

COMMUNIQUE

OF THE NATIONAL CSOS DOMESTIC RESOURCE MOBILIZATION DIALOGUE ON FINANCING FOR DEVELOPMENT

2025

Presented to:
The Government of
Liberia and
International Partners



A. INTRODUCTION

We, the undersigned representatives of national civil society organizations (CSOs), alliances, social justice movements, youth and feminist networks, academia, media, community-based organizations, international non-governmental organizations (INGOs), and private sector actors, convened on June 13, 2025, in Monrovia for the National CSO Dialogue on Domestic Resource Mobilization (DRM) and Financing for Development.

The Dialogue served as a strategic platform to deliberate on the interconnected crises affecting sustainable development in Liberia, particularly in the areas of climate justice, debt sustainability, tax justice, and the financing of public services. We gathered to articulate a common civil society position and to co-create a shared vision for a just, equitable, and inclusive domestic financing agenda that centers people, rights, and accountability.

B. COLLABORATIVE EFFORT OF DIVERSE STAKEHOLDERS

This Dialogue brought together a diverse range of stakeholders from all regions of Liberia, reflecting the urgency of coordinated and inclusive responses to development financing challenges. Participants included grassroots movements, rural women leaders, youth groups, religious and traditional leaders, trade unions, media organizations, academia, and representatives from the private sector.

Our discussions focused on the following thematic priorities: Climate justice and extractive reform; Debt relief and tax justice and Gender-responsive public services. These themes underscore a holistic approach to Domestic Resource Mobilization and financing for development that demands transparency, justice, and sustainability.

The convening marked a critical moment for civil society to reaffirm its commitment to transformational change and to assert its role in shaping economic policies that serve the interests of the Liberian people.

We commend the leadership and resilience of feminist organizations, youth networks, Indigenous peoples, and marginalized communities, whose lived experiences and advocacy continue to shape a just development path for Liberia.



**LIBERIA CIVIL SOCIETY ORGANIZATIONS SUPPORT
BY ACTIONAID LIBERIA**

Hold

**NATIONAL CSOs DOMESTIC RESOURCE MOBILIZATION
Dialogue on**

FINANCING FOR DEVELOPMENT



**CUT DOWN
ON CREDITS**

C. KEY OBSERVATIONS

The Dialogue revealed a set of urgent challenges and systemic barriers that undermine Liberia's capacity to finance its development through domestic means. These observations form the basis for our collective call to action:

1. Collapse of Traditional Aid and Rise of Economic Nationalism

Liberia and other countries in the Global South are navigating an increasingly volatile international order, marked by a sharp decline in concessional financing. For example, USAID support has declined by over 90%, while the United Kingdom and other traditional donors have significantly reduced development

unding in favor of domestic security and trade priorities. This has led to shrinking fiscal space and increased pressure on domestic resources.

2. A Deepening Debt Crisis and Global Power Imbalances

Liberia is currently trapped in a debt-servicing cycle that diverts more resources to creditors than to critical sectors such as health, education, agriculture and social protection. This reflects stark global power asymmetries and the failures of an unjust international debt architecture. According to ActionAid's 2024 report, Liberia now spends more on debt than it does on education and health combined. This trend is unsustainable and exacerbates inequality, poverty, and social exclusion.



+231886972738



Tarr Town, Old Road, Monrovia

info@actionaid.org



Although the extractive sector contributes more than 50% of Liberia's GDP, it accounts for just 16% of total domestic revenues which is also used to service debts owed by Liberia ending in a zero-sum equation in DRM. The 2024 joint study titled "Climate Financing Research on Domestic Resource Mobilization in the Extractive Industry in Liberia" conducted by ActionAid Liberia, MFDP, and EPA identified key causes: excessive tax incentives, weak regulatory enforcement, and opaque concession agreements. These structural inefficiencies enable multinational corporations to shift profits and avoid their fair share of taxation, depriving the nation of critical revenue.

Debt servicing obligations are compelling the government to exploit natural resources more aggressively—intensifying the use of fossil fuel and industrial agriculture to generate foreign currency. This has led to increased environmental degradation and deepened Liberia’s vulnerability to climate change. As a 2025 report “Who Owes Who?” shows, debt is now both a driver and a consequence of the climate crisis, disproportionately affecting frontline communities.

The underfunding of health and education systems continues to compromise human development outcomes. ActionAid’s “Stretched Thin” report and “The Human Cost of Public Services” show how austerity and inadequate public financing are undermining service delivery. Women and girls bear the brunt of failing social services forced to fill gaps left by the state, reinforcing unpaid care burdens and perpetuating cycles of gender inequality. We also need survivor-centered public services and the integration of trauma sensitive care in health and social service delivery.

The US\$359.55 million climate financing gap identified under Liberia's NDC 2.0 highlights the severity of underinvestment in resilience and mitigation. Moreover, the NDC stock take process revealed a lack of integration of vulnerable populations and the absence of gender-responsive strategies, despite clear evidence that climate impacts are disproportionately felt by women, youth, and marginalized groups.



