

Republic of Liberia

Medium-Term Pay Reform Strategy

2014 Update

Part 2: Annexes

Prepared under the auspices of the Civil Service Agency, Republic of Liberia

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ACRONYMS

AITB	Agricultural and Industrial Training Bureau
BSE	Bureau of State Enterprises
CBL	Central Bank of Liberia
CDA	Cooperative Development Agency
CSA	Civil Service Agency
DP	Development partner
DSA	Daily Subsistence Allowance
ECOWAS	Economic Community of West African States
FY	Fiscal Year
GAC	General Audit Commission
GC	Governance Commission
GDP	Gross Domestic Product
GEMS	Governance and Economic Management Support Program
GOL	Government of Liberia
HLTF	High Level Task Force on Wage Bill Management
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
LIPA	Liberia Institute for Public Administration
LISGIS	Liberia Institute for Statistics and Geo-Information Services
LD	Liberian Dollar
M&A	Ministries and Agencies
MAC	Ministries, Agencies and Commissions
MOF	Ministry of Finance
MOS	Ministry of State
MSME	Micro, Small and Medium Enterprises
NASSCORP	National Social Security & Welfare Corporation
NFAA	National Food Assistance Agency
PAD	Project Appraisal Document
PRSC	Poverty Reduction Support Credit
PSMP	Public Sector Modernization Project
SIDA	Swedish International Development Cooperation Agency
SOE	State owned enterprise
USAID	United States Agency for International Development
USD	United States Dollar

Annex 1: Macro-Fiscal Context: Medium-Term Projections

Table 1: Liberia: Medium-Term Outlook, 2012-17

	FY2012 Est.	FY2013 Proj.	FY2014 Proj.	FY2015 Proj.	FY2016 Proj.	FY2017 Proj.
	Annual percentage change					
National income						
Real GDP	8.3	8.1	6.8	8.6	7.3	7.2
Agriculture & fisheries	1.9	-0.7	4.6	5.1	6.1	5.8
Forestry	1.7	2.6	6.0	6.1	6.1	6.1
Mining & panning	129.1	40.9	0.6	9.9	-15.0	1.4
Manufacturing	3.1	8.9	10.5	10.6	9.8	8.7
Services	4.7	8.5	9.0	10.4	12.6	8.8
Real GDP excluding mining sector (1)	3.4	5.1	7.5	8.5	9.9	7.7
Nominal non-mining per capita GDP (US\$)	388.2	402.1	425.1	459.3	503.7	538.0
Prices						
GDP deflator	4.1	4.1	1.8	8.6	3.4	1.1
Consumer prices (annual average)	6.8	7.8	7.0	6.1	5.6	5.3
Consumer prices (end of period)	7.7	8.5	6.4	5.8	5.4	5.2
Population (millions)	4.0	4.1	4.2	4.3	4.4	4.5
	Percent share					
Nominal GDP	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture & fisheries	31.0	26.1	25.7	22.8	21.8	21.1
Forestry	7.6	7.0	6.9	6.4	6.3	6.3
Mining & panning	11.8	16.7	16.8	21.8	20.8	20.1
Manufacturing	3.6	3.6	3.7	3.6	3.6	3.7
Services	46.0	46.6	47.0	45.5	47.5	48.8

Source: IMF

Notes: (1) Chained weighted sectoral average growth rate.

Table 2: Fiscal Operations of the Central Government, FY2012-17 (1)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
	Act.	Est.	Proj.	Proj.	Proj.	Proj.
	<i>Millions of U.S. dollars</i>					
Total revenue and grants	458.9	555.1	591.0	659.2	760.9	821.4
Revenue	430.6	509.4	507.3	586.7	689.2	742.8
Tax revenue	357.0	369.5	409.0	472.8	549.3	586.1
Non-tax revenue	73.7	139.9	98.3	113.9	139.9	156.6
Grants	28.3	45.7	83.7	72.5	71.7	78.6
Expenditure and net lending	514.0	584.0	667.2	777.9	906.1	986.3
Current expenditure	437.6	493.0	477.2	543.2	620.2	684.4
Wages and salaries	181.4	211.3	218.0	248.4	283.6	310.9
Goods and services	113.9	161.5	136.2	155.6	177.6	194.7
Subsides and transfers	137.5	114.0	114.5	130.9	149.5	163.9
Interest	4.9	6.2	8.5	8.3	9.6	15.0
Capital expenditure	76.4	91.0	190.0	234.6	285.9	301.9
Foreign loan financed	20.1	12.2	94.6	127.1	171.4	167.7
Domestic and grant financed (2)	56.3	78.8	95.5	107.5	114.5	134.2
Unallocated expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Net lending	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance						
Including grants	-55.1	-28.9	-76.2	-118.7	-145.2	-164.9
Excluding grants	-83.4	-74.6	-159.8	-191.2	-216.9	-243.5
	<i>Percent of GDP</i>					
Total revenue and grants	28.0	30.1	29.0	28.5	28.9	28.4
Revenue	26.3	27.6	24.9	25.4	26.1	25.7
Tax revenue	21.8	20.1	20.1	20.5	20.8	20.3
Non-tax revenue	4.5	7.6	4.8	4.9	5.3	5.4
Grants	1.7	2.5	4.1	3.1	2.7	2.7
Expenditure and net lending	31.4	31.7	32.8	33.7	34.4	34.1
Current expenditure	26.7	26.8	23.4	23.5	23.5	23.7
Wages and salaries	11.1	11.5	10.7	10.8	10.8	10.8
Goods and services	7.0	8.8	6.7	6.7	6.7	6.7
Subsides and transfers	8.4	6.2	5.6	5.7	5.7	5.7
Interest	0.3	0.3	0.4	0.4	0.4	0.5
Capital expenditure	4.7	4.9	9.3	10.2	10.8	10.4
Foreign loan financed	1.2	0.7	4.6	5.5	6.5	5.8
Domestic and grant financed	3.4	4.3	4.7	4.7	4.3	4.6
Unallocated expenditure	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance						
Including grants	-3.4	-1.6	-3.7	-5.1	-5.5	-5.7
Excluding grants	-5.1	-4.1	-7.9	-8.3	-8.2	-8.4
Memorandum Item						
Fiscal year nominal GDP (USD millions)	1,636.6	1,842.6	2,035.7	2,310.3	2,637.3	2,891.1

Source: IMF

(1) Budget is shown on a cash bases (i.e. debt service payments are shown after all debt relief.) (2) Approximately 50 percent of on-budget loan-financed capital expenditure substitutes for hitherto off-budget, grant-financed expenditure.

Annex 2: Wage Bill Analysis

Overview of Wage Bill Composition

As in many countries, Liberia's wage bill expenditures are concentrated in large service-delivery sectors. These are education, health and public safety, as well as number of other bodies with large workforces or compensation. As shown in more detail in Table 4 and Table 5, thirteen entities account for approximately three quarters of the wage bill.

The wage bill budget line comprises numerous sub-items, with a few dominating. The composition of the wage bill by sub-item is illustrated in Table 3. The three largest items, which account for three-quarters of personnel expenditures and are fundamental to pay strategy considerations, are:

- Basic salaries - civil service (45% of FY2012/13 total)
- General allowances (23%)
- Special allowances (7%).

In practice, the Basic salaries-civil service item encompasses the bulk of civilian personnel, including some commissions, authorities and other types of bodies that are not typically part of the civil service.¹ Broadly speaking, general allowances are intended for regular (non-political) personnel, while special allowances are intended for elected and appointed officials and, as of early 2014, were being merged into a single, consolidated salary for senior appointed officials in a core group of ministries and agencies.

Issues around the allocation of allowances pose fundamental challenges for the transition to an affordable, equitable, transparent and competitive pay system. The relative weight of allowances in total wage bill expenditures varies considerably across bodies (see Table 6 and Table 7.) The share of general allowances expenditures in entity-level wage bills ranges from a low of 3% in the Ministry of Internal Affairs to a high of 63% in Ministry of Finance. Because teachers, who are the bulk of education sector employment, do not receive allowances, the Ministry of Education wage bill is largely composed of basic salary. Special allowances (intended for elected and appointed officials) also vary, from a low of 1% in the Ministries of Education and Health (reflecting the large share of service-delivery staff in those sectors relative to appointed staff) to a high of 49% in the Liberia Institute for Public Administration (LIPA).

¹ The Basic salaries-civil service item of the FY2012/13 budget (actuals) includes, for example: Liberia Maritime Authority, the Liberia Telecom Corporation (both SOEs), the Forestry Development Authority, and the National Housing Authority. Wage bill expenditures by certain other authorities and commissions are classified under the sub-items for honoraria, general and special allowances, and a number of other small categories.

Table 3: Wage Bill Expenditures by Sub-Item, FY2009/10 to FY2013/14, USD

Item	Actuals	Actuals	Actuals	Actuals	Original Budget
	2009/10	2010/11	2011/12	2012/13	2013/14
COMPENSATION OF EMPLOYEES	115,403,893	141,796,549	181,512,347	210,308,881	220,456,096
Basic Salary - Civil Service	42,964,469	55,291,077	80,877,498	95,022,168	98,903,902
Basic Salary - Military Service	3,921,595	4,432,895	5,649,945	6,324,558	8,500,000
Basic Salary - Paramilitary Service	11,986,320	13,502,672	15,570,920	20,038,373	20,523,017
Honorarium	1,842,500	2,980,212	3,560,546	5,073,384	4,982,884
General Allowance	25,620,009	31,303,888	40,362,715	49,236,308	50,413,554
Special Allowance	13,212,254	15,128,395	15,654,289	15,721,552	23,205,044
Allowance for Uniforms					8,986
Transport Reimbursement Allowance	2,930,000	3,361,702	3,800,467	3,831,690	3,886,200
Meals Reimbursement Allowance				5,505	
Professionals	3,965,680	5,409,776	6,448,505	4,880,327	1,009,502
Non-professionals (Casual Work)	1,286,648	1,380,194	1,216,878	1,305,205	1,368,758
Training Stipend	432,250	723,000	1,195,515	953,590	800,000
Overtime	247,122	756,018	393,352	22,149	12,249
Residential Rental and Lease			79,103	1,500	
Minimum Salary Adjustment	15,220	1,288		1,000,000	
Compensation-President's Young Professionals			64,800	145,950	225,000
Social Security Contributions		577,620	745,750	526,000	1,002,000
Pension for General Civil Service	122,310	6,499,500	5,858,993	5,934,892	5,340,000
Medical Expenses -To Employees			15,000	15,000	15,000
Incapacity, Death Benefits			10,000	10,000	10,000
Severance Payments and Related	6,857,516	448,312	8,071	260,730	250,000
<i>As percent of Compensation of Employees line item total</i>					
Basic Salary - Civil Service	37.2%	39.0%	44.6%	45.2%	44.9%
Basic Salary - Military Service	3.4%	3.1%	3.1%	3.0%	3.9%
Basic Salary - Paramilitary Service	10.4%	9.5%	8.6%	9.5%	9.3%
Honorarium	1.6%	2.1%	2.0%	2.4%	2.3%
General Allowance	22.2%	22.1%	22.2%	23.4%	22.9%
Special Allowance	11.4%	10.7%	8.6%	7.5%	10.5%
Allowance for Uniforms					0.004%
Transport Reimbursement Allowance	2.5%	2.4%	2.1%	1.8%	1.8%
Meals Reimbursement Allowance				0.003%	
Professionals	3.4%	3.8%	3.6%	2.3%	0.5%
Non-professionals (Casual Work)	1.1%	1.0%	0.7%	0.6%	0.6%
Training Stipend	0.4%	0.5%	0.7%	0.5%	0.4%
Overtime	0.2%	0.5%	0.2%	0.01%	0.01%
Residential Rental and Lease			0.04%	0.00%	
Minimum Salary Adjustment	0.01%	0.001%		0.5%	
Compensation of President Young Professionals			0.04%	0.07%	0.10%
Social Security Contributions		0.4%	0.4%	0.3%	0.5%
Pension for General Civil Service	0.1%	4.6%	3.2%	2.8%	2.4%
Medical Expenses -To Employees			0.01%	0.01%	0.01%
Incapacity, Death Benefits			0.01%	0.005%	0.005%
Severance Payments and Related	5.9%	0.3%	0.004%	0.12%	0.11%
	100%	100%	100%	100%	100%

Source: Ministry of Finance budget data, and CSA calculations

Notes: Basic Salary-Civil Service sub-item more aptly refers to civilian staff, since it includes some entities that are not part of the civil service payroll, including state-owned enterprises. Sub-items for professionals and non-professionals (Casual workers) indicate contractors, not regular staff.

Table 4: Budget Users by Size of FY2012/13 Wage Bill, USD

Budget User and Budget Code	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Original Budget 2013/14
Ministry of Education (301)	17,101,816	22,422,457	36,246,691	41,211,270	35,504,600
Ministry of Justice (202)	10,620,872	12,750,316	16,862,224	20,326,239	21,989,850
National Legislature (101)	12,934,929	13,438,781	15,447,856	18,713,517	18,687,008
Ministry of Health and Social Welfare (310)	5,736,129	10,404,240	14,547,180	16,255,952	21,360,150
Ministry of Finance (104)	7,097,100	9,919,482	10,530,928	11,007,602	24,760,186
Judiciary (201)	7,151,218	7,247,229	9,469,542	9,327,439	11,791,237
Ministry of Internal Affairs (105)	4,939,444	7,060,009	9,112,450	9,204,355	8,289,562
Ministry of National Defense (203)	4,801,647	5,631,016	7,013,110	7,867,175	9,031,736
Ministry of Foreign Affairs (111)	4,111,882	4,469,031	4,945,882	5,846,551	4,444,581
General Auditing Commission (110)	2,468,013	3,045,500	3,869,405	4,711,245	4,674,840
Liberia Maritime Authority (424)	-	-	-	4,068,163	3,758,200
Executive Protection Service (205)	2,366,561	2,581,560	3,055,917	3,501,529	3,621,319
National Elections Commission (113)	1,666,049	3,141,255	4,471,543	3,402,911	3,405,340
National Claims (501)	-	-	-	3,152,145	-
Ministry of Public Works (409)	2,715,876	3,434,322	2,705,211	3,005,785	2,851,647
Monrovia Consolidated School System (303)	1,485,889	1,628,617	3,260,381	2,969,975	3,527,592
Forestry Development Authority (407)	2,156,293	2,164,110	2,363,330	2,419,834	2,499,000
Ministry of Lands, Mines and Energy (402)	1,432,247	1,692,457	2,017,167	1,950,497	1,610,567
Ministry of State for Presidential Affairs (102)	2,027,730	2,017,730	1,945,554	1,928,658	1,563,650
Ministry of Planning and Economic Affairs (106)	623,688	751,215	1,271,110	1,757,677	738,421
LISGIS (114)	966,546	1,396,416	1,813,339	1,689,317	743,400
Ministry of Information, Culture & Tourism (109)	776,416	883,400	1,076,119	1,311,570	1,168,807
Liberia Anti-Corruption Commission (123)	1,017,667	1,077,492	1,206,580	1,297,472	1,304,544
Ministry of Labor (408)	824,642	886,096	1,193,266	1,260,091	1,055,265
Jackson F Doe Hospital (436)	-	-	-	1,249,419	1,266,260
Ministry of Agriculture (401)	1,225,597	1,312,555	1,699,765	1,195,547	2,519,270
Ministry of Post and Telecommunications (404)	678,194	785,345	922,379	1,116,156	949,468
Ministry of Transport (406)	769,411	843,288	950,780	1,102,703	1,092,343
Ministry of Commerce and Industry (403)	666,381	771,054	1,090,403	1,009,986	1,042,575
General Services Agency (108)	678,478	715,434	948,290	1,006,439	943,040
National Security Agency (204)	700,224	700,232	864,106	964,004	1,080,304
Governance Commission (117)	525,156	653,688	763,898	960,319	844,585
Environmental Protection Agency (120)	334,800	461,277	817,180	934,978	994,800
Civil Service Agency (107)	969,632	1,159,361	2,173,551	914,843	821,707
National Investment Commission (116)	396,852	619,842	951,008	760,311	774,902
Office of the Vice President (103)	491,337	499,478	545,503	756,221	654,684
West African Examination Council (309)	496,317	589,072	728,013	728,002	728,483
Land Commission (125)	-	719,937	603,362	717,825	717,825
Ministry of National Security (206)	490,092	510,152	621,983	696,521	51,600
Public Procurement and Concessions Commission (118)	553,795	696,300	682,528	696,134	769,163
Human Rights Commission (208)	366,038	529,500	655,251	691,600	622,500
Ministry of Youth and Sports (314)	596,141	621,789	644,527	674,633	849,972
Ministry of Gender & Development (317)	411,570	444,218	584,627	658,411	539,990
National Housing Authority (324)	-	-	-	586,742	611,694
Monrovia City Corporation (318)	-	-	-	582,617	558,893
National Aids Commission (435)	-	-	-	575,040	581,040
LRRRC (319)	503,117	510,373	509,646	536,090	525,373
CNDRA (119)	297,348	388,333	497,915	479,087	500,957
National Bureau of Investigation (207)	289,999	370,990	465,304	451,693	12,060
Liberia Institute for Public Administration (112)	408,818	457,291	437,890	448,139	307,609
Liberia Produce Marketing Co (414)	-	-	-	374,357	364,404
Liberia Med.Health Prdts R (434)	-	-	-	368,444	160,560
Kakata Rural Teacher Training Institute (328)	36,609	49,741	97,992	366,234	744,767
Liberia Broadcasting System (121)	295,757	352,068	345,092	353,103	325,200
Law Reform Commission (124)	-	-	-	322,550	153,000
National Commission on Higher Education (307)	172,536	245,527	289,015	320,790	289,026
Liberian Institute of Biomedical Research (313)	160,843	217,694	241,656	287,361	292,114
Zorzor Rural Teacher Training Institute (ZRTTI) (326)	82,130	105,835	104,046	253,540	255,000
Webbo Rural Teacher Training Institute (327)	200,909	203,399	362,535	242,162	275,076
Cooperative Development Agency (405)	119,516	164,404	211,746	231,041	271,256
Liberia Extr. Ind.Inst (LEITI) (431)	-	-	-	214,571	235,683
William V.S. Tubman University (308)	-	-	-	171,701	-
Liberia Airport Authority (429)	-	-	-	170,871	223,595
Bureau of State Enterprises (115)	81,603	81,847	134,610	163,863	142,616
Liberia Telecom Corp. (418)	-	-	-	150,000	-
Agricultural and Industrial Training Bureau (316)	126,048	129,468	134,161	141,990	169,647
University of Liberia (302)	-	-	-	125,000	125,000
National Commission on Disabilities (321)	104,450	111,140	114,961	113,839	139,230
Forestry Training Institute (305)	-	-	-	103,408	95,000
Liberia Copyright Office (411)	40,634	51,024	96,155	93,787	93,510

Budget User and Budget Code	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Original Budget 2013/14
National Lottery (425)	18,044	42,501	-	88,922	92,425
National Food Assistance Agency (315)	89,082	77,229	87,895	80,726	80,480
Liberia Rubber Development A (423)	-	-	-	50,176	34,236
Liberia Industrial Property System (410)	23,955	37,000	96,980	49,394	51,575
John F. Kennedy Medical Center (311)	-	-	-	40,002	150,000
Phebe Hospital School of N (312)	-	-	-	15,500	-
Bomi County Community College (330)	-	-	-	13,500	-
Paynesville City Corporation (325)	-	-	-	-	358,100
Plus:					
Social Security Contributions (212101)	-	577,620	745,750	526,000	1,002,000
Pension for General Civil Service (212102)	122,310	6,499,500	5,858,993	5,934,892	5,340,000
<u>Severance Payments and Related Costs (213103)</u>	<u>6,857,516</u>	<u>448,312</u>	<u>8,071</u>	<u>260,730</u>	<u>250,000</u>
Total	115,403,893	141,796,549	181,512,347	210,308,881	220,456,096

Source: Ministry of Finance budget data and CSA calculations

Note: (1) In order to compare the relative size of budget users' regular expenditures on their workforce, expenditures that are unusual in coverage or occurrence are shown separately, namely civil service-wide pensions and severance costs that are assigned primarily to the Civil Service Agency, and social security contributions. (2) Bold italics indicate entities that employ civil servants. (3) Gray highlight indicates entities that are participating in the Public Sector Modernization Project.

