

International Monetary Fund

[Liberia](#) and the IMF

[IMF Executive Board
Completes Third
Review Under PRGF
Arrangement for
Liberia and Approves
US\\$7 Million
Disbursement](#)

December 18, 2009

[Country's Policy
Intentions Documents](#)

E-Mail Notification
[Subscribe](#) or [Modify](#)
your subscription

Liberia: Letter of Intent

December 2, 2009

The following item is a Letter of Intent of the government of Liberia, which describes the policies that Liberia intends to implement in the context of its request for financial support from the IMF. The document, which is the property of Liberia, is being made available on the IMF website by agreement with the member as a service to users of the [IMF](#) website.

LIBERIA: LETTER OF INTENT

Monrovia, December 2, 2009

Mr. Dominique Strauss-Kahn
Managing Director
International Monetary Fund
Washington, D.C. 20431
USA

Dear Mr. Strauss-Kahn:

The global financial crisis has impacted Liberia severely through job losses in the export sector, an investment slowdown and a weakening of the exchange rate. Nonetheless our monetary and fiscal policies remain broadly on track and we have made significant progress in implementing our economic reform program.

The attached Supplementary Memorandum of Economic and Financial Policies (MEFP) summarizes the substantial progress made in implementing the PRGF-supported program through June 2009 and outlines our economic and structural policies for 2010.

This MEFP complements and updates the MEFP of February 27, 2008 which set out the objectives of our three year PRGF supported program, and the updates of December 3, 2008 and April 15, 2009.

Performance under the program has been good. We met all quantitative performance criteria at end-June 2009 with the exception of total revenue collection due to delays in iron ore and timber concession payments. On the basis that the deviation was temporary we request a waiver of non-observance for this performance criterion. We met the one structural performance criterion applying to this review and four of five structural benchmarks through end-September 2009, albeit some with delay.

We request a modification of the program for an adjuster to the floor on total revenue collection in the event of shortfalls in non-tax revenues; and that the performance criterion on net foreign exchange position of the Central Bank of Liberia be modified to include SDR holdings. We also set out our quantitative program and key structural benchmarks for 2010.

We propose that the sixth loan disbursement is scheduled for October 2010 based on end-June 2010 performance criteria and completion of the fifth program and financing assurances reviews, and the seventh disbursement for mid-February 2011 based on end-December 2010 performance criteria and completion of the sixth program and financing assurances reviews.

We believe that the policies set forth in the attached MEFP are adequate to achieve the objectives of the program, but will take any further measures that may become appropriate for this purpose. We will consult closely with Fund staff as detailed in our letter of December 3, 2008.

We remain committed to the reform agenda, and anticipate that ongoing improvements in governance, public financial management, revenue administration, and in the financial sector will provide us with the foundation necessary to benefit from the global recovery.

On the basis of this performance, and on the strength of the policies set forth in the attached memorandum, we request that the third review under the PRGF arrangement be completed and that the fourth disbursement be approved in the amount of SDR 4.44 million.

Continuing with our policy of transparency, we consent to the publication of this letter, the attached MEFP, and the accompanying Executive Board documents on the IMF's website.

Sincerely yours,

/s/

Augustine Ngafuan
Minister of Finance
Ministry of Finance

/s/

Joseph Mills Jones
Executive Governor
Central Bank of Liberia