7. Failed Policy Prescriptions from International Financial Institutions

The IMF and World Bank continue to promote austerity, wage bill ceilings, and privatization as conditions for financial assistance. These prescriptions have undermined Liberia's public sector capacity, including in health and education. Evidence shows that such policy measures have failed to yield sustainable outcomes, and instead have eroded state legitimacy and weakened public service delivery.

D. A CALL TO ACTION



In light of the urgent challenges identified, we, the undersigned Civil Society Organizations and allied stakeholders, hereby issue a unified and resolute Call to Action. This call centers on transforming Liberia's domestic resource mobilization strategy to reclaim public resources, realign development priorities with human rights, and ensure that financing decisions are equitable, inclusive, and sustainable.

1. Reject Austerity and IMF-Imposed Conditionalities

We urge the Government of Liberia and its partners to decisively reject harmful fiscal conditionalities often imposed by international financial institutions, particularly the International Monetary Fund (IMF). These include public spending cuts, wage bill caps, and the privatization of essential public services, which have historically undermined national health and education systems. These austerity measures compromise state capacity and disproportionately impact vulnerable populations, especially women and children. Instead, Liberia must adopt sovereign, rights-based economic policies that prioritize inclusive growth and public welfare over external demands that have shown to erode developmental gains.



2. Transform Global Debt and Development Architecture

We call upon the Government of Liberia to join other countries in the Global South to strengthen South-South cooperation in pursuit of comprehensive debt cancellation and systemic reform of the international financial system. This includes advocating for a United Nations Framework Convention on Sovereign Debt, which should establish binding, fair, and transparent mechanisms for debt restructuring and cancellation. Additionally, we support the establishment of a UN Framework Convention on Development Cooperation and a UN Convention on International Tax Cooperation to foster a more equitable, multilateral financial architecture. These measures will reduce dependency on creditor-driven negotiations and restore fiscal space for sustainable development.

3. Enact Progressive Tax Reforms to Mobilize Domestic Revenue

In order to address the significant shortfall in domestic revenue, Liberia must implement ambitious, fair, and progressive tax reforms. ActionAid's report, *Transforming Education Financing in Africa*, demonstrates that a five percentage-point increase in tax-to-GDP ratios across African Union countries could generate an additional \$146 billion annually. Liberia can contribute to this regional goal by increasing revenue through wealth and property taxation, revising capital gains and top-income tax rates, and ensuring robust enforcement against corporate tax evasion and avoidance.

Tax policy must also be designed to promote social justice. This includes eliminating regressive tax incentives that disproportionately benefit multinational corporations while depriving the public sector of critical funds. Revenue mobilization efforts must align with Liberia's constitutional and international human rights obligations—particularly regarding gender equality. Financing agreements and tax policies must be scrutinized through a gender lens to ensure they do not exacerbate disparities but instead contribute to women's economic empowerment and substantive equality.

Reforming Liberia's tax collection and payment architecture is critical to improving domestic resource mobilization. By introducing a more efficient, digital, and transparent tax payment system, the government can significantly reduce the long queues and bureaucratic hurdles that discourage compliance. Simplified procedures and mobile or online platforms will make it easier for both individuals and businesses to pay taxes, particularly in remote and underserved areas. Moreover, digital systems reduce human interface, thereby minimizing opportunities for bribery and corruption among tax collectors. This increased efficiency and transparency will not only encourage greater tax compliance but also broaden the tax base, enabling the government to capture more revenue that currently goes uncollected due to tax avoidance. In turn, these reforms can strengthen public trust in the system, ensure better service delivery, and reduce dependence on foreign aid by boosting Liberia's internally generated funds.

4. Eliminate Illicit Financial Flows and Promote Transparency

Liberia must confront the persistent challenge of Illicit Financial Flows (IFFs), which continue to drain much-needed public resources. This requires a robust legal and institutional framework capable of identifying, prosecuting, and deterring IFF-related crimes. Laws must be updated to criminalize IFFs and designate them as non-bailable offenses, particularly within high-risk sectors such as mining and forestry.

To enhance enforcement, the government should invest in modernizing tax and customs administration, incorporating digital technologies, electronic invoicing, and data analytics to identify abusive practices such as trade misinvoicing and transfer pricing manipulation. Regular, independent audits of multinational corporations especially in the extractive industries must become standard practice.

International cooperation is equally critical. Liberia should actively participate in regional and global platforms, such as the African Union High-Level Panel on IFFs, and support international frameworks that promote tax justice. Furthermore, the role of civil society and investigative journalism in exposing corruption and monitoring resource governance must be protected and financed. Public awareness campaigns should be launched to demonstrate how IFFs directly undermine development outcomes and service delivery.

5. Prioritize Gender-Responsive and Equitable Public Services

To achieve sustainable development, the Government of Liberia must view social sectors not as costs, but as long-term investments. Public investment must be guided by principles of gender justice, equity, and participation.