Table 5: Budget Users by FY2012/13 Share of GOL Wage Bill, Percent of Total

Budget User (Budget code)	Actuals 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Original Budget 2013/14
Ministry of Education (301)	14.82%	15.81%	19.97%	19.60%	16.11%
Ministry of Justice (202)	9.20%	8.99%	9.29%	9.66%	9.97%
National Legislature (101)	11.21%	9.48%	8.51%	8.90%	8.48%
Ministry of Health and Social Welfare (310)	4.97%	7.34%	8.01%	7.73%	9.69%
Ministry of Finance (104)	6.15%	7.00%	5.80%	5.23%	11.23%
Judiciary (201)	6.20%	5.11%	5.22%	4.44%	5.35%
Ministry of Internal Affairs (105)	4.28%	4.98%	5.02%	4.38%	3.76%
Ministry of National Defense (203)	4.16%	3.97%	3.86%	3.74%	4.10%
Ministry of Foreign Affairs (111)	3.56%	3.15%	2.72%	2.78%	2.02%
General Auditing Commission (110)	2.14%	2.15%	2.13%	2.24%	2.12%
Liberia Maritime Authority (424)	-	-	-	1.93%	1.70%
Executive Protection Service (205)	2.05%	1.82%	1.68%	1.66%	1.64%
National Elections Commission (113)	1.44%	2.22%	2.46%	1.62%	1.54%
National Claims (501)	-	-	-	1.50%	-
Ministry of Public Works (409)	2.35%	2.42%	1.49%	1.43%	1.29%
Monrovia Consolidated School System (303)	1.29%	1.15%	1.80%	1.41%	1.60%
Forestry Development Authority (407)	1.87%	1.53%	1.30%	1.15%	1.13%
Ministry of Lands, Mines and Energy (402)	1.24%	1.19%	1.11%	0.93%	0.73%
Ministry of State for Presidential Affairs (102)	1.76%	1.42%	1.07%	0.92%	0.71%
Ministry of Planning and Economic Affairs (106)	0.54%	0.53%	0.70%	0.84%	0.33%
LISGIS (114)	0.84%	0.98%	1.00%	0.80%	0.34%
Ministry of Information, Culture & Tourism (109)	0.67%	0.62%	0.59%	0.62%	0.53%
Liberia Anti-Corruption Commission (123)	0.88%	0.76%	0.66%	0.62%	0.59%
Ministry of Labor (408)	0.71%	0.62%	0.66%	0.60%	0.48%
Jackson F Doe Hospital (436)	-	-	-	0.59%	0.57%
Ministry of Agriculture (401)	1.06%	0.93%	0.94%	0.57%	1.14%
Ministry of Post and Telecommunications (404)	0.59%	0.55%	0.51%	0.53%	0.43%
Ministry of Transport (406)	0.67%	0.59%	0.52%	0.52%	0.50%
Ministry of Commerce and Industry (403)	0.58%	0.54%	0.60%	0.48%	0.47%
General Services Agency (108)	0.59%	0.50%	0.52%	0.48%	0.43%
National Security Agency (204)	0.61%	0.49%	0.48%	0.46%	0.49%
Governance Commission (117)	0.46%	0.46%	0.42%	0.46%	0.38%
Environmental Protection Agency (120)	0.29%	0.33%	0.45%	0.44%	0.45%
Civil Service Agency (107)	0.84%	0.82%	1.20%	0.43%	0.37%
National Investment Commission (116)	0.34%	0.44%	0.52%	0.36%	0.35%
Office of the Vice President (103)	0.43%	0.35%	0.30%	0.36%	0.30%
West African Examination Council (309)	0.43%	0.42%	0.40%	0.35%	0.33%
Land Commission (125)	0.00%	0.51%	0.33%	0.34%	0.33%
Ministry of National Security (206)	0.42%	0.36%	0.34%	0.33%	0.02%
Public Procurement and Concessions Commission (118)	0.48%	0.49%	0.38%	0.33%	0.35%
Human Rights Commission (208)	0.32%	0.37%	0.36%	0.33%	0.28%
Ministry of Youth and Sports (314)	0.52%	0.44%	0.36%	0.32%	0.39%
Ministry of Gender & Development (317)	0.36%	0.31%	0.32%	0.31%	0.24%
National Housing Authority (324)	-	-	-	0.28%	0.28%
Monrovia City Corporation (318)	-	-	-	0.28%	0.25%
National Aids Commission (435)	-	-	-	0.27%	0.26%
LRRRC (319)	0.44%	0.36%	0.28%	0.25%	0.24%
CNDRA (119)	0.26%	0.27%	0.27%	0.23%	0.23%
National Bureau of Investigation (207)	0.25%	0.26%	0.26%	0.21%	0.01%
Liberia Institute for Public Administration (112)	0.35%	0.32%	0.24%	0.21%	0.14%
Liberia Produce Marketing Co (414)	-	-	-	0.18%	0.17%
Liberia Med.Health Prdts R (434)	-	-	-	0.18%	0.07%
Kakata Rural Teacher Training Institute (328)	0.03%	0.04%	0.05%	0.17%	0.34%
Liberia Broadcasting System (121)	0.26%	0.25%	0.19%	0.17%	0.15%
Law Reform Commission (124)	-	-	-	0.15%	0.07%
National Commission on Higher Education (307)	0.15%	0.17%	0.16%	0.15%	0.13%
Liberian Institute of Biomedical Research (313)	0.14%	0.15%	0.13%	0.14%	0.13%
Zorzor Rural Teacher Training Institute (ZRTTI) (326)	0.07%	0.07%	0.06%	0.12%	0.12%
Webbo Rural Teacher Training Institute (327)	0.17%	0.14%	0.20%	0.12%	0.12%
Cooperative Development Agency (405)	0.10%	0.12%	0.12%	0.11%	0.12%
Liberia Extr. Ind.Inst (LEITI) (431)	-	-	-	0.10%	0.11%
William V.S. Tubman University (308)	-	-	-	0.08%	-
Liberia Airport Authority (429)	-	-	-	0.08%	0.10%
Bureau of State Enterprises (115)	0.07%	0.06%	0.07%	0.08%	0.06%
Liberia Telecom Corp. (418)	-	-	-	0.07%	-
Agricultural and Industrial Training Bureau (316)	0.11%	0.09%	0.07%	0.07%	0.08%
University of Liberia (302)	-	-	-	0.06%	0.06%
National Commission on Disabilities (321)	0.09%	0.08%	0.06%	0.05%	0.06%
Forestry Training Institute (305)	-	-	-	0.05%	0.04%

Budget User (Budget code)	Actuals 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Original Budget 2013/14
Liberia Copyright Office (411)	0.04%	0.04%	0.05%	0.04%	0.04%
National Lottery (425)	0.02%	0.03%	0.00%	0.04%	0.04%
National Food Assistance Agency (315)	0.08%	0.05%	0.05%	0.04%	0.04%
Liberia Rubber Development A (423)	-	-	-	0.02%	0.02%
Liberia Industrial Property System (410)	0.02%	0.03%	0.05%	0.02%	0.02%
John F. Kennedy Medical Center (311)	-	-	-	0.02%	0.07%
Phebe Hospital School of N (312)	-	-	-	0.01%	-
Bomi County Community College (330)	-	-	-	0.01%	-
Paynesville City Corporation (325)	-	-	-	-	0.16%
<i>Plus:</i>					
Social Security Contributions (212101)	-	0.41%	0.41%	0.25%	0.45%
Pension for General Civil Service (212102)	0.11%	4.58%	3.23%	2.82%	2.42%
Severance Payments and Related Costs (213103)	5.94%	0.32%	0.00%	0.12%	0.11%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Ministry of Finance budget data and CSA calculations

Note: (1) In order to compare the relative size of budget users' regular expenditures on their workforce, expenditures that are unusual in coverage or occurrence are shown separately, namely civil service-wide pensions and severance costs that are assigned primarily to the Civil Service Agency, and social security contributions. (2) Bold italics indicate entities that employ civil servants. (3) Gray highlight indicates entities that are participating in the Public Sector Modernization Project.

Table 6: Wage Bill by Budget User and Key Item, FY2012/13 Actuals, USD

	Compen- sation of Employees	Basic Salary Civil Service	General Allowan- ce	Special Allowance	Honora- rium	Profession- als	Other sub- items, total	Basic Salary Militar- y	Basic Salary Para- military
Total	210,308,881	95,022,168	49,236,3	15,721,552	5,073,384	4,880,327	7,290,58	6,324,5	20,038,373
<i>Of which 32 core bodies</i>	<i>165,164,422</i>	<i>83,892,380</i>	<i>37,773,3</i>	<i>12,206,964</i>	<i>164,701</i>	<i>2,279,307</i>	<i>7,179,61</i>	-	<i>14,946,526</i>
32 core bodies as percent of total	79%	88%	77%	78%	3%	47%	98%	-	75%
<i>Of which:</i>	<i>158,442,800</i>	<i>83,892,380</i>	<i>37,773,3</i>	<i>12,206,964</i>	<i>164,701</i>	<i>2,279,307</i>	<i>7,179,61</i>	-	<i>14,946,526</i>
Ministry of Education	41,211,270	38,970,654	-	274,800	-	-	-	-	-
Ministry of Justice	20,326,239	2,646,172	-	556,436	-	189,484	139,930	-	14,444,801
<i>National Legislature</i>	<i>18,713,517</i>	<i>3,791,224</i>	<i>3,478,709</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Ministry of Health and Social Welfare	16,255,952	9,644,690	-	243,000	-	181,004	-	-	-
<i>Ministry of Finance</i>	<i>11,007,602</i>	<i>2,659,926</i>	<i>-</i>	<i>400,207</i>	<i>137,451</i>	<i>97,606</i>	<i>819,866</i>	<i>-</i>	<i>-</i>
Judiciary	9,327,439	2,677,740	-	1,462,000	-	-	-	-	-
<i>Ministry of Internal Affairs</i>	<i>9,204,355</i>	<i>7,805,386</i>	<i>298,077</i>	<i>1,092,395</i>	<i>-</i>	<i>8,497</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Ministry of Foreign Affairs</i>	<i>5,846,551</i>	<i>4,129,199</i>	<i>-</i>	<i>556,570</i>	<i>27,250</i>	<i>57,750</i>	<i>-</i>	<i>-</i>	<i>-</i>
Ministry of Public Works	3,005,785	970,918	-	215,600	-	239,200	399,067	-	-
Monrovia Consolidated School System	2,969,975	2,730,735	219,140	20,100	-	-	-	-	-
Ministry of Lands, Mines and Energy	1,950,497	866,412	470,614	230,400	-	383,070	-	-	-
<i>Ministry of State for Presidential Affairs</i>	<i>1,928,658</i>	<i>755,918</i>	<i>490,240</i>	<i>682,500</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Ministry of Planning and Economic	1,757,677	792,878	605,551	197,999	-	160,000	1,250	-	-
LISGIS	1,689,317	329,392	645,713	116,550	-	597,662	-	-	-
<i>Ministry of Information, Culture &</i>	<i>1,311,570</i>	<i>682,857</i>	<i>393,758</i>	<i>224,955</i>	<i>-</i>	<i>-</i>	<i>10,000</i>	<i>-</i>	<i>-</i>
Ministry of Labor	1,260,091	298,311	594,323	187,200	-	130,160	50,097	-	-
Ministry of Agriculture	1,195,547	546,306	417,041	232,200	-	-	-	-	-
Ministry of Post and	1,116,156	544,715	303,367	179,550	-	65,734	22,790	-	-
Ministry of Transport	1,102,703	480,518	467,385	154,800	-	-	-	-	-
Ministry of Commerce and Industry	1,009,986	417,483	425,174	166,387	-	-	943	-	-
General Services Agency	1,006,439	572,464	251,075	146,400	-	36,500	-	-	-
Civil Service Agency	914,843	262,054	265,299	203,400	-	38,140	145,950	-	-
<i>Office of the Vice President</i>	<i>756,221</i>	<i>180,146</i>	<i>286,020</i>	<i>275,056</i>	<i>-</i>	<i>-</i>	<i>15,000</i>	<i>-</i>	<i>-</i>
Ministry of National Security	696,521	-	39,996	154,800	-	-	-	-	501,725
Ministry of Youth and Sports	674,633	304,315	172,318	198,000	-	-	-	-	-
Ministry of Gender & Development	658,411	242,337	209,803	139,271	-	67,000	-	-	-
CNDRA	479,087	238,143	191,048	49,896	-	-	-	-	-
Liberia Institute for Public Administration	448,139	112,835	116,922	218,382	-	-	-	-	-
Cooperative Development Agency	231,041	76,241	76,200	78,600	-	-	-	-	-
Bureau of State Enterprises	163,863	39,234	50,329	46,800	-	27,500	-	-	-
Agricultural and Industrial Training	141,990	62,346	55,644	24,000	-	-	-	-	-
National Food Assistance Agency	80,726	60,830	19,896	-	-	-	-	-	-
<i>Plus related expenditures for</i>									
Social Security Contribution	526,000	-	-	-	-	-	-	-	-
Pension for General Civil Service	5,934,892	-	-	-	-	-	-	-	-
Severance Payments and Related	260,730	-	-	-	-	-	-	-	-

Source: Ministry of Finance budget data and CSA calculations

Note: To facilitate comparison, Compensation of Employees line is adjusted to exclude social security, pension, and severance sub-items, which are assigned to only a few entities (largely the CSA). Base Salary - Civil Service includes entities that are not on the civil service payroll (e.g. SOEs). General Allowance includes payments to civil servants and to individuals who are not on the civil service payroll.

Table 7: Composition of Wage Bill in Selected Bodies, FY 2012/13 Actuals

Name	As percent of entity's wage bill expenditures						Wage Bill as % of Recurrent Expenditures
	Basic salary - Civil Service	General Allowance	Special Allowance	Professionals	Basic Salary Para-military	Other	
Ministry of Education	95%	5%	1%				92%
Ministry of Justice	13%	12%	3%	1%	71%	1%	63%
National Legislature	20%	41%	19%			20%	52%
Ministry of Health and Social Welfare	59%	38%	1%	1%			83%
Ministry of Finance	24%	63%	4%	1%		9%	15%
Judiciary	29%	37%	16%			19%	82%
Ministry of Internal Affairs	85%	3%	12%				81%
Ministry of Foreign Affairs	71%	18%	10%	1%		0.5	44%
Ministry of Public Works	32%	39%	7%	8%		13%	64%
Monrovia Consolidated School System	92%	7%	1%				81%
Ministry of Lands, Mines and Energy	44%	24%	12%	20%			58%
Ministry of State for Presidential Affairs	39%	25%	35%				23%
Ministry of Planning & Economic Affairs	45%	34%	11%	9%		0%	51%
LISGIS	19%	38%	7%	35%			65%
Ministry of Information, Culture & Tourism	52%	30%	17%			1%	36%
Ministry of Labor	24%	47%	15%	10%		4%	69%
Ministry of Agriculture	46%	35%	19%				19%
Ministry of Post and Telecommunications	49%	27%	16%	6%		2%	65%
Ministry of Transport	44%	42%	14%				58%
Ministry of Commerce and Industry	41%	42%	16%				46%
General Services Agency	57%	25%	15%	4%			52%
Civil Service Agency	29%	29%	22%	4%		16%	27%
Office of the Vice President	24%	38%	36%			2%	38%
Ministry of National Security		6%	22%		72%		72%
Ministry of Youth and Sports	45%	26%	29%				47%
Ministry of Gender & Development (317)	37%	32%	21%	10%			57%
CNDRA	50%	40%	10%				60%
Liberia Institute for Public Administration	25%	26%	49%				65%
Cooperative Development Agency	33%	33%	34%				62%
Bureau of State Enterprises	24%	31%	29%	17%			86%
Agricultural and Industrial Training Bureau	44%	39%	17%				51%
National Food Assistance Agency	75%	25%					99%

Source: Ministry of Finance data and CSA calculations

Note: Figures may not sum due to rounding. To enable comparison, expenditures on social security, pensions, and severance (which are assigned largely to the CSA) were excluded from calculations. "Professionals" category refers to contractors, not regular staff. "Other" category includes small sub-items as listed elsewhere in this document. Recurrent expenditures are the sum of Compensation of Employees and Use of Goods & Services.

Annex 3: Liberia's Wage Bill in a Regional Context

This annex presents a comparative perspective on wage bill expenditures in Liberia and 12 other ECOWAS countries. The most commonly used indicators are wage bill as percent of GDP, and as a percent of budgetary revenues and expenditures. Such comparisons are useful for broad context, as an indication of the relative weight of the wage bill in the budget, the availability of funds for other expenditure priorities, and overall affordability. While there is no single right ratio, when a country is an extreme outlier relative to well-chosen comparators, further investigation is warranted.

Liberia falls in the middle-to-upper range of ECOWAS countries on such indicators. While above the ECOWAS average, it is not an extreme outlier.

These ratios also have important limitations. Countries organize their budgets differently, which affects the resulting ratios. For example, Liberia includes contractors (the “professionals”, and “non-professionals” sub-items) in the Compensation of Employees budget line (wage bill), whereas the IMF’s GFSM 2001 classifies such payments under Goods & Services. Practice in other ECOWAS countries may vary. Similarly, ratios such as those presented below are affected by changes in the numerator as well as the denominator (such as contraction in GDP due to global financial developments, or fluctuation in revenue collection.)

Table 8: Wages and Salaries in 13 ECOWAS Countries

	% of GDP			% of total revenues			% of tax revenues			% of total expenditures			% of current expenditure		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Benin	7%	7%	7%	39%	39%	42%	45%	45%	48%	29%	35%	34%	46%	47%	49%
Cape Verde	12%	12%	12%	50%	54%	51%	58%	61%	58%	33%	30%	31%	56%	59%	57%
Cote d'Ivoire	7%	7%	8%	36%	37%	42%	41%	42%	48%	33%	33%	32%	38%	38%	37%
Gambia	5%	6%	6%	31%	38%	40%	34%	43%	45%	22%	23%	25%	33%	37%	37%
Ghana	7%	7%	8%	50%	48%	44%	55%	52%	48%	33%	31%	35%	51%	46%	49%
Guinea	5%	6%	5%	31%	37%	31%	39%	50%	41%	21%	19%	22%	30%	28%	34%
Guinea Bissau	5%	5%	5%	58%	46%	50%	76%	63%	63%	25%	24%	25%	43%	42%	42%
Mali	5%	5%	5%	32%	32%	35%	34%	34%	37%	21%	24%	23%	38%	39%	38%
Niger	4%	4%	5%	26%	27%	29%	28%	29%	30%	16%	19%	18%	34%	31%	33%
Senegal	6%	6%	6%	32%	32%	30%	33%	33%	32%	22%	23%	22%	36%	40%	35%
Sierra Leone	6%	7%	7%	45%	53%	46%	50%	59%	33%	28%	26%	23%	40%	42%	35%
Togo	6%	5%	6%	37%	28%	31%	41%	33%	37%	30%	23%	22%	40%	35%	34%
Liberia	8%	9%	10%	43%	41%	42%	48%	55%	52%	37%	40%	36%	42%	45%	45%
Max	12%	12%	12%	58%	54%	51%	76%	63%	63%	37%	40%	36%	56%	59%	57%
Min	4%	4%	5%	26%	27%	29%	28%	29%	30%	16%	19%	18%	30%	28%	33%
Average	6%	7%	7%	39%	39%	39%	45%	46%	44%	27%	27%	27%	41%	41%	40%

Source: Liberia Public Expenditure Review: Options for Fiscal Space Enlargement, World Bank, May 2013

Annex 4: Civil Service Employment by Grade, Entity and Gender

Table 9 presents a snapshot of civil service employment by grade and budget user, based on CSA data. The actual status fluctuates over time, as individuals are removed or added to the payroll, and is subject to uncertainty due to mis-grading. The data cover some 34,247 civil service posts (excluding 508 elected and appointed posts which are not typically considered part of the civil service.)

Table 10 presents a gender breakdown of the Professional and Executive grades.

In addition to the regular payroll, a number of other categories of workers operate within government:

- Budget-funded employment on supplementary payrolls. This total also fluctuates over time, and is targeted for elimination in the near future. (Indicatively, there were 8,603 entries on the supplementary payroll at September 2013).
- An unknown number of workers paid via allowances only. These workers do not appear in other official records.
- Workers who are not on the regular base salary payroll and funded in whole or in part by development partners, notably in the health sector. Indicatively, Ministry of Health's general allowances records for February 2014 include 2,793 records identified as not being GOL employees.

