agency	Total project cost	Credit amt	Grant amt	GOL amt	Purpose	Agency	Status
1	LESEP I	World Bank	22.00	10.00	12.00		Electricity enhancement	LEC	Ratified
2	WARCIP	World Bank	25.60	25.60			ICT support	LTA	Ratified
3	EMUS Additional Financing	World Bank	4.00	4.00			Sanitation/Waste management.	MCC	Ratified
4	EGIRP Additional Financing	World Bank	7.00	7.00			Governance & Reform	MOF	Ratified
5	WAAPP	World Bank	14.60	6.00	8.00	0.60	Agricultural support	MOA	Ratified
6	LIBRAMP	World Bank	249.40	67.70	108.90	72.80	Road construction	MPW	Ratified
7	LESEP- Additional Financing	World Bank	23.45	22.00	1.45		Electricity enhancement	LEC	Ratified
8	RRSPIV	World Bank	5.00	5.00			Governance & Reform	MOF	Ratification in process
9	STCRSP	IFAD	24.84	16.80	2.02	6.02	Agricultural support	MOA	Ratification in process
	Total		**375.89**	**$164.10**	**$132.37**	**79.42**			

Source: DMU, MoF

Appendix 4: Summary of Debt Related Litigations

No.	Name of Claimant	Claim/Litigation Amount		Status of Litigation	Remarks
		US$	L$		
1	City Builders Inc.	385,000.00		In Litigation	Ruling in favor of claimant. Legal cost of $35,000 paid; balance $350,000
2	Switching Consultancy	260,000.00		In Litigation	
3	Mansour Yantani	69,583.00		In Litigation	
4	REELIN Liberia, Inc.	139,940.32		In Litigation	
5	Samora Wolokollie	93,248.23	6,450.00	In Litigation	Partially paid
6	Mohammed Houseini	4,128,000.00		In Litigation	
7	Gravceval Const. & Assoc. Inc.	20,001.35		In Litigation	Outstanding. amount of US$5,665.1 plus overrun costs of US$14,336.25
8	Former LIMINCO Workers	1,755,000.00		Court Ruling in favor of claimant	Outstanding. Settlement amount
9	Gibson Const. Company	1,300,000.00		Court Ruling in favor of claimant	Paid
10	FDA	178,000.00		Court Ruling in favor of claimant	Paid
11	LPMC	371,222.00		Court Ruling in favor of claimant	
Total Court Judgment Debt		**3,603,000.00**	**-**		
Total Pending Court Judgment		**5,122,759.20**	**6,450.00**		
Grand Total		**8,725,759.20**	**6,450.00**		

Source: Legal Office, MoF