Table 9: Distribution of Payroll Entries by Grade and Budget User, 2013

Body	Key Categories / Grades						Off scale	Total	Share of total
	TAS	P	E	EAS	HE	TE			
Ministry of Education	604	420	74	11		11,128	14	12,251	35%
Ministry of Justice	2,278	1,060	149	104			92	3,683	11%
Ministry of Health and Social Welfare	1,218	206	35	15	2,087		26	3,587	10%
Ministry of Internal Affairs	2,797	681	34	64			2	3,578	10%
National Legislature	414	86	1	96			1,893	2,490	7%
Judiciary	975	414	51	94			6	1,540	4%
Ministry of Finance	376	889	92	8				1,365	4%
Monrovia Consolidated School System	256	64	3	1		697	2	1,023	3%
Ministry of Public Works	378	140	47	4				569	2%
Ministry of Lands, Mines and Energy	337	102	57	9				505	1%
Ministry of State for Presidential Affairs	302	100	27	15			1	445	1%
General Services Agency	239	93	2	3				337	1%
Ministry of Post and Telecommunications	207	90	9	8				314	1%
Ministry of Foreign Affairs	154	132	21	5				312	1%
Ministry of Information, Culture & Tourism	228	73	2	5				308	1%
Ministry of Transport	180	96	4	8				288	1%
Ministry of Agriculture	78	175	16	11			1	281	1%
Ministry of National Security	183	72	10	4				269	1%
Ministry of Commerce and Industry	175	67	8	6				256	1%
LISGIS	77	65	30	4				176	1%
Ministry of Youth and Sports	88	76	3	7				174	1%
Ministry of Labor	94	67	4	4				169	0.5%
Ministry of Planning and Economic Affairs	71	63	8	3				145	0.4%
CNDRA	75	63	2	2			1	143	0.4%
Civil Service Agency	46	54	35	4				139	0.4%
Ministry of Gender & Development	74	46	10	3				133	0.4%
Office of the Vice President	43	3		2			33	81	0.2%
Liberia Institute for Public Administration	21	26	8	5				60	0.2%
CDA	17	12	5	2			6	42	0.1%
NFAA	26	11	1					38	0.1%
AITB	10	19	4					33	0.1%
Bureau of State Enterprises	9	9	2	1				21	0.1%
Subtotal (May 2013)	12,030	5,474	754	508	2,087	11,825	2,077	34,755	100%
Share of total	35%	16%	2%	1%	6%	34%	6%	100%	

Source: CSA HRMIS data and calculations

Note: Excludes workers on supplementary payrolls.

Table 10: Professional and Executive Grades by Gender, 2013

Body	Professional Grades					Executive Grades				
	Headcount			Percent of Total		Headcount			Percent of Total	
	Female	Male	Total	Female	Male	Female	Male	Total	Female	Male
AITB	4	13	17	24%	76%	-	7	7	-	100%
BSE	2	8	10	20%	80%	-	3	3	-	100%
CDA	2	20	22	9%	91%	-	2	2	-	100%
CNDRA	26	50	76	34%	66%	-	2	2	-	100%
CSA	28	24	52	54%	46%	16	20	36	44%	56%
GSA	20	74	94	21%	79%	-	2	2	-	100%
JUD	40	168	208	19%	81%	15	262	277	5%	95%
LIPA	13	18	31	42%	58%	1	11	12	8%	92%
LISGIS	26	65	91	29%	71%	5	25	30	17%	83%
MIA	103	609	712	14%	86%	-	28	28	-	100%
MICAT	18	58	76	24%	76%	-	3	3	-	100%
MOA	26	165	191	14%	86%	6	14	20	30%	70%
MOCI	11	57	68	16%	84%	-	9	9	-	100%
MOE	96	265	361	27%	73%	33	171	204	16%	84%
MOF	232	724	956	24%	76%	18	108	126	14%	86%
MOFA	38	86	124	31%	69%	6	16	22	27%	73%
MOGD	29	19	48	60%	40%	4	6	10	40%	60%
MOHSW	74	145	219	34%	66%	14	29	43	33%	67%
MOJ	218	733	951	23%	77%	82	392	474	17%	83%
MOL	9	54	63	14%	86%	-	5	5	-	100%
MOLME	29	92	121	24%	76%	4	70	74	5%	95%
MONS	8	67	75	11%	89%	2	8	10	20%	80%
MOPEA	18	43	61	30%	70%	2	6	8	25%	75%
MOPT	32	76	108	30%	70%	3	1	4	75%	25%
MOPW	37	119	156	24%	76%	8	53	61	13%	87%
MOSPA	30	68	98	31%	69%	2	3	5	40%	60%
MOT	22	75	97	23%	77%	-	4	4	-	100%
MOYS	21	80	101	21%	79%	4	5	9	44%	56%
NFAA	4	7	11	36%	64%	-	1	1	-	100%
Grand Total	1,216	3,982	5,198	23%	77%	225	1,266	1,491	15%	85%
	Professional & Executive Grades Combined									
	Headcount			Percent of Total						
Body	Female	Male	Total	Female	Male					
AITB	4	20	24	17%	83%					
BSE	2	11	13	15%	85%					
CDA	2	22	24	8%	92%					
CNDRA	26	52	78	33%	67%					
CSA	44	44	88	50%	50%					
GSA	20	76	96	21%	79%					
JUD	55	430	485	11%	89%					
LIPA	14	29	43	33%	67%					
LISGIS	31	90	121	26%	74%					
MIA	103	637	740	14%	86%					
MICAT	18	61	79	23%	77%					
MOA	32	179	211	15%	85%					
MOCI	11	66	77	14%	86%					
MOE	129	436	565	23%	77%					
MOF	250	832	1082	23%	77%					
MOFA	44	102	146	30%	70%					
MOGD	33	25	58	57%	43%					
MOHSW	88	174	262	34%	66%					
MOJ	300	1,125	1425	21%	79%					
MOL	9	59	68	13%	87%					
MOLME	33	162	195	17%	83%					
MONS	10	75	85	12%	88%					
MOPEA	20	49	69	29%	71%					
MOPT	35	77	112	31%	69%					
MOPW	45	172	217	21%	79%					
MOSPA	32	71	103	31%	69%					
MOT	22	79	101	22%	78%					
MOYS	25	85	110	23%	77%					
NFAA	4	8	12	33%	67%					

Grand Total	1,441	5,248	6,689	22%	78%
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Source: Ministry of Finance and World Bank

Annex 5: Current Pay and Grading Frameworks for the Civil Service

General Civil Service Base Salary Scale: Formal Structure and Steps/Salaries Approved for Use, LD

Grade / Step	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Executive															
E-3	14,137.50														
E-2	13,412.50				13,775.00										
E-1	12,687.50				13,050.00										
Professional															
P-4	11,962.50						12,325.00								
P-3	11,237.50				11,600.00										
P-2	10,875.00														
P-1	10,512.50														
Technical & Administrative Support															
TAS-3	9,787.50			10,150.00											
TAS-2	9,425.00														
TAS-1	9,062.50														

Health Workers "HE" Scale

Grade	Positions	Base Salary, LD
HE7	Medical doctor (specialist)	59,812
HE6	Medical doctor (general), Chief pharmacist	34,438
HE5	Chief nursing director, Pharmacist	30,812
HE4	Nurse, nurse/midwife, Ophthalmic, Laboratory technician, Nurse-anesthetist	21,750
HE3	Nurse, midwife, Physician assistant, Environmental health technician, X-ray technician, Licensed practical nurse, Social worker, Scrub nurse	19,938
HE2	Director	18,488
HE1	Director, Administrator, Accountant	14,500

Education Sector "TE" Scale (Simplified)

Main grade & credential required	Positions	Salary, LD
TE-7 (Master's degree)	Supervisor principal, Principal, Vice-principal, Registrar, Teacher	38,062
TE-7 (Bachelor's degree)	Supervisor principal, Principal, Vice-principal, Registrar, Teacher	27,187
TE-6 (Associate's degree, B-Certificate)	Supervisor principal, Principal, Vice-principal, Registrar, Teacher	13,412
TE-5 (C-certificate)	Supervisor principal, Principal, Vice-principal, Registrar, Teacher	11,600
TE-4 (HSG)	Supervisor principal, Principal, Vice-principal, Registrar	10,512
TE-4 (HSG)	Teacher	9,892
TE-7 (Masters degree)	New Recruit	34,438
TE-6 (Bachelor)	New Recruit	23,562
TE-6 (Associate)	New Recruit	12,688
TE-5 (B certificate)	New Recruit	12,688
TE-4 (C certificate)	New Recruit	10,876
TE-3 (RTTI)	New Recruit	9,426
TE-3 (HSG)	New recruit	9,072

Annex 6: Examples of Variation in Grading of Positions

Table 11: Grading and Gross Base Salaries (USD equivalent), Selected Positions, 2014

Position	Grade	Body	Records	Avg. Base	Position	Grade	Body	Records	Avg. Base
Accountant					Cleaner				
	E2	MOE	1	185		E1	MOHSW	1	125
		MOF	1	173		P4	MIA	1	165
		MOYS	1	185			MOHSW	1	125
	E1	MOF	2	175		P3		1	125
	P4	LISGIS	1	165		P1	MIA	1	145
		MOF	9	157			MOF	1	145
		MOHSW	1	165			MOHSW	3	125
		MOPT	1	165		TAS3	MIA	4	136
	P2		2	138		TAS2	MIA	7	131
	P1	MOJ	1	145			MOHSW	5	126
		MOPT	1	145		TAS1	CNDRA	10	125
	TAS3	MIA	1	136			GSA	5	125
		MOF	1	136			JUD	13	125
		MOPW	1	136			MIA	108	125
	TAS2	MOLME	2	131			MOA	3	125
	TAS1	MOPW	1	125			MOCI	1	125
	HE 1	MOHSW	7	200			MOE	10	125
	HE 3	MOHSW	1	275			MOHSW	130	125
	Off scale	MOHSW	1	200			MOJ	21	125
		NATLEG	4	170			MOL	8	125
		SUPP-MIA1	1	151			MOLME	1	125
		(blank)	1	170			MONS	4	125
	TE6-5	MOE	1	185			NATLEG	3	125
Total			43	168		HE 2	MOHSW	1	255
Administrative Assistant						HE 3	MOHSW	7	171
	E2	MOE	2	185		HE 4	MOHSW	1	130
		MOF	1	125		Off scale	NATLEG	25	125
	P4	CNDRA	1	165			SUPP-MIA1	54	101
		CSA	1	165		TE6-5	MOE	1	185
		MIA	11	163	Total			431	124
		MOE	1	165	Comptroller				
		MOF	2	169		E2	CSA	1	185
		MOHSW	1	165			JUD	1	185
		MOL	2	165			LIPA	1	187
		MOPW	1	165			MIA	1	185
		MOSPA	1	165			MICAT	1	185
		MOT	1	165			MOPT	1	185
		NATLEG	1	165			MOT	1	185
	P3		1	155			NFAA	1	185
	P2		49	148		E1	GSA	1	175
	P1	MOPW	1	145			MOCI	1	175
	TAS3	MIA	1	136		P1	MOE	1	145
		MICAT	1	136		HE 1	MOHSW	1	200
		MOPW	1	136		HE 4	MOHSW	1	300
	TAS2	MIA	2	131		Off scale	NATLEG	2	190
		MICAT	1	131		TE5-1P	MOE	3	160
		MOLME	1	131		TE6-5	MOE	5	185
	TAS1	MIA	1	125		TE6-5P	MOE	1	185
		MICAT	1	125	Total			24	185
		MOE	1	125					
		MOHSW	1	125					
		MOPW	1	125					
	Off scale	CSA	1	150					
		NATLEG	105	153					
	TE6-5	MOE	3	185					
	TE6-5P	MOE	1	185					
Total			199	153					

Source: Data from CSM and CSA calculations

Notes: Analysis examined entries with exactly the same job titles and excluded similar titles or variations (e.g. Admin. Assistant or Adm. Asst.).

US dollar base salaries reflect the formal exchange rate of 72.5, used for official payroll purposes.

Annex 7: Job Evaluation and Liberia's 2013-2015 Undertaking

The fundamental features of a rational employment framework include robust job descriptions that stipulate the duties of the job and the skills and abilities required to fulfill them; a grading and classification structure that encompasses the different groups (or families) of jobs (e.g. managerial, administrative, technical); and a process that determines the worth of jobs relative to each other; and positions them in the proper level (grade) of that structure.

Having such an architecture in place and knowing the distribution of workers across it, is crucial to enable systematic costing of fiscally sustainable options for salary scales.

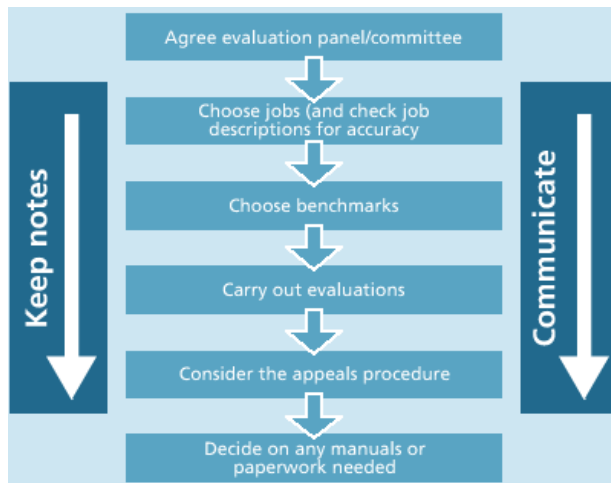
There are numerous approaches to determining the relative worth of jobs (referred to as job evaluation). These vary in complexity as well as the effort required to implement them. Two examples are:

- Points rating first stipulates a set of factors that can be used to characterize a job. These might include: level of knowledge and skills, decision-making authority, impact of the job, financial responsibility. It then examines individual jobs against these factors (ideally using robust job descriptions, and additional information as necessary) and assigns points to the job for each factor. The total number of points for each job yields a relative ranking.
- A simpler approach is one of job classification. This begins with a set of clearly defined grades that are easily distinguished from each other based on the tasks, skills needs, level of responsibility, and so on. Jobs are then assigned to the grade that is the best fit, based on an understanding of the job's overall function and using good judgment.

The choice of job evaluation methodology and process must be carefully considered, since job evaluation is challenging to implement and has long-lasting implications for the organization and its workers. Given the demands of the job evaluation, it is typically carried out by a small team. The team might comprise a human resources consultant with expertise in the topic; a senior (or retired) civil servant who has an in-depth understanding of the country's civil service system and the types of jobs within it; a more junior professional with human resources knowledge; and other members as necessary. This team will need to engage with the entities whose jobs are being assessed in order to incorporate their input and jointly arrive at reasonable judgments. It must also ensure consistency in decisions across organizations. A mechanism for resolving disagreements or appeals of decisions is commonly put into place.

Job evaluation typically uses job descriptions as a basis for determining which grade a job fits into. If job descriptions are unavailable or inadequate, practical solutions can be devised. These include drawing up a short list of standard questions that probe the actual content and requirements of a job. The list of questions is used to guide discussions between the grading team and ministry-level human resources staff and reach agreement on grading. Other available materials, such as organizational charts that show the level and reporting arrangements of units and jobs, can also be used.

The below schematic gives a sense of the overall process.²



The Government of Liberia is working to rationalize the grading and classification of its civil service along these lines. This exercise, launched in autumn 2013 and supported by USAID GEMS, is expected to run for one to two years.

The core activities in the terms of reference for the Pay & Grading Advisor are:

- Developing a classification of jobs in the general civil service as well as health and education service delivery;
- Placing all jobs into appropriate grades and steps; devising a list of standardized job titles for these cadres in order to eliminate the varied and redundant titles that are currently in evidence;
- Preparing job descriptions for each job classification; establishing hierarchies among job classifications, and developing an approved establishment list of posts for each ministry, agency and commission and ultimately for the government as a whole.
- The process also involves helping individual bodies request changes in their establishment lists, as part of the budget process, reviewing with MACs the positions they require in order to deliver services effectively; and supporting change management processes as well as appropriate communication modalities to inform civil servants about the changes and their implications.
- As this undertaking unfolds, it will also generate the information on staffing distribution needed to conduct robust fiscal impacts analysis of salary scale options. This is a crucial step in ensuring not only that the pay and grading system addresses the assessed worth of jobs relative to each other (equity) but also that it embodies the principle of affordability.

² Source: Chartered Institute of Personnel and Development

Annex 8: Generating Accurate Earnings Data: Revised Allowances Template

As a step towards rationalizing the pay structure, the Civil Service Agency and Ministry of Finance are jointly developing a revised allowances template (below). This note explains the benefits and key features of the draft template, for discussion and finalization.

The template is an interim step on the path to rationalizing allowances and salary.

The revised template will make it possible to:

1. Identify which allowances recipients are civil servants, and which are not.
2. Process allowances submissions from MACs more efficiently.
3. Calculate the total monetary compensation paid to individual civil servants who receive both an allowance and a base salary.
4. Analyze these data more easily, on a periodic basis as needed.

The key features of the revised template are:

1. Addition of two fields: (1) Payroll number, and (2) Employee ID. These fields will enable matching individual recipients of allowances to the civil service base salary payroll and the civil service Personnel Listing, which contains the grade and step for positions, as well as other information on jobholders. (For non-civil servants, these fields will be marked “None”.)
2. The core fields and their format are standardized and in a fixed order, and are locked to prevent changes. This will enable easier data analysis.
3. Calculation of tax deductions and net allowance will be automated, via addition of a locked formula. This will increase accuracy of submissions and shorten processing time.
4. Users may still add other columns, after the core fields, for their specific needs and calculations.
5. The changes are simple, to minimize the burden on preparers, as they switch to the new template from the current, diverse formats that are in use.
6. The draft includes examples of the correct way to enter information, as well as examples of incorrect entries.
7. After the draft is discussed and finalized, short instructions will be placed at the top of the template.

Next steps:

1. Civil Service Agency and Ministry of Finance discuss and finalize draft template.
2. Pilot template with a few small MACs, to get their feedback and revise as necessary.
3. Workshop for relevant staff of MACs (e.g. Comptrollers) on how to use template properly.
4. CSA to work with MACs to ensure they have and enter the correct Payroll numbers and Employee ID numbers for all allowances recipients who are civil servants.
5. Roll out template to be used for all allowances submissions (mandatory).

Revised Template for Allowances Payment Requests (Format with Example Entries)

<table border="0"> <tr> <td colspan="12">Allowances Submission</td> </tr> <tr> <td colspan="12">Institution name: _____</td> </tr> <tr> <td colspan="12">Institution budget code: _____</td> </tr> <tr> <td colspan="12">Month: _____</td> </tr> <tr> <td colspan="12">Year: _____</td> </tr> <tr> <td colspan="10"></td> <td colspan="2">Exchange rate: <input type="text"/></td> </tr> </table>												Allowances Submission												Institution name: _____												Institution budget code: _____												Month: _____												Year: _____																						Exchange rate: <input type="text"/>	
Allowances Submission																																																																																			
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No.	Payroll No.	Employee ID	First Name	Middle Initial	Last Name	Position	Gross Allowance	Tax deductions	Net Allowance	Bank Account No.	Bank Name																																																																								
Examples of CORRECT entries:																																																																																			
1	11-11-111-1111	111	Emmanuel	A.	Brown	Program Development Specialist	10.00	Formula	Formula: Gross - Tax	001USD1111111111	Afriland																																																																								
2	22-22-222-2222	2222	John	B.	Fahnbulleh, Jr.	Deputy Director of Procurement	100.00	Formula	Formula: Gross - Tax	01-22222222222222	LBDI																																																																								
3	None	None	Mary	C.	Kaba	Research and Project Officer	1,000.00	Formula	Formula: Gross - Tax	001-33333333333333	Access																																																																								
4	44-44-444-4444	44444	Mohammed	D. E.	Massaquoi II	Senior Internal Affairs Investigator	10.00	Formula	Formula: Gross - Tax	002USD444444444444	Ecobank																																																																								
5	55-55-555-5555	55555	Nancy	F.	Kamara	Director, Human Resources & Training	100.00	Formula	Formula: Gross - Tax	01-55555555555555	GT Bank																																																																								
Examples of INCORRECT entries, in red:																																																																																			
1	111111111111	111	E.	A.	Brown	Program Dev. Specialist	10.00	Formula	Formula: Gross - Tax	001USD111111111111	Afriland																																																																								
2	22-2-22222	2,2,2,2	Fahnbulleh, Jr. John B.			Deputy	100.00	Formula	Formula: Gross - Tax	01-22222222222222	LBDI																																																																								
3			Mary C. Kaba				1,000.00	Formula	Formula: Gross - Tax	001-33333333333333	Access																																																																								
4	44.44.444.4444	44444	Mohammed	D. E.	Massaquoi II	Senior IAI	10.00	Formula	Formula: Gross - Tax	002USD444444444444	Ecobank																																																																								
5	55555	55-55-555-555	Nancy F.		Kamara	Dir., Hum. Res. Trn'g	100.00	Formula	Formula: Gross - Tax	01-55555555555555	GT Bank																																																																								

Notes:

1. Cells shaded in gray will be locked, to prevent users from changing titles, column order, formula etc.
2. Ministry of Finance to add any required fields for MAC authorization -- e.g. title and name of people who prepare, review, authorize the submission.
3. Ministry of Finance to provide formula for calculating tax deductions.

Instructions to users (to be finalized):

1. Payroll number applies to civil servants. If individual is not a civil servant and thus no payroll number is available, write "None".
2. For payroll number, follow the specified format, with hyphens between blocks of numbers.
3. Employee ID number applies to civil servants and is available from the Civil Service Agency. If individual is not a civil servant and thus no Employee ID is available, write "None".
4. Write out position in full. Do not abbreviate.
5. Do not change font, font size, or text color.
6. Do not merge cells.

Annex 9: Analysis of Current Compensation in the Civil Service

1. Discretionary allowances payments, and widespread disarray in grading of jobs and base salary assignments (Annex 6) make it difficult to know how much civil servants actually earn. In order to shed light on earnings, this annex presents four complementary analyses of monetary and in-kind earnings across and within civil service bodies. These examined:
 1. Average wage bill expenditures per worker in 32 ministries and other bodies
 2. Monetary Allowances paid to individuals in 32 ministries and other bodies
 3. Actual monetary earnings (base salary plus allowances) in six bodies
 4. In-kind allowances in three bodies

Analysis 1: Wage Bill Expenditures per Worker

2. The relative weight of allowances in total wage bill expenditures varies considerably across bodies (see Annex 2.) As the first analysis reveals, the variation in allowances budgets plays out in widely different average earnings across bodies.
3. Precise data on total employment (including not only individuals on the regular and supplementary payroll but also others who are paid off-payroll, from allowances or other means) are not available, making it difficult to calculate robust averages. However, as a proxy, dividing FY 2012/13 wage bill expenditures by the number of entries on the regular payroll yields an average expenditure of USD 380 per month per worker, with a wide range that runs from USD 177 to USD 1,562 (see Table 12).³ In principle, some variation across bodies is not unusual, given the differences in skills and numbers of personnel that are needed to carry out various functions: some bodies may require predominantly specialized, high-level skills while others need large numbers of relatively low-ranking workers. Nevertheless, the wide variation that Liberia exhibits is stark.

Table 12: Average Wage Bill Expenditure per Payroll-Funded Staff, FY2012/13 Actuals, USD

Name	Number of Staff:		Average monthly expenditure per staff from:			
	Regular Payroll	Of which Elected & Appointed (EAS)	Total Wage Bill	Basic salary – Civil Service	General Allowance, (per non-EAS)	Special Allowance (per EAS)
Ministry of Education	12,251	11	280	265	13	2,082
Ministry of Justice (1)	3,683	104	460	387	55	446
National Legislature	2,490	96	626	127	266	3,020
Ministry of Health and Social Welfare	3,587	15	378	224	144	1,350
Ministry of Finance	1,365	8	672	162	423	4,169
Judiciary	1,540	94	505	145	197	1,296
Ministry of Internal Affairs	3,578	64	214	182	7	1,422
Ministry of Foreign Affairs	312	5	1,562	1,103	292	9,276
Ministry of Public Works	569	4	440	142	174	4,492
Monrovia Consolidated School System	1,023	1	242	222	18	1,675
Ministry of Lands, Mines and Energy	505	9	322	143	79	2,133
Ministry of State for Presidential Affairs	445	15	361	142	95	3,792
Ministry of Planning and Economic Affairs	145	3	1,010	456	355	5,500
LISGIS	176	4	800	156	313	2,428
Ministry of Information, Culture & Tourism	308	5	355	185	108	3,749
Ministry of Labor	169	4	621	147	300	3,900
Ministry of Agriculture	281	11	355	162	129	1,759
Ministry of Post and Telecommunications	314	8	296	145	83	1,870
Ministry of Transport	288	8	319	139	139	1,613
Ministry of Commerce and Industry	256	6	329	136	142	2,311
General Services Agency	337	3	249	142	63	4,067

³ These calculations do not capture how payments are actually awarded across individuals.

Civil Service Agency	139	4	548	157	164	4,238
Office of the Vice President	81	2	778	185	302	11,461
Ministry of National Security	269	4	216		13	3,225
Ministry of Youth and Sports	174	7	323	146	86	2,357
Ministry of Gender & Development	133	3	413	152	134	3,869
CNDRA	143	2	279	139	113	2,079
Liberia Institute for Public Administration	60	5	622	157	177	3,640
Cooperative Development Agency	42	2	458	151	159	3,275
Bureau of State Enterprises	21	1	650	156	210	3,900
Agricultural and Industrial Training Bureau	33	-	359	157	141	-
National Food Assistance Agency	38	-	177	133	44	-
Sub total	34,755	508	380	201	92	2,002
Median			369	156	140	3,122
Standard Deviation			279	181	107	2,265

Source: MOF Budget Data, CSA HRMIS employment data for May 2013, and CSA calculations

Note: (1) For Ministry of Justice, Average base salary data is the sum of base salary - civil service and base salary - paramilitary. Standard deviation indicates how widely values are dispersed from the average (mean); larger values indicate greater dispersion.

Analysis 2: Monetary Allowances Paid to Civil Servants and Estimated Total Earnings

- The second analysis examined some 14,944 records for general allowances paid via direct deposit in 32 key bodies that are on the civil service payroll. For purposes of this analysis, allowances in bodies that are not on the civil service payroll (and are not bound by the civil service pay scales) were excluded. Data on allowances paid by other means such as checks were not available.
- Table 13 below presents an overview of the data analyzed.

Table 13: Budget-Funded Allowances Payments Made Via Direct Deposit

Allowances paid via direct deposit	No. of records	Gross Allowance, USD				
		Minimum	Maximum	Average	Median	Mode
32 key bodies (excluding health workers)	10,367	15	5,861	243	175	100
Health Workers, of which:						
Identified as GOL employees	1,784	24	3,000	133	81	24
Identified as not GOL employees	2,793	35	4,000	177	125	125
Total	14,944					
		Gross Base salary, LD				
Base Salary Payroll	No. of records	Minimum	Maximum	Average	Median	Mode
Regular status	35,448	7,250 (1)	59,814	12,179	11,600	13,412
Supplementary status	8,603	5,277	36,750	8,458	7,717	7,350
Total	44,051					

Source: Ministry of Finance allowances data, CSA payroll data, and CSA calculations

Notes: The minimum official base salary in the civil service scale is LD 9,063.

The median is the value that is in the middle of the dataset. The mode is the value that appears most often in a dataset.

- For cadres other than health sector service delivery staff (10,367 records in total), allowances ranged from a low of USD 15 up to USD 5,400. The latter figure is a clear outlier; the average allowance was USD 243, while the median (mid-point) in the dataset was USD 175.⁴ For health service providers identified as GOL employees (1,784 records), allowances ranged from USD 24 to USD 3,000, with an average of USD 133 and median of USD 81.⁵

⁴ There were 234 records for allowances from USD 1,000 to USD 1,999, and 28 records for allowances of USD 2000 and greater.

⁵ An additional 2,793 health sector records were identified as funded from the GOL budget but for recipients who are not GOL employees.

7. These data should be interpreted with caution, given their limitations. Most significantly, they include individuals who may not be on the payroll and thus are not bona fide civil servants.⁶ It is possible that allowances awarded to such individuals are higher, to compensate for the lack of a base salary. (This practice is evident in the health sector allowances data: individuals identified as not GOL employees receive systematically higher allowances than those who are identified as GOL employees.) Thus the data may be overestimates relative to what civil servants actually earn. In addition, the large number of different job titles used, and the absence of robust grading information that would enable reliably grouping similar jobs, mean that some unlike jobs labeled with the similar titles may have been grouped together, while similar jobs with different job titles have not.
8. Given the implications for the wage bill as well as for individuals of basing reform plans on allowances data, it is advisable to repeat this analysis once more after more robust data that become available in autumn 2014.⁷
9. To give a sense of potential total monetary earnings, Table 14 and Table 15 present allowances data together with estimates of base salaries (based on official salary scales), for the regular civil service and health service delivery staff. In light of the data limitations described above, these figures should be interpreted with caution. The totals assume that all allowances recipients receive a base salary, which is not likely to be the case. Similarly, some individuals who are not awarded allowances would only earn the base salary.
10. The wage bill line of Liberia's national budget includes a number of other monetary allowances. These are generally concentrated in only a few bodies and are modest sums, with the exception of the Transport Reimbursement Allowance (almost entirely for the National Legislature). Given their minimal impact, little action is required in the context of pay reform other than to restrict further growth in the number or amount of such allowances. (See Annex 10 for recommendations for each allowance.)

Table 14: Estimated Gross Monthly Earnings for Selected Positions, USD, February 2014⁸

Position	No. Records	Base Salary (Scale Average)	General Allowance			Estimated base salary + allowance		
			Min	Max	Avg	Min	Max	Avg
<i>Executive</i>								
Director	145	168	150	1,600	635	318	1,768	802
Acting Director	10	168	200	1,200	372	368	1,368	540
Assistant Director	97	168	50	1,200	330	218	1,368	498
Comptroller	14	168	450	5,400	1,876	618	5,568	2,044
<i>Professional</i>								
Chief Accountant	9	143	270	1,800	663	413	1,943	806
Accountant	87	143	100	1,200	324	243	1,343	467
Audit Manager	7	143	1,000	1,000	1,000	1,143	1,143	1,143
Senior Auditor	16	143	350	1,200	894	493	1,343	1,036

⁶ For this reasons it is not possible to definitely state what proportion of civil servants receives allowances. Using an estimate of 34,000 civil servants minus some 11,000 on the Education TE scale who do not receive allowances leaves 23,000. Of the roughly 15,000 allowances records reviewed, some 2,800 are for health workers identified as not GOL employees, leaving 12,200. If all 12,200 allowances were awarded to these 23,000 then 53% of civil servants would receive an allowance. Yet this is likely an overestimate, since an unknown number of allowances are awarded to individuals who are not bona fide civil servants.

⁷ Ministry of Finance and the Civil Service Agency have jointly prepared a new, standardized template for allowances payments requests. By requiring the use of identifying numbers, this template will enable linking allowances payments to base salary data for individual recipients. This will make it possible to reliably determine total monetary earnings. The template is expected to be put into use in mid-2014.

⁸ Data are for 29 bodies, excluding the National Legislature, Ministry of State, and Vice President's Office. These bodies might be expected to award relatively higher allowances given their standing.

Position	No. Records	Base Salary (Scale Average)	General Allowance			Estimated base salary + allowance		
			Min	Max	Avg	Min	Max	Avg
Internal Auditor	12	143	70	1,600	383	213	1,743	525
Auditor	57	143	70	650	369	213	793	512
Junior Auditor	64	143	100	700	643	243	843	785
Audit Assistant	8	143	125	450	363	268	593	505
Revenue Analyst	67	143	150	450	291	293	593	434
Budget Analyst	13	143	300	800	448	443	943	590
Computer Analyst	17	143	100	500	257	243	643	400
Coordinator	20	143	50	1350	240	193	1,493	382
District Agriculture Officer	41	143	50	1350	124	193	1,493	267
District Education Officer	84	143	150	150	150	293	293	293
Tax Collector	94	143	200	375	210	343	518	352
Engineer	21	143	200	750	321	343	893	464
Desk Officer	20	143	140	550	469	283	693	611
Administrative Officer	9	143	125	1,000	347	268	1,143	490
Analyst	63	143	69	900	327	212	1,043	470
Supervisor	45	143	50	1,200	214	193	1,343	357
Research Officer	27	143	49	600	203	192	743	345
Procurement Officer	32	143	50	620	196	193	763	339
Research Analyst	22	143	60	350	176	203	493	319
Assistant Statistician	20	143	50	315	176	193	458	318
Social Worker	24	143	35	215	83	178	358	226
Inspector	83	143	50	250	82	193	393	225
IT Technician	18	143	100	800	253	243	943	396
Technical & Admin Support								
Executive Secretary	27	120	150	1,175	402	270	1,295	522
Secretary	166	120	20	1,000	176	140	1,120	296
Accounts Clerk	16	120	70	450	212	190	570	332
Accounts Technician	17	120	148	400	264	268	520	384
Administrative Assistant	60	120	75	950	287	195	1,070	407
Expediter	44	120	25	500	162	145	620	282
Receptionist	16	120	25	345	122	145	465	242
Clerk Typist	26	120	50	375	123	170	495	243
Filing Clerk	86	120	25	280	117	145	400	237
Data Entry Clerk	20	120	50	350	147	170	470	267
Office Assistant	162	120	30	525	115	150	645	235
Messenger	51	120	50	250	98	170	370	218
Driver	288	120	22	350	108	142	470	228
Generator Operator	11	120	45	460	146	165	580	266
Generator Technician	7	120	40	250	104	160	370	224
Mechanic	61	120	35	300	94	155	420	214
Mason	17	120	40	140	83	160	260	203
Security	172	120	40	225	94	160	345	214
Caretaker	80	120	50	175	90	170	295	210
Janitor	68	120	40	290	107	160	410	227
Cleaner	58	120	24	125	52	144	245	172

Source: Ministry of Finance allowances data and CSA calculations

Notes: Due to absence of grades in allowances data and the prevalence of mis-grading, this table estimates base salary as the average of the official base salaries for the category (e.g. average of 5 base salaries in use for executive-category posts, and so on). Liberian dollar base salary amounts were converted to USD at the prevailing market exchange rate of 80 LD per 1 USD.

Table 15: Estimated Gross Monthly Earnings of Health Workers in Counties, Selected Positions, February 2014

Position	No. Records	Grade	Base Salary, LD	Base Salary, USD	General Allowance, USD			Total Earnings, USD		
					Min	Max	Avg	Min	Max	Avg
Medical Doctor	15	HE 6	34,438	430	1,149	3,000	1,417	1,580	3,430	1,847
Pharmacist	9	HE 5	30,813	385	738	1,350	866	1,123	1,735	1,251
Anesthetist/RN	7	HE 4	21,750	272	140	184	152	411	456	424
BSN/RN	9	HE 4	21,750	272	125	125	125	397	397	397
Lab Technician	20	HE 4	21,750	272	81	495	153	353	767	425
Nurse Anesthetist	11	HE 4	21,750	272	140	199	176	411	471	448
Nurse Midwife	4	HE 4	21,750	272	110	140	132	382	411	404
X-Ray Technician	8	HE 4	19,938	249	110	199	144	359	448	393
Certified Midwife (CM)	175	HE 3	19,938	249	63	150	88	313	399	337

Position	No. Records	Grade	Base Salary, LD	Base Salary, USD	General Allowance, USD			Total Earnings, USD		
					Min	Max	Avg	Min	Max	Avg
Environmental Health Technician (EHT)	37	HE 3	19,938	249	81	81	81	330	330	330
Licensed Practical Nurse (LPN)	41	HE 3	19,938	249	52	110	70	301	359	320
Officer-In-Charge/PA	18	HE 3	19,938	249	140	230	202	389	479	451
Officer-In-Charge/RN	66	HE 3	19,938	249	140	230	187	389	479	436
Physician Assistant (PA)	78	HE 3	19,938	249	110	199	124	359	448	373
Registered Nurse (RN)	183	HE 3	19,938	249	81	184	114	330	433	363
Registrar Nurse (RN)	91	HE 3	19,938	249	81	125	84	330	375	333
Social worker	11	HE 3	19,938	249	24	35	29	274	284	278
Accountant/CHT	6	HE 1	14,500	181	230	380	330	411	561	511
Accountant/Hospital	4	HE 1	14,500	181	230	380	305	411	561	486
Administrator	2	HE 1	14,500	181	75	90	83	256	271	264

Source: Ministry of Finance allowances data and CSA calculations

Notes: Titles in allowances data were matched to HE salary scale to identify base salary and grade. Liberian dollar base salary amounts were converted to USD at the prevailing market exchange rate of 80 LD per 1 USD. Data are for records identified as GOL employees and allowances funded by GOL (not donor funds).

Analysis 3: Actual Total Monetary Earnings

11. A third analysis calculated actual total earnings by position in a sample of six bodies. This entailed a laborious process of matching names in General Allowances records to base salary data in the payroll and to grade data in the personnel listing (2,190 records successfully matched).⁹ The findings reveal that, while the range in monthly earnings is fairly narrow at the bottom end (USD 154 to 229 for those civil servants who receive both a base salary and an allowance) it is significantly wider at the top, from USD 769 to 2,053 (see Table 17).¹⁰ The influence of allowances on total earnings varied markedly. At the level of each body, the average share of base salary ranged from a low of 33% in Ministry of Finance up to 58% in Ministry of Commerce and Industry. For some individuals, however, base salary represented less than 10% of earnings, for others as much as 81%.
12. The analysis of total earnings in a sample of bodies matched data in allowances listings, the base salary payroll, and personnel listings. Numbers of positions in the personnel listing were broadly consistent with payroll numbers, as Table 16 below shows. However, the number of allowances recipients typically was higher, sometimes substantially. These discrepancies are due primarily to (1) individuals being hired informally and paid from the allowances budget without being added to the payroll; (2) difficulties matching based on names, in the absence of ID numbers. Since some individuals on the base salary payroll may not receive an allowance and thus would not appear in the allowances listing, the discrepancies may be greater than shown.

⁹ Because the study used allowances lists as the point of departure (matching names in allowances submissions against names in the base salary payroll and personnel listings) it excludes individuals who are paid only base salary and no allowance. Since allowances records generally do not contain any sort of ID numbers, matching by name is the only option (albeit one with significant limitations) for linking base salary and allowances data.

¹⁰ As noted earlier, valid reasons for variation in earnings include the differences in skills needs and the salaries they command.

Table 16: Variation In Employment and Earnings Records in a Sample of Bodies, 2013

	Number of records:					Receive	Receive	Unable	Payroll	Payroll
	Pers. listing	Base Payroll	Special + General Allowances	Special Allow.	General Allow.	Base + Special Allow.	Base + General Allow.	to match	minus Allowances list	minus pers. listing
Ministry of Finance	1,383	1,376	1,533	10	1,523	10	1,299	224	-157	-7
Civil Service Agency	137	137	140	9	131	9	126	5	-3	0
Min. of Information, Culture & Tourism	307	307	204	11	193	11	116	77	103	0
Ministry of Gender & Development	141	143	119	6	113	6	95	18	24	2
Ministry of Commerce & Industry	264	268	299	8	291	7	280	12	-31	4
Ministry of Transport	289	286	301	7	294	7	274	20	-15	-3

Source: Ministry of Finance data, CSA payroll and personnel listings, and CSA calculations

Table 17: Base Salary and Allowances Payments in Selected Bodies, 2013

	No. of records	Minimum	Maximum	Average	Median	Mode
<i>Total Earnings for individuals receiving Base plus General Allowance</i>						
Civil Service Agency	126	214	769	306	250	214
Ministry of Gender & Development	95	154	819	285	245	268
Ministry of Transport	274	172	900	277	217	189
Ministry of Info. Culture & Tourism	116	164	1,260	272	244	164
Ministry of Commerce & Industry	280	164	1,500	254	206	187
Ministry of Finance	1,299	229	2,053	520	416	350
<i>Total</i>	<i>2,190</i>					
<i>Base salary as Percent of Total Monetary Earnings</i>						
Civil Service Agency		19%	63%	49%	53%	53%
Ministry of Gender & Development		21%	76%	53%	53%	56%
Ministry of Transport		17%	81%	52%	56%	60%
Ministry of Info. Culture & Tourism		13%	75%	52%	52%	70%
Ministry of Commerce & Industry		9%	76%	58%	66%	68%
Ministry of Finance		7%	60%	33%	34%	43%
<i>General Allowance, for staff receiving Base Salary also</i>						
Civil Service Agency		100	600	170	100	100
Ministry of Gender & Development		40	650	150	118	200
Ministry of Transport		37	750	147	100	75
Ministry of Info. Culture & Tourism		50	1,100	143	120	100
Ministry of Commerce & Industry		50	1,350	125	60	60
Ministry of Finance		100	1,875	379	275	200
<i>Base Salary, for staff receiving General Allowance, USD equivalent</i>						
Civil Service Agency		114	170	142	146	114
Ministry of Gender & Development		114	169	135	137	114
Ministry of Transport		114	178	130	124	114
Ministry of Info. Culture & Tourism		114	169	129	124	114
Ministry of Commerce & Industry		114	171	130	127	127
Ministry of Finance		114	201	142	146	150

Source: Ministry of Finance data, CSA payroll and personnel listings, and CSA calculations

Note: The allowances listing was used as the baseline for analysis, with entries then matched to the payroll and personnel listing. Thus the earnings analysis does not capture individuals on the base payroll who do not receive allowances. LD base salaries were converted to USD at a market rate of 79.5. The mode is the value that appears most often in a dataset.

13. This analysis, like the others, reveals substantial variation in total monetary earnings (general allowance plus base salary) of individuals with the same position title, within as well as across ministries. Earnings for a sample of job titles (running from top to bottom of the grading structure) are presented in Table 18.
14. As is evident from these data, the wide variation in pay practices within and across ministries defies easy characterization. The compression ratio (the difference between total earnings at the top and bottom, often used as a rough indicator of incentives to advancement) differs substantially across ministries and types of earnings. In the sample of ministries for which total earnings were estimated, compression ratios for average total earnings (director to

janitor) ranged from a high of 5.2 in Ministry of Finance to 2.8 in Ministry of Commerce and Industry. However, given the grading uncertainties and wide dispersion of pay (especially at more senior levels), actual compression ratios could easily be higher. For example, the general allowances records reveal an average compression ratio (director to janitor) of 12. In contrast, the official salary scale for the general civil service has a notional compression ratio of 1.6 (14,138 LD to 9,063). In essence, the incentive to advancement, like the level of pay, depends very much which body an individual works in and what level of allowance she is able to obtain.

Table 18: Monthly Earnings by Position in a Sample of Ministries, USD Gross

Position and Ministry	No. Records	Base Salary Avg.	General Allowance			Base + Allowance			Base as Percent Total		
			Min	Max	Avg	Min	Max	Avg.	Min	Max	Avg.
Director											
Gender & Development	5	158	400	400	400	554	559	558	28%	28%	28%
Info., Communic. & Tech.	10	133	120	400	205	263	559	338	28%	55%	41%
Commerce & Industry	8	133	400	600	425	513	719	558	17%	28%	24%
Finance	48	153	300	1,600	916	454	1,754	1,068	9%	34%	15%
Transport	14	152	300	450	393	450	607	545	22%	33%	28%
Assistant Director											
Info., Communic. & Tech	12	127	100	150	125	213	300	252	44%	57%	50%
Commerce & Industry	7	140	150	400	250	300	526	390	24%	50%	38%
Finance	31	147	250	1,200	500	400	1,350	647	11%	39%	24%
Transport	16	141	275	300	298	413	451	439	27%	35%	32%
Inspector											
Commerce & Industry	14	129	60	60	60	173	210	189	65%	71%	68%
Transport	42	122	60	75	75	183	218	197	60%	67%	62%
Supervisor											
Info., Communic. & Tech	5	130	100	125	115	219	282	245	48%	60%	53%
Finance	14	142	150	800	408	281	950	550	16%	47%	28%
Secretary											
Commerce & Industry	11	128	125	200	139	238	345	266	42%	57%	48%
Finance	25	146	140	450	254	285	595	400	24%	51%	37%
Transport	15	144	150	300	190	295	445	334	33%	50%	44%
Office Assistant											
Gender & Development	7	113	75	100	89	188	213	203	53%	60%	56%
Commerce & Industry	14	126	50	100	57	163	219	183	53%	76%	69%
Finance	31	123	125	525	170	238	648	293	19%	51%	43%
Transport	15	114	58	150	82	171	263	196	43%	66%	59%
Driver											
Gender & Development	13	113	60	100	73	173	214	186	53%	66%	61%
Commerce & Industry	16	124	50	150	70	163	263	193	43%	71%	64%
Finance	39	114	125	300	163	238	413	277	27%	48%	42%
Transport	8	113	75	175	113	188	288	226	39%	60%	51%
Janitor											
Gender & Development	7	113	50	50	50	163	163	163	69%	69%	69%
Finance	9	118	140	290	158	253	403	276	28%	52%	43%
Transport	13	113	75	75	75	188	188	188	60%	60%	60%
Security											
Commerce & Industry	11	127	100	100	100	213	259	227	53%	61%	56%
Finance	10	113	140	225	167	253	338	280	33%	45%	41%
Transport	14	113	75	75	75	188	188	188	60%	60%	60%

Source: MOF allowances data, CSA payroll data, Personnel Listings, and CSA calculations

Notes: Data are for September 2013. Liberian dollars were converted at market exchange rate (79.5). To protect confidentiality, only positions with five or more jobholders are included.

Analysis 4: In Kind Allowances

- The budget's Goods & Services line funds a number of in-kind allowances, most notably gasoline and fuel (diesel) coupons provided to individuals, and coupons for cellular airtime ("scratch cards") also provided to individuals. In principle there is a legitimate business justification for such expenditures. However, the amounts and manner in which they are managed in practice suggest that at least some portion of these in-kind allowances becomes a *de facto* top-up to compensation. This raises a number of concerns about the efficiency of government expenditure and transparency of compensation.
- A review of the status of each allowance as well as a recommendation for action is presented in Annex 10. In addition, Table 19 below presents an initial review of the distribution of gasoline and airtime coupons by position for three ministries, based on CSA analysis. (Due to low response rates by MACs to CSA's request for information, CSA is presently revising

its approach in order to collect additional data). As in the case of monetary allowances, the findings reveal substantial variation across ministries and positions, with gasoline coupons in particular being distributed to positions that likely neither entail an assigned vehicle nor require significant local movements in the course of regular duties. Once again, these data should be interpreted with caution, since not all workers receive an in-kind allowance and practices vary across MACs.

17. Without further study, it is not possible to distinguish the portion of gasoline or airtime coupons that constitutes legitimate business needs versus amounts that are quasi-compensation. In the case of DSA, a CSA comparison of Liberia's rates with official published rates of the United Nations and the United States federal government indicates that Liberia's rates are often higher than these international benchmarks (see Annex 12). As proposed elsewhere in this document, a systematic assessment of more efficient strategies for managing these expenditures (taking into consideration the legitimate needs of various functions) is advisable.

Table 19: Allowances for Gasoline & Scratch Cards in Three Ministries, 2013

Position	Gasoline Coupons, USD per month					Scratch cards, USD per month				
	No. entries	Min	Max	Avg	Standard Deviation	No. entries	Min	Max	Avg	Standard Deviation
<i>Ministry of Information, Culture & Tourism</i>										
Director	19	62	256	99	75					
Administrative Assistant	10	40	160	68	33					
<i>Ministry of Foreign Affairs</i>										
Director	5	160	240	192	44	5	50	75	57	11
Deputy Director	9	80	140	107	20	9	15	45	32	11
Desk Officer	25	60	200	158	23	25	15	60	49	8
Financial Analyst	9	60	80	66	10	9	15	20	16	2
Passport Officer	17	60	100	73	17	17	15	20	16	2
Research Analyst	23	60	120	83	21	23	10	40	19	8
Research Assistant	16	60	200	104	47	16	10	40	21	11
Computer Operator	6	60	60	60		6	10	15	12	3
Secretary	24	40	180	96	40	24	10	45	21	11
File Clerk	28	60	100	65	11	28	10	25	14	4
Office Assistant	36	40	160	67	24	36	10	35	14	7
Chauffeur	7	60	60	60		7	10	20	14	5
Driver	14	60	120	80	24	14	10	30	15	9
Caretaker	21	60	60	60		21	10	10	10	
Caretaker/Maintenance	10	60	60	60		0				
Security Agent	18	60	60	60		18	10	15	14	2
<i>Ministry of Public Works</i>										
Director	21	600	600	600		21	50	50	50	
Assistant Director	16	400	400	400		16	30	30	30	
WASH Coordinator	13	400	400	400		13	30	30	30	
Project Engineer	7	200	200	200		7	20	20	20	
Supervisor	8	200	200	200		8	20	20	20	

Source: Ministry records and CSA calculations

Notes: Only positions with 5 or more records are included. Data are for various months in autumn 2013. To standardize across ministries, the value of gasoline coupons that are allocated in gallons is estimated using a price of USD 4 per gallon. MICAT records had no entries for scratch cards.

Annex 10: Cash and In-kind Allowances by Type: Review and Recommendations

Basis for Cash and In Kind Allowances (in addition to General And Special Allowances addressed earlier):

Mobile phone airtime (scratch cards): Financed under Goods & Services Expenditures (part of the Telecommunications, internet, postage and courier sub-item). Not taxable. Head of each body authorized to decide amounts paid and to whom/which positions.

Gasoline & fuel coupons: Financed under Goods & Services Expenditures. Some coupons are denominated in US dollars, others in gallons. Not taxable. Head of each body authorized to decide amounts paid and to whom/which positions.

Daily subsistence allowance (DSA) and Incidental allowance for international travel: Financed under Goods & Services Expenditures. Provided to individuals travelling abroad on official government business. Not taxable. Ministry of Finance circulates regulations as an appendix to the annual budget circular.

Daily subsistence allowance (DSA) and Incidental allowance for domestic travel: Financed under Goods & Services Expenditures. For travel on official government business. Not taxable. Regulations are circulated by Ministry of Finance as an appendix to the annual budget circular. Amounts are stipulated in USD and paid in LD at exchange rates set in the budget law.

Transport Reimbursement Allowance: Financed under Compensation of Employees Expenditures. Lump sum payments to officials or government employees for use of their own means (vehicle, cash etc.) for transportation on official business. Regulated by approved ordinances. Expenditures fall almost entirely under the National Legislature budget chapter.

Table 20: Monetary and In-Kind Allowances (in Addition to General & Special)

Item	Status as of FY2012-13	Recommendation	Rationale
<i>Sub-items of Compensation of Employees budget line</i>			
Allowance for Uniforms	No expenditures in FY2012/13.	No action	
Transport Reimbursement Allowance	1.8% of total GOL wage bill (USD 3,831,690) of which 99.5% is under National Legislature budget chapter	No action	
Meals Reimbursement Allowance	0.003% of total GOL wage bill (USD 5,505), all under Liberia Rubber Development Authority budget chapter	Retain as is, after ensuring no major changes or increases in expenditure are allowed in future	Minor amount, minimal impact
Training Stipend	0.5% of total GOL wage bill (USD 953,590), of which 82% under MOF budget chapter and 15% under MOJ.	Review cost effectiveness of rates and procedures.	Ensure that rates and procedures reflect value for money.
Overtime	0.01% of total GOL wage bill (USD 22,149) of which almost all under MOF.	Retain, ensuring that any overtime work requires ex ante approval and is limited, to ensure no unwarranted increase in expenditure levels.	Ensures some flexibility to respond to exceptional circumstances, within reasonable spending limits.
Residential Rental and Lease	0.001% of total GOL wage bill (USD 1,500), all under Bomi County Community College	Retain as is, ensuring no major changes or increases in expenditure are allowed in future	Minor amount, minimal impact
Minimum Salary Adjustment	0.5% of total GOL wage bill (USD 1,000,000), entirely under Judiciary budget chapter	Reflects expenditures to correct for errors or increments that haven't been implemented. Retain in order to fulfill reasonable obligations.	Provides administrative flexibility in fulfilling agreements.
Medical Expenses – To Employees	0.01% of total GOL wage bill (USD 15,000), entirely under Office of the Vice President budget chapter	Retain as is, after ensuring no major changes or increases in expenditure are allowed in future	Minor amount, minimal impact
Incapacity, Death Benefits	0.005% of total GOL wage bill (USD 10,000), entirely under MoICT budget chapter	Retain as is, after ensuring no major changes or increases in expenditure are allowed in future	Minor amount, minimal impact
Other allowances or		None to be introduced or re-activated	Fiscal accountability, transparency

Item	Status as of FY2012-13	Recommendation	Rationale
payments that are compensation or <i>de facto</i> supplements to compensation		without MOF and cabinet approval, based upon fiscal impacts assessment that demonstrates affordability and compelling need.	and equity require limiting the number and amount of payments that are direct or <i>de facto</i> compensation.
Sub-items of Goods & Services budget line			
Foreign Travel - Daily Subsistence Allowance (DSA)	2.1% of total GOL Goods & Services spending (USD 4,071,931). In numerous cases, GOL per diem rates substantially exceed international benchmark rates (UN and US government)	Cap official GOL rates at the level of current rates issued by either (1) United Nations or (2) United States federal government. GOL rates for each fiscal year will be lower than, but never exceed, the most recent available UN or US rate sheet (publicly available online).	Fiscal accountability and transparency. Any excess per diem payments become discretionary <i>de facto</i> supplements to compensation, and incentivize unnecessary absences.
Domestic Travel - Daily Subsistence Allowance	1.4% of total GOL Goods & Services spending (USD 2,626,430)	Evaluate prevailing rates to assess value for money and adjust as necessary.	Fiscal accountability and transparency. Any excess per diem payments become discretionary <i>de facto</i> supplements to compensation, and incentivize unnecessary absences.
Telecommunications, Internet	1.8% of total GOL Goods & Services spending (USD 3,526,951), of which an unknown share is distributed to government employees in the form of mobile phone airtime "scratch" cards.	Conduct additional analysis of IFMIS data to determine current amounts and allocation, and propose options for more efficient policies in line with legitimate business needs of specific bodies.	Fiscal accountability and transparency. While some expenditures are necessary for business purposes, excess amounts become discretionary, <i>de facto</i> supplements to compensation.
Fuel and Lubricants - Vehicles	10.7% of total GOL Goods & Services spending (20,823,654) of which an unknown portion is distributed to government employees in the form of gasoline and fuel coupons, at discretion of head of MAC	Conduct additional analysis of IFMIS data to determine current amounts and allocation, and propose options for more efficient policies in line with legitimate business needs of specific bodies.	Fiscal accountability and transparency. While some expenditures are necessary for business purposes, excess amounts become discretionary, <i>de facto</i> supplements to compensation.
Other allowances or payments that are compensation or <i>de facto</i> supplements to compensation		None to be introduced or re-activated without agreement by MOF, CSA and other authorities, based upon fiscal impacts assessment that demonstrates affordability, compelling need and time-bound plans for phasing out.	Maintaining fiscal accountability, transparency and equity requires limiting the number and amount of payments that are direct -- or <i>de facto</i> -- compensation.

Source: Budget data, consultations and official documents

Table 21: Selected Goods & Services Sub-items FY2009/10 to FY2013/14, USD

Expenditure Item	2009/10 Actuals	2010/11 Actuals	2011/12 Actuals	2012/13 Actuals	2013/14 Original Budget
USE OF GOODS AND SERVICES	81,444,418	111,264,112	126,353,141	193,914,439	132,679,474
Foreign Travel - Means of travel	1,981,216	2,959,457	3,254,169	3,287,110	3,471,977
Foreign Travel - Daily Subsistence Allowance	2,237,506	2,890,425	3,379,705	4,071,931	3,419,170
Foreign Travel - Including Allowance	361,042	671,468	766,948	681,868	814,674
Domestic Travel - Means of Travel	452,018	622,758	474,449	694,557	777,100
Domestic Travel - Daily Subsistence Allowance	2,020,315	2,502,097	2,824,937	2,626,430	2,346,122
Domestic Travel - Incidental	30,952	74,914	38,275	33,972	66,210
Telecommunications, Internet	1,913,185	2,498,368	2,599,631	3,526,951	2,650,355
Fuel and Lubricants - Vehicles	10,878,800	13,555,086	19,646,922	20,823,654	14,848,310
Fuel and Lubricants	122,511	-	56,919	95,331	53,530
Scholarships – Local	972,595	1,257,660	1,304,755	1,808,271	313,580
Scholarships – Foreign	938,725	1,491,507	981,830	1,071,866	120,658
Salary Arrears	1,101,578	2,104,682	320,623	1,193,833	
<i>As percent of Goods & Services line item total</i>					
Foreign Travel - Means of travel	2.4%	2.7%	2.6%	1.7%	2.6%
Foreign Travel - Daily Subsistence Allowance	2.7%	2.6%	2.7%	2.1%	2.6%
Foreign Travel - Incl. Allowance	0.4%	0.6%	0.6%	0.4%	0.6%
Domestic Travel - Means of Travel	0.6%	0.6%	0.4%	0.4%	0.6%
Dom. Travel - Daily Subsistence Allowance	2.5%	2.2%	2.2%	1.4%	1.8%
Domestic Travel - Incidental	0.04%	0.07%	0.03%	0.02%	0.05%
Telecommunications, Internet	2.3%	2.2%	2.1%	1.8%	2.0%
Fuel and Lubricants - Vehicles	13.4%	12.2%	15.5%	10.7%	11.2%
Fuel and Lubricants	0.2%		0.05%	0.05%	0.04%
Scholarships – Local	1.2%	1.1%	1.0%	0.9%	0.2%

Scholarships – Foreign	1.2%	1.3%	0.8%	0.6%	0.1%
Salary Arrears	1.4%	1.9%	0.3%	0.6%	

Source: Ministry of Finance budget data and CSA calculations.

Annex 11: Options for Managing Telephone, Gasoline and Fuel Expenses

Liberia's government bodies commonly provide some of their staff with coupons for cellular airtime, gasoline and fuel (diesel), a practice that raises issues about transparency of compensation, fiscal accountability, and efficient use of public funds. While telephone communication is a normal part of work activities for many positions, the case for widespread provision of gas and fuel coupons to individuals is less obvious. Such coupons are easily monetized or transferred, and can easily become *de facto* compensation rather than the means to do one's job. Furthermore, it is virtually impossible to segregate legitimate work-related usage from personal use.

Further analysis of these expenditures (including allocation to individuals or positions) as well as of business-related needs of various bodies or functions is warranted. While low response rates to a CSA request to ministries for details of these expenditures preclude a detailed analysis of amounts and allocation patterns to individuals or positions, Ministry of Finance has suggested that it might be possible to extract such data from the IFMIS system.

In the interim, this note presents common practices and options for managing such needs more efficiently, based on a survey of private companies and NGOs as well as information from telecoms companies.

Managing Telephone Expenses

A CSA survey of banks, other large corporations, and micro, small and medium enterprises (MSME) found that organizations typically prefer to use a combination of measures that are more efficient than airtime coupons, although those are still used to some extent.

- *Call User Groups (CUG)* which provide unlimited calls among members, are popular and available for a monthly fee of USD 5-10 per user, with discounts available for a larger number of lines. CUGs are available on mobiles as well as desk phones.
- Some companies already have or planning to install *fixed lines* for internal and external calling, which are seen as more cost-effective than providing airtime to individuals.
- *Shared mobile phones*, loaded with airtime, may be provided for use by staff within a unit or department for business related calls. In such cases, *oversight measures* include asking users to log calls or requesting call logs from the service provider, to monitor the numbers dialed and usage levels in order to identify and curtail any abuse.
- Where airtime is provided directly to individuals, it may be as *non-transferable credits injected directly* to the authorized phone, rather than a coupon.
- At least one organization used *internet-based calling services*.

Telecommunications companies offer a range of services for different types and levels of users, and count some government bodies among their clients. There appear to be numerous options, and ample experience on the part of some government bodies in arranging services aligned with business needs.

- Call user groups can be divided into various categories, with different levels of calling enabled. It was suggested that *post-paid service* might be suitable for high-level, senior users. This service requires a security deposit, is invoiced monthly, and can be configured to provide international roaming. Senior staff with post-paid service might be in one call user group. Monthly invoices can show call details, in order to allow monitoring and discourage excessive usage. Sensitive calls or numbers may also be designated as confidential.

- For mid-level staff, post-paid service with limits placed on the allowed monthly cost of calls could be appropriate. Credits can be injected directly to a telephone and configured to prevent transfer to other phones. Call logs can also be requested for this type of service. Physical scratch cards might also be an option.
- Support staff who need to communicate frequently to do their work might be placed in a third category that enables them to call both of the above categories of users (e.g. an assigned driver to a senior official). Each participant might be assigned a particular dollar credit, which again can be injected directly to the phone and programmed to prevent transfers.

Managing Gasoline and Fuel Expenses

In contrast to telephone services, most of the organizations surveyed do not provide gasoline or fuel to staff as a regular feature. Those that do typically provide it only to a limited number of higher-level supervisory and managerial posts, or limit it to those senior staff with assigned vehicles. In such cases, credit is usually provided via pre-paid rechargeable cards, rather than as coupons.

More typically, organizations have a pool of vehicles for business needs, which are available to staff during working hours for work purposes only. Administrative staff manage fueling of these vehicles, with oversight measures.

Annex 12: DSA International Comparators and GOL Rates

Data on actual Daily Subsistence Allowance (DSA) expenditures by position or individual were not available. However, a comparison of official rates for the United States federal government, United Nations, and Liberia reveals numerous instances where Liberia's rates are higher. This suggests that some portion of DSA payments may in practice become a non-transparent top-up to earnings. Such excessive DSA rates would also present perverse incentives by encouraging increased travel and absence from regular duties.

Table 22: Daily Subsistence Allowance for International Travel, Selected Countries, USD

Country	Location (if specified)	USA At Oct. 2013	UN At Sept. 2013	Liberia Base Rate		Comparison of Liberia DSA for:		
				FY10/11	FY12/13	FY12/13 vs. FY 10/11	GOL12/13 vs. USA	GOL 12/13 vs. UN
Australia	Sydney	343	323	321	441	137%	129%	137%
Austria	Vienna	400	299	358	492	137%	123%	165%
Belgium	Brussels	360	401	463	637	138%	177%	159%
Canada	Ottawa	289	373	306	421	138%	146%	113%
Canada	Toronto	315	363	302	415	137%	132%	114%
China	Beijing	377	278	381	524	138%	139%	188%
China	Shanghai	330	372	360	495	138%	150%	133%
Cote d'Ivoire	Abidjan	343	234	274	377	138%	110%	161%
Egypt	Cairo	267	293	267	367	137%	137%	125%
France	Paris	541	387	446	613	137%	113%	158%
Germany	Berlin	361	374	448	616	138%	171%	165%
Germany	Bonn	290	283	330	454	138%	157%	160%
Ghana	Accra	331	315 to 431 /1	308	424	138%	128%	
Guinea	Conakry	327	281	201	277	138%	85%	99%
India	New Delhi	400	180 to 270 /1, 2	457	504	110%	126%	
Indonesia	Jakarta	362	271	308	424	138%	117%	156%
Japan	Tokyo City	404	333	454	624	137%	154%	187%
Kazakhstan	Astana	373	310	240	330	138%	88%	106%
Kenya	Nairobi	410	300	378	520	138%	127%	173%
Korea	Seoul	350	411	350	481	137%	137%	117%
Lebanon	Beirut	210	288 to 465 /2	325	447	138%	213%	
Malaysia	Kuala Lumpur	280	223	188	259	138%	93%	116%
Mali	Bamako	231	190	255	351	138%	152%	185%
Mexico	Mexico City	362	309	309	417	135%	115%	135%
Morocco	Rabat	262	236	292	402	138%	153%	170%
Mozambique	Maputo	256	285	216	297	138%	116%	104%
Namibia	Windhoek	242	129	246	338	137%	140%	262%
Nigeria	Abuja	508	282 to 365 /1	376	517	138%	102%	
Nigeria	Lagos	383	253 to 590 /1	n/a	340		89%	
Pakistan	Karachi	310	183	310	394	127%	127%	215%
Qatar	Doha	341	409	376	517	138%	152%	126%
Senegal	Dakar	311	297	291	400	137%	129%	135%
Sierra Leone	Freetown	195	223 to 279 /1	202	278	138%	143%	
South Africa	Johannesburg	268	223 to 346 /1	317	316	100%	118%	
Sweden	Stockholm	452	520	426	586	138%	130%	113%
Switzerland	Geneva	498	398	471	648	138%	130%	163%
The Gambia	Banjul	217	210	224	308	138%	142%	147%
Tunisia	Tunis	196	180	208	286	138%	146%	159%
Turkey	Istanbul	430	300	367	330	90%	77%	110%
Uganda	Kampala	315	198 to 461 /1	304	418	138%	133%	
UAE	Dubai	505	359	459	706	154%	140%	197%
UK	London	491	453	438	602	137%	123%	133%
USA	Chicago	161 to 280 /2	369	297	408	137%		111%
USA	Los Angeles	204	334	285	392	138%	192%	117%
USA	New York	262 to 374 /2	378	378	520	138%		138%
USA	Washington DC	238 to 290 /2	363	363	499	137%		137%
Vietnam	Hanoi	278	164	278	n/a			
Zimbabwe	Harare	334	201	334	459	137%	137%	228%

Source: Ministry of Finance Foreign Travel Ordinance Fiscal Year 2012/13 (appendix to the 2012/13 budget), United Nations, United States General Service Administration and United States Department of State. UN and US DSA rates are available online at:

<http://www.ph.undp.org/content/philippines/en/home/operations/undp-un-dsa-rates/>

<http://www.gsa.gov/portal/category/104711> and http://aoprals.state.gov/web920/per_diem.asp

Notes: /1 Rates vary by hotel /2 Rates vary by season

Annex 13: Recruitment and Retention Challenges: Options for Hard to Fill Posts

It is not uncommon for governments in developing as well as developed countries to face recruitment and retention difficulties for particular hard-to-fill posts or hard-to-hire skills. These often relate to service delivery in rural or hardship locations, but may also arise due to competition (higher salaries) from other employers. A number of general options for mitigating such problems exist, each with its own trade-offs and challenges.¹¹

- 1) *Increased compensation*: This may include preferential salary adjustments for specific cadres that, based upon a salaries review, are deemed underpaid relative to the rest of the government workforce; hardship allowances; or cost of living adjustments. While extra compensation is at first glance a popular option, it raises issues about cost, effectiveness, and possible effects on morale of other cadres who do not receive preferential salaries.
- 2) *Mandatory geographic rotation*: Where there is a clear career progression for a cadre, a requirement to service in a remote or hardship post may be a step in climbing the professional ladder. However, where personnel management practices and career prospects are weak, the professional returns to undertaking such postings are also likely to be low, and workers will find ways to shirk them.
- 3) *Changing work processes to reduce the need for scarce skills*: Examples include: having mobile clinics visit remote, underserved areas periodically, rather than having a permanently-staffed health facility; or training lower-level staff to provide services previously handled by higher-level staff. This approach has had good results in a number of settings, notably for health services, although it often runs into resistance from senior professional cadres who see it as eroding their standing.
- 4) *Contracting out or privatizing services*: This effectively offloads the problem onto non-government providers. However, government must provide adequate funding to those providers, and also take on the considerable burden of monitoring and evaluating their performance, to ensure that they are fulfilling their agreements.

Paying More for Hard to Fill Posts: The Example of the US Federal Government

In the United States federal government, the Office of Personnel Management (OPM) is authorized to assign special salary rates for federal government posts in case of documented recruitment and retention difficulties that are due to:

- Non-federal government employers paying substantially more
- Remote locations;
- Undesirable working conditions or work; or
- Other circumstances as OPM deems necessary.

Bodies may submit requests to OPM for consideration, completing a standard OPM form that asks for data to justify the request¹². This includes:

1. Specific jobs and locations covered by the request;
2. Exact time period the request would cover;
3. Overview of the body's staffing, including:

¹¹ Based on Gary J. Reid, *Examples of effective incentives and mechanisms to attract and retain personnel in disadvantaged areas* (unpublished note).

¹² The form is available online at http://www.opm.gov/forms/pdf_fill/opm1397.pdf

4. Filled as well as vacant posts by grade;
5. Details of recruitment (number of positions to be filled, number of offers of employment made, number of individuals hired);
6. Reasons for turnover, for example: transfers out to other federal government bodies with higher pay; resigned from federal government; resigned federal government to take a higher-paying job outside;
7. Proposed special rate;
8. Number of personnel and personnel costs by grade;
9. Written justification for the request;
10. Signatures of appropriate officials verifying the application / need.
11. As an appendix, the requesting body must also submit any relevant comparator salary data, documenting the higher rates offered by other employers.

OPM also conducts an annual review of all special rates requests.

Comprehensive Strategies for Addressing Recruitment and Retention Challenges in Remote Areas: Insights from the Health Sector¹³

A recent literature review of recruitment and retention challenges facing health services in low and middle-income countries posits that the starting point for tackling recruitment and retention challenges in remote areas is to develop a comprehensive understanding of their causes. Generally speaking, the causes are multiple and complex yet can be assigned to several categories.

- *Individual factors* include the personal situation and lifestyle needs of each worker (including age, marital status, current and preferred standard of living).
- *Local environment factors* include the type of housing, health care, and schools (for workers' children) that are available in the destination
- *Work-related factors* include financial opportunities as well as other conditions of service. Financial opportunities include the salary associated with the job, as well as other phenomena such as opportunities to supplement income via secondary employment (including private practice, tutoring, etc.) Such opportunities are often greater in cities than in rural locations. Other work-related factors include relationships with colleagues and clients/communities, training opportunities.

The evidence on links between these factors and recruitment/retention is limited and varies by country. Ultimately, the mix of tactics to be used depends on each country's circumstances, careful deliberations regarding what may work, and monitoring/readjusting as different approaches are tried and yield results (or not). However, a review of available studies found a tendency to try only one method for tackling the problem, whereas a combination might be more appropriate. While each country's circumstances are different, lessons might be drawn from Thailand, Indonesia and Zambia, all of which have applied an array of measures. These include preferential recruitment of rural residents (and subsequent work placements in local facilities), situating training facilities in local areas, additions to pay, and a mix of other incentives (including loans, help with school fees for children, and continuing education). These all entail costs and, as noted above, must be monitored to see if they are, in fact, effective. Even more important is making sure that the chosen options are implemented *well*, rather than merely existing on paper or being implemented in a shoddy, ineffective manner.

¹³ This section draws upon Lehmann Uta, Marjolein Dieleman, and Tim Martineau, *Staffing remote rural areas in middle- and low-income countries: A literature review of attraction and retention*, BMC Health Services Research 2008, 8:19, available online at <http://www.biomedcentral.com/1472-6963/8/19>.

Preparing Comprehensive Medium- to Long-term Solutions in Education and Health

The preceding sections present a concise perspective on factors, tactics and broad strategies with respect to “hard to recruit” posts. In reality, these are complex, ongoing challenges in many countries and, where resources allow, it is worth analyzing the needs and considering options in more depth. Uganda and Tanzania continue to do just this. *Equity in Public Services in Tanzania and Uganda*, a recent World Bank policy note, includes country-specific analysis and recommendations while also providing a rich discussion of generalizable methodologies and solutions, including their advantages, drawbacks and mechanics¹⁴. Liberia may wish to draw upon it as a resource for elaborating a medium- to long-term strategy.

¹⁴ *Equity in Public Services in Tanzania and Uganda*, World Bank, April 2010.

Annex 14: Labor Market Analysis and Pay Survey Report

1. Recognizing the advantages that public sector jobs offer (such as stability, working conditions, prestige and intrinsic appeal of the work), governments around the world typically do not aim to match salaries offered by other employers. However, standard practice is to monitor labor market and pay developments outside of the public sector on a periodic basis. Such information is used to ensure that civil service compensation is appropriate, and to respond to any recruitment difficulties that are demonstrably due to lower pay.
2. This report presents two fundamental analyses to shed light on the competitiveness of the civil service. First, it describes how Liberia's government is positioned in the national labor market. Second, it presents qualitative and quantitative findings from a pay survey of selected segments of the formal labor market. An overview of the sample, methodology and the interview guide are available at the end of the report..

LABOR MARKET CONTEXT

3. In considering how the civil service compares to other employment opportunities, it is important to bear in mind that stable, full-time work is a rarity in Liberia's labor market. As documented in the Liberia Institute for Statistics and Geo-Information Services (LISGIS) 2010 Labor Force Survey, out of Liberia's 1,080,000 employed persons aged 15 and over, only 195,000 (18%) are paid employees¹⁵. Most of the rest are own account workers (63%) or contributing family workers (16%) who are in what is called "vulnerable employment" - without regular pay, benefits, or job security.

Table 23: Employed Persons 15 and Over by Status in Their Main Economic Activity

Status in employment	Male	Female	Total
Paid employee	148,000	47,000	195,000
Employer	12,000	9,000	22,000
Own account workers	302,000	373,000	675,000
Member of producer's cooperative	7,000	4,000	11,000
Contributing family worker	68,000	107,000	174,000
Total	539,000	541,000	1,080,000
	<u>Percent</u>		
Paid employee	27.5	8.7	18.1
Employer	2.3	1.8	2.0
Own account workers	56.2	69.1	62.7
Member of producer's cooperative	1.4	0.7	1.0
Contributing family worker	12.6	19.8	16.2
Total	100	100	100
Vulnerable employment indicator (%)	68.6	88.8	78.8
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Population	1,628,000	1,711,000	3,340,000

Source: Report on the Liberia Labor Force Survey 2010, LISGIS, February 2011

Table 24: Selected Labor Market Indicators

Labor force participation	Inactivity rate (%)	Employment-to-population ratio	Unemployment rate (%)	Vulnerable employment	Informal employment
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¹⁵ Statistics in this section are from *Report on the Liberia Labor Force Survey 2010*, LISGIS, February 2011.

	rate (%)		(%)		rate (%)	rate (%)
Liberia	62.8	37.2	60.5	3.7	77.9	68.0
Urban areas	54.9	45.1	52.0	5.5	67.5	59.3
Rural areas	71.2	28.8	69.6	2.3	86.1	75.0

Source: Report on the Liberia Labor Force Survey 2010, LISGIS, February 2011

4. By occupation, including all types of employment status, there are some 14,000 managers and 69,000 professionals in the labor market. These two categories are greatly surpassed, however, by the number of service and sales workers, and the number of individuals in elementary occupations such as cleaner, street vendor and laborer (252,000 and 193,000 respectively).

Table 25: Employed Persons Aged 15 and Over by Main Occupation

Occupation major group ISCO-08	Male	Female	Total
Managers	11,000	3,000	14,000
Professionals	43,000	26,000	69,000
Technicians & associate professions (1)	14,000	5,000	20,000
Clerical support workers	5,000	1,000	7,000
Service & sales workers	86,000	167,000	252,000
Skilled agricultural workers	216,000	201,000	417,000
Craft & related trades	48,000	18,000	66,000
Plant / machine operators	22,000	4,000	27,000
Elementary occupations (2)	<u>83,000</u>	<u>110,000</u>	<u>193,000</u>
Total	528,000	536,000	1,063,000
<i>As percent of Category</i>		<i>Percent</i>	
Managers	2.0	0.5	1.3
Professionals	8.1	4.8	6.5
Technicians & associate professions (1)	2.7	1.0	1.8
Clerical support workers	1.0	0.3	0.6
Service & sales workers	16.2	31.1	23.7
Skilled agricultural workers	40.9	37.5	39.2
Craft & related trades	9.1	3.4	6.2
Plant / machine operators	4.2	0.8	2.5
Elementary occupations (2)	<u>15.7</u>	<u>20.5</u>	<u>18.2</u>
Total	100	100	100

Source: Report on the Liberia Labor Force Survey 2010, LISGIS, February 2011

Notes: Technicians and Associate professions category comprises non-university level jobs in, for example, science, health and business administration. (2) Elementary occupations include basic jobs such as cleaners, helpers, street vendors, laborers, and agricultural workers.

5. Government as a whole dominates Liberia's formal job market, employing some 50,000 of the 195,000 employed persons who claim paid employee status. Furthermore, government workers have by far the best working conditions. The majority have written contracts (usually of a permanent nature), benefit from employer contributions to pension, and are entitled to paid time off. Taken together, such positive conditions are not typical in any other category of enterprise or organization, including state-owned or private enterprises, non-profit organizations or private households.

Table 26: Working Conditions of Paid Employees by Type of Employer

Conditions of work	Category of enterprise or organization:						All paid employees (includes other categories)
	Government	Public or state-owned	Non-profit organization	Private household	Non-farm private enterprise	Farm private enterprise	
Number of paid employees	50,000	6,000	22,000	13,000	63,000	35,000	195,000
Employer contributes to pension/retirement fund	75.4	30.9	43.4	25.9	19.6	35.7	40.0

Receives paid leave	54.4	30.7	38.7	20.9	26.9	34.8	36.5
Entitled to medical benefits from employer	50.2	39.8	55.3	20.5	26.2	42.4	38.8
Employer deducts income tax from salary/wage	79.6	40.0	53.2	23.3	29.4	53.6	49.6
Has a written contract	85.2	60.4	78.8	26.9	51.8	43.0	61.7
Contract is of permanent duration	57.8	37.7	34.0	41.9	33.3	30.3	40.1
Is a member of a trade union	21.8	12.3	21.8	15.7	13.2	31.4	20.1
Is paid on a time rate basis	86.6	59.7	80.9	85.1	70.2	50.7	72.5

Source: Report on the Liberia Labor Force Survey 2010, LISGIS, February 2011

6. Deliberations regarding competitiveness thus unfold in a setting where government employment is, in many ways, the most appealing option for the majority of workers. The government is a market leader in formal employment. It has few weighty competitors in Education, while in Health development partners who have expressed a clear interest in transitioning away from funding salaries dominate the competition.
7. For jobs on the regular civil service scale, data suggest that the government is a dominant provider of formal employment opportunities at the lower echelons (technical and administrative staff, of whom there are roughly 12,000 on the government payroll). It likely faces a greater degree of competition for high-skill, high-achieving workers at the professional and executive levels. However, such competition would reflect not only compensation but also opportunities for professional growth and individuals' intrinsic preferences for different types of work and work environments. A nuanced perspective on what constitutes the market, and the nature of any competition, is thus needed.

TWO APPROACHES TO COMPARING EARNINGS

8. Two fundamental approaches to comparing earnings across different sectors of the economy are to examine (1) workers with similar characteristics (typically, educational attainment and age); and (2) similar jobs.¹⁶ Comparisons of similar workers rely upon data from large-scale representative surveys, such as the Household Income and Expenditure Survey (HIES) that Liberia is undertaking in 2013-2014. Comparisons of similar jobs rely on smaller scale surveys, conducted in writing or via interviews.
9. It is helpful to carry out both analyses since they yield complementary perspectives on the crucial question of how earnings compare across sectors. For example, a potential bias in jobs-based comparisons is that they may include primarily large companies who are market leaders. Such companies (especially ones with international ownership) generally employ a small, highly skilled and highly performing workforce. Particularly in developing countries, such a sample may not represent realistic alternatives facing civil servants if they were to leave government service, although it is likely to be relevant for a sub-segment of skilled individuals.¹⁷ An additional caveat is that ostensibly similar jobs may in reality require significantly different levels of effort and skill.
10. In contrast, worker-based analyses cover a larger swath of the labor market at all levels and sectors. However, this analysis can only be conducted if detailed data from a large-scale survey are available.

¹⁶ In addition, two quick assessments of pay adequacy involve comparing earnings to per capita GDP, and to household consumption. Neither of these methods is robust for Liberia, since per capita GDP figures are influenced by the heavily agricultural nature of the economy, and consumption data are extremely outdated, referring back to the 1960's.

¹⁷ These issues and methodologies are explained in *Does Indonesia Have a 'Low Pay' Civil Service?*, World Bank Policy Research Paper 2621, 2001.

11. Liberia will be able to undertake a worker analysis only after HIES data become available around 2015. The 2014 analysis thus conducted a jobs survey via face-to-face interviews with a range of organizations from large firms to micro-enterprises.

WORKPLACE TRENDS

12. Before looking at compensation and benefits, this section examines several prominent trends among the organizations surveyed.

Outsourcing and Contracting In

13. Large employers commonly use both contracting in and contracting out at low, middle and upper echelons. In such cases, because the intermediary firm employs these individuals, interviewees did not have information about their compensation arrangements¹⁸.
 - At the lower echelons, the work of cleaners, drivers and security guards is often outsourced to specialized firms or staffing agencies. In some cases, administrative support or customer service posts (clerical work, bank tellers) are also filled via such arrangements. In at least one firm, the post of secretary has simply been eliminated; professional staff handle these duties for themselves.
 - At upper echelons of management, some firms have management contracts that bring in highly skilled foreign nationals for limited terms, while others have international staff seconded from their parent company or selectively hire international staff directly. This indicates at least in part that the requisite skills cannot be found on the Liberian market, although there are other reasons for this practice as well.
 - In the professional ranks, some specialized work is outsourced to local firms or entrepreneurs. Examples included legal services, public relations, audit, as well as trades for which a firm may have only intermittent need (for example, electricians or maintenance workers).

Recruitment Strategies and Personnel Flows

14. Virtually all of the organizations report receiving a high volume of enquiries and applications, even without advertising. For organizations large and small, the level of interest far exceeds available openings. Almost every organization has an internship or trainee program, whether for 'white collar' professional jobs or trades. This is seen as an explicit recruitment strategy, since it allows organizations to make job offers to individuals who have demonstrated high performance and fit with their work culture. Interviewees frequently expressed a preference for a 'recruit and groom' strategy: hiring promising young graduates who gradually develop their expertise within the company, in line with the company's assessed needs. Indeed, some firms cited specialized niche skills (in finance as well as the trades) that are neither taught in educational institutions nor readily available on the market, and so can only be developed in-house.
15. While there is some crossover among companies as individuals pursue better professional opportunities, flows between government and the private sector appear more limited. This suggests that private firms and government bodies are to some extent parallel labor markets. Medium to large employers reported receiving applications from civil servants but, with some

¹⁸ At the lower echelons, compensation is likely to be more modest than for similar posts in the civil service. For example, one firm paid the contracting firm \$100-115 per month for each security guard provided. This means that the worker would earn less than that sum.

exceptions, did not view them as promising candidates. The reasons included different work and performance culture, and in particular a perception that such individuals brought with them issues of absenteeism, weak performance and poor discipline. That said, some crossover does happen, in both directions. Interviewees cited instances of skilled professionals from the banking sector or NGO sphere moving into mid-level or higher government posts (often in finance), and a few firms have staff that previously worked in the civil service.¹⁹ Taken together, this attests both to the performance challenges affecting the civil service, as well as to the existence of certain professional opportunities within government whose intrinsic appeal can attract individuals away from successful private sector careers.

Paths to Advancement

16. How do workers get ahead in the organizations surveyed? Managers interviewed consistently emphasized that demonstrating excellent performance was the path to promotion, and to pay rises. Organizations typically have a performance appraisal system, and may even appraise staff multiple times a year with respect to practical targets. Some companies, however, are grappling with how to implement a performance appraisal system that yields robust assessments and is not overly complex, and are not conducting appraisals in the interim.
17. Regardless of the appraisal format, the over-riding message was that staff must show real results, not just pro forma scores. Another common theme was that pay awards are given selectively to standout individuals in the form of a pay increment, and are not automatic. Average performers do not receive an increment; non-performers might lose their jobs. Importantly, the best path to higher earnings was via promotion, a decision that takes into consideration performance appraisal results as well as other factors.
18. Adjustments to the overall pay scale are typically subject to a board decision that considers profitability and economic conditions. It is not unusual for pay scales to remain unchanged for a period of years. Although one company recently awarded some across-the-board pay increases, it was in a period of corporate transition that entailed building goodwill among the workforce. Another company (a state-owned enterprise) noted that in addition to being costly, awarding across-the-board increases regardless of performance would demotivate strong performers.

PAY SURVEY FINDINGS

19. The pay survey probed actual compensation (salary, monetary and in-kind allowances, and benefits) paid to typical jobs in the formal labor market.²⁰ In order to cover a range of employment opportunities, four market segments were included: micro, small and medium enterprises (MSME); non-governmental organizations (NGO); large companies (private as well as state-owned); and commercial banks. Seventeen organizations were interviewed as well as key informants who, by virtue of their position, have relevant insights about the labor market (see later sections for sample, methodology and interview guide).
20. Survey interviews yielded a rich and nuanced picture of practices in different market segments. Because the types of jobs and employment conditions differ significantly by type

¹⁹ These individuals, too, remarked on the gulf between the private sector work environment and the culture prevailing in the civil service.

²⁰ The survey presents information on actual earnings paid to active staff, as opposed to formal salary scales, which include some ranges that companies are not presently using.

of organization, findings are presented by market segment and accompanied by a description of key contextual features that are important to understanding the compensation data. Even within market segments, the ranges in earnings are often wide, due to the evolving nature of the market, different organizational profiles and means, as well as the size of the sample. To preserve confidentiality, earnings are presented in ranges so as not to disclose sensitive information from any given organization. Organizations structure their compensation differently (even within the same sector) with salary representing the bulk of compensation in some, while others use a combination of monetary and, to a lesser extent, in-kind allowances. To facilitate comparison, the findings present total regular monetary and in-kind earnings.²¹ Bonuses and other benefits are addressed separately, since bonuses in particular are often variable in amount and timing and difficult to assess realistically.

21. The survey says nothing about the *adequacy* of compensation but simply reports what is in place. Indeed, given the dearth of official consumption data, evaluations of pay adequacy are at present largely limited to subjective judgments. The Household Income and Expenditure Survey currently underway is expected to improve this situation once data are released in 2015.

Detailed information on compensation in MSMEs is presented in Table 27, followed by NGOs (

²¹ For in-kind allowances such as gasoline, fuel or cellular coupons, which are typically limited to certain positions, the face value of the coupon was used. The value of foodstuffs was estimated at prevailing prices. Regular refers to payments made in set amounts on a fixed schedule. This includes payments that are made monthly as well as less frequently (e.g. annual foodstuffs, some items that accrue monthly but are transferred to the recipient less often e.g. every six months or every year).

Table 28), large companies (Table 29) and commercial banks (Table 30).

22. Table 31 presents data on the civil service. A detailed overview of benefits by market segment and by entity (Table 32 and Table 33) again confirms the varied practices across as well as within market segments.
23. How do these market segments stack up? Not surprisingly, compensation and benefits are most generous in the commercial banking sector, which employs a relatively small and highly skilled workforce, including individuals with specialized skills. Large companies, particularly ones with foreign involvement, are also attractive employers again for a fairly small and high-performing set of workers, as are NGOs with foreign partners. MSMEs (the types of enterprises that are by far the most common and thus potentially a more realistic alternative source of employment for individuals were they not within the civil service) offer substantially more modest compensation, again with a wide range depending on the enterprise's field and business fortunes, and with more limited (though still welcome) benefits. It is important to bear in mind, however, that these positions remain highly sought after and particularly for professionals (such as engineers) offer reasonable to strong career prospects.
24. How does the civil service compare with these market segments? Given the disparities within the civil service, the answer depends very much on which body a civil servant ends up in, and on the extent to which the individual has access to the general allowance and to in-kind allowances that serve as top-ups to pay. At the lower echelons, for positions such as cleaner, security guard and driver, the public sector offers job stability, a steady income (which is a rarity for many Liberians), and base salaries that exceed pay in MSME or even some larger companies. For those individuals receiving allowances, the public sector advantage is even greater. Given that these types of jobs are among those that large and otherwise higher-paying enterprises often outsource, individuals would appear to be better off in the civil service. Certain individuals in other technical and administrative support positions, namely those who appear to be benefiting from mis-grading or outsized allowances, also appear to be taking home as much or more money than their peers in MSMEs.
25. At professional and executive levels, regular compensation packages in NGOs, large companies, and particularly commercial banks are typically larger than the civil service, although this does not always hold. Particularly considering the prospect of in-kind allowance top-ups that some civil servants may receive, the ranges in civil service earnings can overlap with those found in the other market segments. An additional consideration discussed at the beginning of this section is that the actual demands and skill requirements of positions with ostensibly similar functions are, in practice, not necessarily equivalent. It appears that to some extent the localized decisions about allowances may have incorporated competitiveness factors, particularly for finance-related positions, whether in Ministry of Finance or in other bodies. Another indication, albeit anecdotal, is the reports that some skilled professionals occasionally move from the banking sector to mid-level and higher positions within the government.
26. What are the implications of this situation for policy? As a guiding principle, it is important to bear in mind that government pay policy generally does not aim to match (and certainly not lead) the monetary compensation offered in those segments of the labor market that are seen as viable alternatives to civil service employment. Governments around the world recognize the many advantages that public sector employment offers, and adopt a more nuanced approach.
27. The Liberia findings suggest four main implications.

- First, the need to rejuvenate the civil service grading system and rein in the many evident anomalies is a priority.
- Second, given the size of the civil service and its position on the labor market, as well as evidence regarding current compensation, it is advisable to prioritize addressing internal equity over questions of external competitiveness.
- Third, in light of the seemingly favorable position of civil servants at the lowest echelons *vis-à-vis* their counterparts in other market segments, there appears to be little justification *on competitiveness grounds* for raising the lowest pay level currently offered in the base salary scale.
- Fourth, competitiveness concerns seem to be most relevant predominantly for a limited segment of the civil service workforce that is largely nestled within the professional and executive cadres. To some extent, these concerns may have already been addressed via localized pay-setting decisions. Given the other factors at play (expertise, actual demands of the position, limited number of posts in the market segments examined, as well as selective recruitment practices and a tendency toward “recruit and groom” strategies), a flexible, targeted approach for handling cases where pay differentials are clearly demonstrated to be undermining the government’s ability to recruit and retain key skills may be most suitable.

Table 27: Compensation in Micro, Small and Medium Enterprises (MSME)²²

<p><i>MSME Context</i></p> <ul style="list-style-type: none"> • The MSME sector is still evolving and operates in uncertain and fluctuating conditions. Particularly in micro-enterprises, owners are continuing to learn the fundamentals of business administration, including how to manage finances. These factors influence employment conditions facing workers. • The bulk of regular compensation is monetary (primarily base salary, possibly a transportation allowance). Regular in-kind payments are limited in both number and amount, and primarily in the form of foodstuffs (e.g. rice at end-year, a meal during the workday). • The permanent workforce is small with a limited number of functions/types of positions, and few if any managers other than the owners. Casual or temporary workers may be an important part of operations when the company has active contracts. If the company experiences slow downs due to seasonal patterns or business conditions, staff may work on a voluntary basis, on the understanding that once activity picks up they will receive a salary again. In such cases, the monthly salary figure may appear somewhat higher than in companies that pay staff without interruption, but the difference falls after considering non-payment in slow periods. Some workers may engage in other activities (such as petty trading) to supplement their earnings. • Contributions to NASSCORP are made if required, and more established enterprises might offer some medical care (such as agreements for care at designated clinics, with the company paying some or all costs for the worker, less often for family members). Beyond that, MSMEs tend to address employee welfare on a personalized, case-by-case basis. Given the small size and close working relationships, owners know employees' circumstances and take decisions on whether and how to help when needs arise. • Bonuses, if awarded, depend directly on the company's performance (whether it has any active contracts, ability to meet or exceed quality standards and deadlines) and are thus variable in amount and timing. Professionals who are required to spend extended periods of time outside of Monrovia supervising site work may receive additional sums per night in the field (in addition to accommodation and food), to compensate for being away from home.
<p><i>Gross regular monthly earnings (monetary plus In-kind), excluding bonuses, tips or pay for site work</i></p> <p><i>Executive (Owners)</i></p> <ul style="list-style-type: none"> • Not disclosed <p><i>Professional</i></p> <ul style="list-style-type: none"> • Engineer USD 365-1,000 • Accounting & financial duties USD 225-265 • Associate professionals (e.g. marketing, technician, non university educated) USD 95-130 • Apprentice technician or student intern USD 55-100 <p><i>Technical, Administrative Support & Elementary Occupations</i></p> <ul style="list-style-type: none"> • Secretary USD 100-215 • Driver USD 150-200 • Food service workers USD 75-90 depending on level of enterprise, possibly up to USD 110 in an upscale setting, plus any tips • Cleaning staff approx. USD 75 • Security guard (working for a security firm) USD 50-70 <p>Daily rates for Casual or temporary workers (hired for a few days, weeks or months depending on need):</p> <ul style="list-style-type: none"> • Driver, USD 10 • Estimated earnings of workers hired under group contracts, working six days per week with one meal provided: skilled worker \$10, semi-skilled 400 LD (USD 5), unskilled worker 250 LD (USD 3). • Food production worker USD 5 <p>A variety of other non-salaried arrangements exist. For example, in some retail enterprises, salespersons may receive only commissions (e.g. a share of net proceeds when a large item such as a furniture set is sold), not a regular salary. Delivery staff may work for free in exchange for being allowed to operate the vehicle as a taxi in off-hours, or on a work-to-own arrangement.</p>

²² Based on interviews with enterprises and key informant interviews about prevailing conditions in this sector. Includes one worker cooperative.

Table 28: Compensation in Non-governmental Organizations (NGO)²³

<i>NGO Context</i>
<ul style="list-style-type: none"> • NGO perspectives on employment reflect project-based funding patterns, since many NGOs operate on a project-to-project basis (whether via relatively short-term contracts or longer-term relationships). Thus NGOs tend to hire staff on annual contracts (especially when foreign funding is involved) although in practice these may be renewed repeatedly, subject to good performance and continued need. • Compensation is heavily influenced by the NGO's relationships with international partners or domestic implementing agencies. NGOs with funding from bilateral or multilateral sources are able to pay higher salaries, and typically follow funders' guidelines on pay. Organizations that are largely self-financing offer far more modest compensation. As a result, salaries for broadly similar positions exhibit wide ranges. • Most regular compensation is monetary, with only a limited role for in-kind allowances (some foodstuffs; in some cases, gas/fuel allotments for senior staff). • Since many NGOs are engaged in the sphere of capacity building, they also encourage their own staff to undertake professional development opportunities. Organizations support this in a number of ways, such as accommodating schedules for those who are taking classes, formal study abroad, or short-term training and development activities tied to the organization's needs.
<i>Gross regular monthly earnings (monetary plus In-kind), excluding bonuses</i>
<p><i>Executive & Managerial</i></p> <ul style="list-style-type: none"> • Depending on the extent of relationships from bilateral or multi-lateral partners, pay for top management of NGOs runs from some hundreds dollars to well over USD 2,000. <p><i>Professional</i></p> <ul style="list-style-type: none"> • Experienced mid-level professional (e.g. Program Officer) USD 1,450 – 2,000 at higher end of the market. At lower end of market, several hundred dollars. • Finance Officer (without accounting certification typically USD 550 – 650; if highly skilled with advanced credentials up to USD 2,000 towards the top end of the market. • Procurement Officer typically USD 550 – 650 • Monitoring & Evaluation Officer USD 1,450-1,835 • Administrators (e.g. Office manager, HR officer) USD 650 - 900 <p><i>Technical, Administrative Support & Elementary Occupations</i></p> <ul style="list-style-type: none"> • Accounts clerk, bookkeeping and cash-management functions USD 130 - 750 • Basic clerical or administrative worker USD 55 - 120 • Driver USD 200 – 250. Up to 450-500 in the top end of the sector for individuals with extra technical skills • Security guard typically USD 55 – 150, and substantially higher in top end of the sector. • Cleaner USD 55 – 160

²³ Based on interviews with NGOs and key informant interviews about prevailing conditions in this sector

Table 29: Compensation in Large Companies (Private and State-owned)

<p>Large company context</p> <ul style="list-style-type: none"> • Structure of monetary earnings varies, but base salary plus monetary allowances (usually transportation) typically account for the bulk of regular earnings. • In some companies in-kind allowances for gas/fuel or airtime may add USD 2-300+ to earnings for managerial posts. Distribution of foodstuffs (typically rice) is usually limited to 1-2 occasions per year, though it ranges across companies from none to monthly. • Wide ranges in earnings reflect variation in company financial position, sector of operation, and professional specializations (e.g. within the field of engineering.) • Outsourcing and insourcing are present, particularly at the top of the hierarchy with international executives under management contracts. It also is a factor in highly specialized professional skills (legal, public relations), services (typically security guards) but in other administrative or technical posts as well. • About half of the companies provide a "13th month" bonus (equivalent to one month's base salary) at end year, which may however be subject to company performance.
<p><i>Gross regular monthly earnings (monetary plus In-kind), excluding bonuses</i></p> <p><i>Executive & Managerial</i></p> <ul style="list-style-type: none"> • Top executive positions are often held by expatriates, hired under management contracts. Information on compensation is not available. • Domestically-recruited deputy managing director-tier posts for Liberian companies pay from USD 5,500 upward, with significant benefits packages • Director of major department or function USD 2,000 – 4,000 • Highly skilled IT manager USD 2,000 – 3,500 • Senior Manager (within a Department) USD 1,650 – 2,200 • Mid-level Manager (Within a Department) USD 600 – 1,350 • Junior manager USD 400 - 500 <p><i>Professional</i></p> <ul style="list-style-type: none"> • In-house lawyer USD 2,000 – 2,800 • Senior Accountant (supervisory or managerial level) USD 1,200 – 1,650 • General professional staff (administrators, finance personnel, USD 300 - 700 • Procurement Officer USD 390 - 550 • IT professional USD 375 – 850 • Senior engineer USD 1,800 – 2,000 and higher • Accountant or book keeper USD 550 - 800 • Engineer, mid-level USD 830 – 1,100 • Entry-level engineer USD 400 – 570 <p><i>Technical, Administrative Support & Elementary Occupations</i></p> <ul style="list-style-type: none"> • Technician USD 210 – 450, up to 750 for highly skilled or university-educated • Customer service agent USD 500 – 750 • Service industry supervisor USD 200 – 300 • Service workers USD 115 - 150 • Accounts clerk USD 260 – 300 • Secretary, receptionist USD 180 - 570 • Clerk or office assistant typically USD 140 – 325, in rare instances up to 500+ for experienced workers • Senior/executive driver USD 215 – 400; in rare cases (including heavy vehicles) up to USD 500 • Driver typically USD 190 – 260 • Cleaners and helpers USD 90 - 215

Table 30: Compensation in Commercial Banks

<p><i>Commercial banks context</i></p> <ul style="list-style-type: none"> Commercial banks represent the top end of the market, with a significant foreign presence and high-functioning workplace environment. Compensation and benefits are thus attractive for the individuals who pass the screening and are able to perform at this level. As with large companies, outsourcing and insourcing are evident at all levels, depending on the organization. Many technical and support functions are filled by contractors, and posts higher up may be as well. Parent company staff may fill the top positions, and other international staff may be hired individually for certain high-skill posts that are difficult to fill on the local market. Some (not all) offer a 13th month bonus. Variable bonuses may or may not be paid, depending upon economic conditions. The participating firms all offer a “provident fund” of forced savings deducted monthly, with the employer matching up to a certain percentage of base salary.
<p><i>Gross regular monthly earnings (monetary plus In-kind), excluding bonuses</i></p> <p><i>Executive & Managerial</i></p> <ul style="list-style-type: none"> Foreign nationals seconded from the parent company often hold top posts in international banks. While details were not disclosed, indicatively the sums would be on the order of USD 10,000 and higher. Senior executive/manager (level immediately below the top leadership includes e.g. senior vice- presidents, top-tier managers) USD 2,600 – 4,890 Middle executive/manager (titles such as vice-president, manager, head of department) USD 2,000 – 2,700 Junior Executive/manager (assistant vice-presidents, deputy & assistant managers) USD 1,000 – 2,450 <p><i>Professional</i></p> <ul style="list-style-type: none"> Senior professionals USD 950 – 1,200 General professionals USD 500 – 1,350 Legal work is often outsourced. If in-house, USD 2,500 and upward IT Specialist USD 500 – 3,000 Accountant USD 585 – 1,200 <p><i>Technical, Administrative Support & Elementary Occupations</i></p> <ul style="list-style-type: none"> Teller typically USD 440 – 550, some higher. (This is often an industry entry-point for university graduates. May also be insourced.) Executive Secretary USD 800 – 1,300 Senior/executive driver USD 385 - 780 Driver USD 200-400 Work of security guards and other lower echelon posts is often outsourced

Table 31: Compensation in the Civil Service

<p>Civil service context</p> <ul style="list-style-type: none"> • The civil service exhibits substantial dispersion in pay for ostensibly similar jobs due to mis-grading in base salaries as well as ministry-level discretion over the general allowance. Further sources of uncertainty are in-kind allowances (gas/fuel and airtime coupons) that are subject to varied practices and to some extent appear to be top-ups to pay. In the case of above-benchmark DSA rates, some portion may also be a <i>de facto</i> top-up, albeit a sporadic one, for individuals who travel internationally. DSA for domestic travel may exhibit some of the same characteristics. • Earnings information presented here is drawn from analysis of a large scale database of allowances data and salary scales presented earlier in this document, and is subject to the limitations as explained. Evident anomalies reflect the varied practices across and within ministries, as well as mis-grading and idiosyncratic use of job titles.
<p><i>Estimated gross regular monthly monetary earnings (base salary plus allowances). Excludes in-kind allowances</i></p> <p><i>Executive & Managerial</i></p> <ul style="list-style-type: none"> • Director, base salary only est. USD 168, if allowance, avg. total 802 (range 318 – 1,768) • Assistant Director, base salary only est. USD 168, if allowance, avg. total USD 498 (range 218 – 1,368) • Comptroller, base salary only est. USD 168, if allowance, avg. total USD 2,044 (range 618 – 5,568) <p><i>Professional</i></p> <ul style="list-style-type: none"> • Chief Accountant, base salary only est. USD 143; if allowance, avg. total USD 806 (range 413 – 1,943) • Accountant, base salary only est. USD 143; if allowance, avg. total USD 467 (range 243 – 1,343) • Senior Auditor, base salary only est. USD 143; if allowance, avg. total USD 1,036 (range 493 – 1,343) • Auditor, base salary only est. USD 143; if allowance, avg. total USD 512 (range 213 – 793) • Engineer, base salary only est. USD 143; if allowance, avg. total USD 464 (range 343 – 893) • Analyst, base salary only est. USD 143; if allowance, avg. total USD 470 (range 212 – 1,043) • Procurement Officer, base salary only est. USD 143; if allowance, avg. total USD 339 (range 193 – 763) • IT Technician, base salary only est. USD 143; if allowance, avg. total USD 396 (range 243 – 943) <p><i>Technical, Administrative Support & Elementary Occupations</i></p> <ul style="list-style-type: none"> • Accounts Clerk, base salary only USD est. 120; if allowance, avg. total USD 332 (range 190 – 570) • Mechanic, base salary only est. USD 120; if allowance, avg. total USD 214 (range 155 – 420) • Mason, base salary only est. USD 120; if allowance, avg. total USD 203 (range 160 – 260) • Secretary, base salary only est. USD 120; if allowances, avg. total USD 296 (range 140 – 1,120) • Office Assistant, base salary only est. USD 120; if allowances, avg. total USD 235 (range 150 – 645) • Driver, base salary only est. USD 120; if allowances, avg. total USD 228 (range 142 – 270) • Security guard, base salary only est. USD 120; if allowances, avg. total USD 214 (range 160 – 345) • Cleaner, base salary only est. USD 120; if allowances, avg. total USD 172 (range 144 – 245)

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Table 32: Overview of Benefits by Market Segment

	Commercial Banks (3)	Large Corporations (5, including 2 SOEs)	Micro, Small & Medium Enterprises (MSME) (6)	Non-Governmental Organizations (3)	Civil Service
Hours	Regular work week plus half day on Saturdays for customer service and other staff (e.g. on a rotating basis)	Regular Monday-Friday work week. 1 SOE also requires half-day on Saturday.	2 have a 6-day work week, others 5 days.	5 days per week.	Regular Monday-Friday work week, 8.am. – 4 p.m..
Allowances & Benefits					
Transport to/from work	2 provide cash at set rates determined by grade or type of post.	2 provide flat rates of \$40-50/month to most staff, 1 provides \$50 & \$90 (latter to senior staff), 1 considering a flat rate.	1 offers USD 10/ week, 1 offers up to USD 10/month, 1 offers 3,000 LD/ month (approx.. USD 38)	Not typical. 1 has assigned vehicle for 2 top staff, and staff bus for others.	Government employees are eligible to ride dedicated staff buses at no cost, where available.
Meal allowance or subsidy	1 provides \$1-2/day to shift-workers to compensate for inconvenience; 1 provides in-kind meals valued at \$60-120/month, depending on staff level.	1 private co. provides 1 subsidized meal per day.	1 offers one free meal per day.	No.	No
Loans	All offer loans at below-market interest rates.	1 provides no-interest loans to senior staff and a revolving fund for modest loans to others. 1 provides modest no-interest loans with short-repayment periods.	No. 1 will consider requests on a case-by-case basis.	No.	No.
Free or subsidized housing	1 provides cash housing allowance at rates determined by grade or post. 1 provides free furnished housing to staff transferred to outlying locations.	1 SOE provides cash allowances for managers & above, from USD 100.	No.	No. 1 includes it, notionally, in a multi-purpose allowance that accrues monthly and is paid semi-annually.	No.
Assigned Vehicles	Top management get an assigned vehicle.	2 provide assigned vehicles for management only.	No.	1 has assigned vehicles to top staff.	Yes. Policies and practice vary.
Gasoline and fuel (diesel)	2 provide gas/fuel allotment to managerial posts at set rates by grade or post, typically via a pre-paid, rechargeable card. 1 provides gas/fuel for assigned vehicles only; handled (and controlled) by administrative staff.	1 provides for top management only, 1 for managers above (which can be USD 500+)	No.	No. 1 provides gas/fuel coupons for top staff with assigned vehicles.	Yes, allocated under the authority of the head of each body. Practices vary.
Education benefit (employee)	1 reimburses tuition for approved part-time studies (if in the company's benefit); 1 will pay tuition for full-time graduate studies (approved, in company interest) after which recipient is bonded 4 years. 1 has policy but not used.	Not typical.	No. 1 will consider helping on a case-by-case basis.	1 allows staff to enroll in organization's own courses, tuition-free. 1 pays portion of salary for staff who are selected for graduate study abroad (studies are funded by international partner.)	Study leave is available. Access to scholarship opportunities.
Education benefit (children)	1 pays cash benefit, semi-annually.	1 private & 1 SOE provide modest sums toward schools fees, for up to 3 dependent children.	2 will consider helping, on a case-by-case basis.	No. 1 includes it, notionally, in a multi-purpose allowance that accrues monthly and is paid semi-annually.	No.

	Commercial Banks (3)	Large Corporations (5, including 2 SOEs)	Micro, Small & Medium Enterprises (MSME) (6)	Non-Governmental Organizations (3)	Civil Service
Mobile phone handset	1 provides handsets for Call User Group members (only); 1 provides modest handsets to managers.	1 provides to Call User Group members, 1 provides to all staff at entry, 1 provides for in-network use, 1 provides to senior management only.	No. 1 provides staff with a special phone for company business only (line should always be open).	No.	No.
Mobile phone airtime	1 has a Call User Group plus in-kind airtime credit for supervisors. 1 has CUG, fixed line phones, and provides scratch cards at set amounts by grade. 1 has shared mobile phones loaded with credit, for business calls, and provides scratch cards but is moving toward fixed lines for cost reasons.	Varies. 1 has internal network, provides minimal amounts to technical staff for work needs only. 2 provide in-network calls, of which 1 provides \$50-100 for out-network (injected directly to phone). 1 provides cash for managers & above, starting at \$110.	2 have Call User Groups for internal calling. 1 gives occasional scratch cards to marketing and sales staff, when needed for work purposes.	1 gives USD 15/month scratch cards to 4 senior staff. 1 has a Call User Group and internet package for calls from office, plus some scratch cards for off-site work calls. 1 gives scratch cards periodically and has a shared office mobile loaded with credits; staff must log all calls.	Yes, allocated under the authority of the head of each body. Practices vary.
Other, monetary	All have a Provident Fund of "forced" savings: 2.5-5% of base salary automatically deducted from pay; company makes matching contribution that vests after e.g. 5 years. 1 provides a modest clothing allowance paid once per year. 1 provides token gifts for wedding or completing graduate degree	Not typical. 1 provides \$200 cash for birth, bereavement, and graduation.	Not typical. 1 company gives engineers who are living on-site to supervise work a daily allowance (USD 20). 1 company contributes for special occasions (birth, bereavement).	No.	No.
Other, in-kind	1 provides foodstuffs at end of year, 1 provides at end and mid-year.	2 provide 50kg rice monthly, of which one provides other foodstuffs at end-year. 1 SOE provides 50 kg rice twice per year.	No.	1 gives a 25 kg bag of rice to all staff at Christmas.	Typically, rice at end-year.
Overtime	Limited, only when approved by supervisor. Tends to be limited to posts such as drivers, IT, technicians.	As per labor code. For some production jobs, overtime can be considerable, but more typically it's limited (also for cost reasons).	2 need occasional paid overtime work.	Avoid incurring overtime, due to tight budgets as well as lack of need.	If authorized.
Bonus or incentive plans					
Fixed bonus	2 provide a "13th month salary" bonus, of which one may also provide a mid-year bonus subject to Board of Directors' decision.	3 provide "13th month" base salary bonus at end-year, which may be subject to company performance.	No.	No. 1 gives a <i>de facto</i> 13th month, since most staff are on annual contracts that entail a 1-month payment at end.	No.
Variable bonus	1 provides a bonus to those with excellent appraisal results, at single-digit percentage of monthly salary. 1 has suspended performance bonuses because system did not work. 1 may pay in principle, subject to Board of Directors' decision, but has not done so recently.	No.	1 provides a Christmas bonus (amount is private), and ad hoc "surprise" sums for hard work. 1 provides modest bonuses (USD15-50) 1-3 times a year. 1 provides a bonus for quality, efficiency and on-time delivery of contract, to all staff at varied amounts and depending upon contract size.	No.	No.

	Commercial Banks (3)	Large Corporations (5, including 2 SOEs)	Micro, Small & Medium Enterprises (MSME) (6)	Non-Governmental Organizations (3)	Civil Service
Other bonus or awards	No.	2 give modest awards for achievement (graduation, employee of the year (per department), and for long service.)	No.	No.	No.
Social Benefits					
Paid annual leave	As per labor law. Senior positions may get more leave.	As per labor law.	2 agree on as-needed basis. 2 provide fixed number of days.	All follow labor law, 2 give additional days than minimum required.	Yes, consistent with the labor law. Depends on tenure, seniority, position.
Sick leave	Yes. For longer illnesses medical reports required.	As per labor law.	Agree on as-needed basis.	As per labor law and as needed.	Consistent with the labor law. Up to 15 days per year; up to 60 days under certain circumstances.
Other leave	As per labor law.	As per labor law.	Agree on as-needed basis.		Consistent with the labor law. Special leave with pay to attend meetings, conferences and conventions.
Pension /retirement benefits	NASSCORP. One provides a one-time lump sum.	NASSCORP. 1 private company provides additional benefit (40% of monthly pay), paid monthly to retired workers.	1 is developing its policy now. 1 contributes to NASSCORP and provides lump sum of 6 weeks salary per year served. 1 contributes to NASSCORP.	2 contribute to NASSCORP.	In addition to NASSCORP, a special non-contributory civil service pension scheme. Eligibility at age 65 or after 25 years of service. Includes a survivors' benefit for dependents.
Medical & Insurance	1 provides group life and medical insurance. 1 provides group life and medical insurance, and pays premiums and all costs for care at designated facilities.	All provide either insurance or free care at designated facilities. 3 provide group life and medical insurance (of which 1 pays premium for employee). 3 have negotiated agreements with clinics of which 2 pay all costs and 1 caps at USD 500 per year (unspent sums are given to employee as a bonus.)	1 pays all costs for care at a designated facility (employee only, not dependents. 1 pays costs at designated facility up to about USD 100 per ailment.	1 provides free medical insurance. 1 pays 5% of gross monthly salary in lieu of insurance.	No standard benefit.
Other					
<i>Vacation benefit:</i> provided only by 1 bank, as a cash sum that accrues monthly and is received before going on leave. <i>Leisure facility membership</i> is provided only by 1 bank to managers via direct payment of membership fee. <i>Entertainment allowance</i> is provided only by 1 bank to top executives while 2 banks reimburse legitimate expenses based on receipts.					
Source: CSA pay survey interviews, Civil Service Standing Orders, Chapter 7					

Table 33: Overview of Benefits by Entity

	Bank 1	Bank 2	Bank 3	SOE 1	SOE 2	Corp. 1	Corp. 2	Corp. 3	MSME 1	MSME 2	MSME 3	MSME 4	MSME 5	MSME 6	NGO 1	NGO 2	NGO 3
Allowances & Benefits																	
<i>Transport</i>	No	Cash	Cash	Cash	Cash	Cash	Cash	No.	No	No.	Cash	Cash	Cash	No	No.	No.	Bus
<i>Meal allowance or subsidy</i>	No	Some, modest	In kind	No	No.	Subsidy	No.	No.	No	Meal	No	Meal	No.		No	No.	No
<i>Loans</i>	Yes	Yes	Yes	No	No.	Yes	No.	Modest	No	Ad hoc	No	No	No.	No	No	No.	No.
<i>Housing</i>	No.	Cash	No.	No.	Managers & up	Top mgmt	Expats	No.	No	Ad hoc	No	No	No.	No	No	No.	Notional
<i>Assigned Vehicles</i>	Top executives only	Top executives only	Manager and above		Manager and above	Manager and above	Expats	No.	No	No.	No	No	No.	No	No	No.	Senior posts
<i>Gas / fuel</i>	Upper supervisors, managers	Upper supervisors, managers	No.	No.	Managers & up	Top management.	No.	No	No	No.	No	No	No.	No	No.	No.	Assigned vehicles, only
<i>Education (employee)</i>	Policy, not used	Selective	For approved part-time studies	Selective	Study leave	No.	No.	No.	Ad hoc		No	No	No.	No	Tuition waiver	No	Study leave
<i>Education (children)</i>	Cash.	No	No	No	Up to 3 kids	Up to 3 kids	No.	No.	Case by case	Case by case	No	No	No.	No	No	No.	Notional
<i>Mobile handset</i>	For CUG	Modest handsets to some.	No.	Yes	For CUG	No.	Yes.	Sr. management	Yes, dedicated line	No	No	No	No.	No	No	No.	No.
<i>Mobile airtime</i>	CUG	Shared mobile phone. Scratch	CUG, fixed lines, scratch	Yes	Cash, mgrs & above	Internal network. Some scratch	Post-paid for mgrs, credits for others	Some scratch	CUG	CUG. Some scratch	Some scratch	No	Ad hoc scratch	No	Some scratch to senior staff.	CUG, internet, some scratch	Shared mobile. Some scratch
<i>Other, monetary</i>	Provident fund. Small clothing allwc.	Provident Fund. Token cash.	Provident Fund. Cash Vacation benefit.	Token sums	No	No	No	No.	Cash for supervisors on-site.	No	No	Ad hoc	Token sums	No	No	No.	
<i>Other, in-kind</i>	Modest items.	Annual foodstuffs	Annual foodstuffs.	No.	Rice, 2x/year.	Rice monthly. Annual	Rice monthly.	Considering.	No	No.	No	No	No	No	Rice, annual.	No.	No.

	Bank 1	Bank 2	Bank 3	SOE 1	SOE 2	Corp. 1	Corp. 2	Corp. 3	MSME 1	MSME 2	MSME 3	MSME 4	MSME 5	MSME 6	NGO 1	NGO 2	NGO 3
						Foodstuff											
Bonus or incentive plans																	
<i>Fixed bonus</i>	No.	13th month.	13th month.	No.	No.	One-month base	13th month.	13th month	None	End-year bonus.	No	No	No.	No	No	No	Pay-out at end of contract
<i>Variable bonus</i>	Not recently	No. Under review.	Based on performance appraisal	No.	No.	No.		Considering.	if meet project targets	Modest sums, ad hoc.	End year + ad hoc	Tips, extras based on profit	No.	No	No	No	Based on performance appraisal
<i>Other</i>	No.		No.	Awards for achievement	No.	End-year awards		No.		Ad hoc recognition		No	No.	No	No	No.	
Social Benefits																	
<i>Pension /retirement</i>	NASSC ORP + lump sum	NASSCORP	NASSCORP	NASSC ORP, + lump sum		Monthly pension	NASSC ORP	NASSC ORP plus company plan.	Considering	NASSC ORP + lump sum.	No.	NASSC ORP	No.	No	Lump sum	NASSC ORP	NASSC ORP
<i>Medical and insurance</i>	Group life & medical insurance	Medical & Life Insurance + costs at design. facilities.	Notionally included in base.	Group insurance, premium paid by company	Group life & medical insurance.	Care at design. facilities for staff, family	Care at design. Facility for staff, capped. Considering life ins	Care at design. facility for staff and family.	Care at designated facility, staff only.	Reimburses 75% of staff medical costs.	Help as needed.	No.	Care at design. facility for staff, up to a cap.	No	No. Considering.	Medical insurance.	5% of gross base in lieu

METHODOLOGY FOR THE 2014 PAY SURVEY

The 2014 pay survey relied primarily on semi-structured interviews with organizations' senior managers, using a written interview guide that was shared at the interview or in advance. Complementary information was obtained via additional interviews with key informants who, by virtue of their professional activities, have broad insights into the labor market and employment dynamics.

The survey used a convenience sample, initially developed based upon guidance from key informants as well as review of the LISGIS *Report on the Liberia Labor Force Survey 2010*.²⁴ The aim was to select a range of organizational types (private companies, state-owned enterprises, NGOs), sizes and sectors that reflect the characteristics of the labor market and a range of employment opportunities, from the small high-end segment of the market to more prevalent types of “regular” businesses. An additional consideration was how best to identify and make contact with organizations that would be willing to participate in a survey that probes sensitive information.

Guided by these considerations, individual organizations were identified from listings in *The Monrovia Directory 2013 – 2014* and key informant recommendations (for larger or more established firms) and, for NGOs and MSMEs, via recommendations from individuals or organizations that work closely with such groups. The invitation process involved sending an invitation letter from the Civil Service Agency Director General, explaining the purpose, use and benefits of the survey, accompanied by an endorsement letter from the President of the Liberia Chamber of Commerce. For NGOs and micro-enterprises, contact was made directly, based on personal recommendations from the key informants. These methods were all important to gaining the confidence of participants. All participants were given a promise of confidentiality: while company names might be disclosed, the survey report would not identify specific salaries paid in specific organizations, but rather refer to ranges or typical examples in a manner that would, again, preclude identifying the employer. Participants were also promised a summary report following the close of the survey. Table 34 presents the participating organizations.

Thirteen other organizations from a variety of sectors (insurance, telecoms, retail, banking, concession, construction materials, and transport services) were approached but did not participate. Reasons included no interest in participating; expressed interest but did not respond to requests to schedule an interview; and communication difficulties.

Interviews took place in two rounds, in November-December 2013 and March 2014. The primary interviewer and survey manager was an international consultant. To promote knowledge transfer and draw upon Liberian expertise, the survey also drew upon an in-house CSA team for guidance, logistical support, and assisting with interviews.²⁵ Given the technical nature of the

²⁴ The guidance of the following individuals is gratefully acknowledged: Mr. Francis Dennis, President, Liberia Chamber of Commerce; Mr. Vaanii Baker, Operations Officer, International Finance Corporation; Mr. Eric Hage, Enterprise Development Specialist, IESC; Mr. Earnest Musinamwana, Market Research Manager and Mr. Daniel F. Togba, Monitoring & Evaluation Officer, Building Markets; and Ms. Avril Fortuin, Chief Executive Officer, Liberia Institute of Management.

²⁵ The CSA team comprised Ms. Retta Vincent, Mr. Honoré Tchou, Ms. Dorothy Meatee-Kiepee, Ms. Mahdea Belleka (advisory); Ms. Charlesetta Harris (logistics); Ms. Amelia Kollie, Ms. Musu Kerkula, (interview associates); and Jana Orac (principal interviewer).

questions and sensitivities of various respondents, however, some interviews were best conducted by the international consultant alone.

Table 34: Pay Survey Participating Organizations

Company	Sector	Staffing
Liberian Bank for Development and Investment (LBDI)	Banking	324 permanent, 45 full-time contractors
International Bank (IB Bank)	Banking	200
Guaranty Trust Bank (GT Bank)	Banking	96 permanent, 103 full-time contractors
Liberia Electricity Corporation (LEC)	Utility (SOE)	298 permanent, 46 contractors, 57 casual labor plus consultants & internationals
Monrovia Breweries	Food & Beverage	111 permanent, 40 contractors
Liberia Telecommunication Corporation (Libtelco)	Telecom (SOE)	145 permanent
Novafone	Telecom	109 permanent, 29 full-time contractors
City Construction	Construction	12 permanent, contractors as needed on projects
Neiama Engineering Construction	Construction	4 permanent, contractors as needed on projects
PA's Rib House	Hospitality	102 permanent, limited contractors
Activa Insurance	Insurance	8+ permanent, 20+ sales agents
AKN Restaurant & Catering	Hospitality	6 permanent, casual hires as needed
Business System Solutions	Retail	5 permanent, 11 apprentices
Crafty Ivoirian Refugees Cooperative	Food & Beverage	5+ permanent, casual labor as needed
Salvation Army Vocational, Technical & Professional Center	NGO	16 permanent, part-time contractors
International Executive Service Corps (IESC)	NGO	10-15 full time
New African Research & Development Agency (NARDA)	NGO	13 full-time (renewable contracts)

PAY SURVEY GUIDE FOR SEMI-STRUCTURED INTERVIEWS

The purpose of the interview is to collect information on the salaries and benefits that apply to a series of jobs at support, professional and management levels in Liberia.

Organization Profile

1. Main sector of operation
2. Number of years in operation
3. Ownership²⁶ & Legal status
 - a. e.g. Domestically²⁷ owned (only)? Foreign owned or some international investment?
 - b. Open shareholding company; closed shareholding company; sole proprietorship; partnership; limited partnership
4. Number of employees in Liberia – full time, part time, contractors or casual labor
5. Location and any branch offices (in other cities or counties, etc.)

Basic Salary

1. Official working days/hours; actual vs. official (i.e. is it common to work longer hours)
2. Do you have written rules or guidelines for establishing salary levels for employees? (e.g. a table of job levels and salaries for different job levels)
3. What currency are salaries quoted in? (Liberian dollars? US dollars?)
4. Do you pay gross or net salaries?
5. Are salaries quoted as monthly earnings? Other period?
6. Do you give regular salary increases (e.g. each year)?
7. Last salary increase (date & percent) and reason (e.g. cost of living, business conditions)
8. Next planned increase (date & est. %) and reason (e.g. cost of living, business conditions)
9. Overtime: Do you pay overtime for extra hours worked by any employees at professional and management levels?

Allowances & Benefits – Cash Or In Kind

Do you provide any allowances / benefits, in cash or in-kind? For example:

1. Transport to/from work
2. Meal allowance or subsidy (or provided by workplace)
3. Loans (e.g. for home purchase, vehicle, other)
4. Free or subsidized housing, or other housing benefits (e.g. electricity, water)
5. Company car
6. Car expenses (e.g. fuel, maintenance)
7. Vacation benefits (e.g. travel costs, holiday apartments)
8. Sports / leisure facilities (e.g. membership of sports club)
9. Dependents allowance (children, spouse)
10. Education of employee (e.g. help with tuition fees, study leave with or without pay)
11. Education of employee's children (e.g. school fees)
12. Entertainment allowance
13. Mobile phone (handset, air time, long-distance)
14. Any other allowances / benefits – please describe.
15. Daily subsistence allowance (DSA) for foreign or in-country travel

²⁶ According to International Finance Corporation (2009), 77.8% firms in Liberia are sole proprietorships, followed by partnerships (14.0%), closed shareholding company (5.3%), limited partnerships (2.0%), and finally open shareholding company (0.8%).

²⁷ “Domestic” includes owners of different ethnicities – Liberian, Lebanese, Indian, etc.

16. Insurance of any kind (e.g. accident, life, health)

Details of above

1. Who is eligible (which categories or grades)
2. Amount of Allowance / Benefit
3. Is the Allowance / Benefit taxable?

Bonus/Incentive Plans

Do you pay any bonuses?

1. Fixed bonus (e.g. 13th month)
2. Variable bonus (i.e. bonus based on individual or company performance)
3. Any other bonuses

Details of Bonuses

1. Which positions are eligible for bonus
2. Basis for deciding recipients and amounts (e.g. performance appraisal, sales target, etc.)
3. Average amount of bonus
4. Frequency of payment (e.g. annually, monthly)
5. Is bonus paid gross or net?

Social Benefits

1. Paid annual leave
2. Paid sick leave
3. Other leave, e.g. maternity, bereavement and so on
4. Do you provide any contribution to employees' medical costs (through social security or other) (e.g. visits to clinics, medications, hospital treatment)
5. Do you provide a monthly pension or lump sum payment when an employee retires?

Job Profile

1. Job title
2. Responsibilities
3. Monthly salary – range (minimum/maximum), average, or actuals for a specific incumbent
4. Allowances and benefits (see above)
5. Bonus
6. Profile (e.g. education/experience/skills, point in career, prospects for career growth)

Other

1. Workforce stability, turnover, level of interest by applicants
2. Skills Shortages: Any functions where you find it difficult to recruit and retain employees? (e.g. IT staff, financial staff)?
3. Languages: Which languages do you require employees to be fluent in?
4. Training opportunities, in or outside Liberia