A gender-responsive budgeting framework should focus on four strategic dimensions: increasing the share of public budgets dedicated to social services; in line with this the Government needs to focus on increasing 5 Ss:

- Increasing the **Share** of national budgets dedicated to education (to at least 15%) and health (to at least 15%)
- Increasing the **Size** of government budgets overall (determined by tax, debt, macro-policies, overall public spending, trade etc.).
- Increasing the **Sensitivity** of education budget allocations – driven by an evidence-based approach to equity and improving effectiveness.
- Increasing the **Scrutiny** of education spending in practice – so resources are tracked (especially in the most disadvantaged communities), data quality is improved and the capacity to use data is enhanced.



- Increasing the **Structure** of public services, by expanding the number and reach of essential facilities such as safe homes, one-stop centers, and specialized courts across counties, particularly in rural areas where services are currently lacking.

Moreover, the government must institutionalize the care economy as a fundamental part of public service delivery. Investing in child care, elder care, and maternal health will not only ease the unpaid care burden carried by women and girls but also create jobs and stimulate inclusive growth.

6. Reform Extractive Sector Taxation and Governance



As revealed by the 2024 ActionAid Liberia report on DRM in Extractives, although this sector contributes over 50% of Liberia's GDP, it accounts for only 16% of domestic revenues—an alarming mismatch. The government must urgently review and reform the fiscal regime governing natural resource extraction.

This includes auditing and renegotiating all existing concession agreements to eliminate harmful tax holidays and ensure fair compensation to the state. A Resource Rent Tax should be introduced alongside strengthened royalty systems. Institutional oversight must be enhanced through transparent revenue management mechanisms, the publication of contracts, and the establishment of public registers detailing beneficial ownership. Communities affected by extractive operations must be consulted and compensated fairly, ensuring that the exploitation of national resources translates into social and economic development.

7. Enhance Debt Management, Fiscal Discipline, and Accountability

The country's debt management framework must be strengthened to avoid unsustainable borrowing and ensure fiscal discipline. We recommend the creation of a fully autonomous Debt Management Office equipped with skilled personnel and modern debt recording tools such as CS-DRMS.

A medium-term fiscal framework should be adopted to keep borrowing within sustainable limits, complemented by legal debt ceilings that require legislative oversight.

Public debt data must be published annually, and a multi-stakeholder Debt Management Committee should be established to review performance and ensure public transparency. The establishment of a Sovereign Wealth Fund to manage resource revenues and a diversified revenue strategy will help reduce dependency on high-cost external financing. Citizens must be empowered to track debt expenditures and demand accountability from public officials.

8. Expand Civil and Political Space for Inclusive Development

Liberia's development trajectory cannot be realized without a thriving civic space. The government must ensure the full protection of civil liberties, including freedom of expression, association, and assembly. Civil society organizations, grassroots movements, and independent media must be recognized as development partners—not adversaries.

Participatory governance should be institutionalized through regular citizen engagement in budget processes, procurement monitoring, and tax policy consultations. Whistleblower protections must be enacted to encourage the reporting of corruption, and journalists must be safeguarded from intimidation or violence. A democratic and inclusive governance environment is the foundation for sustainable financing and long-term national transformation.

CONCLUSION:

A COLLECTIVE MANDATE FOR TRANSFORMATION

We are at a historic crossroads. Liberia and countries across the Global South must break from unsustainable models of development driven by debt, austerity, and extraction. This Communiqué represents a collective civil society mandate to reimagine domestic resource mobilization as a transformative vehicle for justice, equality, and resilience.

We call upon the Government of Liberia, regional blocs, and international partners to embrace this opportunity to realign our financing systems with the needs of the people. Together, we must build a new social contract, one where public resources serve the public good and development is defined by justice, not just GDP.



Endorsed by the following Institutions:

1. National Civil Society Council of Liberia
2. ActionAid Liberia
3. Women NGO Secretariat of Liberia
4. RFSU
5. Center for Transparency and Accountability in Liberia
6. NGO Coalition of Liberia
7. Federation of Liberia Youth
8. CSO Budget Platform
9. CSO Tax Justice Working Group
10. Amplifying Rights Network
11. Informal Working Group on SRHR
12. National Alliance of Climate & Environment NGOs of Liberia
13. Liberia Coalition for Climate Justice
14. medica Liberia
15. Activista Liberia
16. Multi Actors Platform (MAP Liberia)
17. Integrity Watch
18. Fiscal Transparency Advisory Group
19. Liberia Women Human Rights Defenders
20. Women Agriculture for Sustainable Development
21. Young Feminist Movement



22. Liberia Feminist Forum
23. Female Journalists Association of Liberia
24. Rural Women Network
25. Women Farmers Alliance
26. Liberian Youth Biodiversity Network
27. Global Platform Liberia
28. New Narratives
29. Consortium of indigenous people and local community
30. Liberia Coalition of Human Rights Defenders
31. Women Entrepreneurs & Environmental Links (WEEL)
32. National Coalition Against Harmful Practices (NACAHP)
33. National Union for Community Forest Management Bodies
34. National Union for Community Forest Development Committees
35. Liberian Students Union
36. Federation of Liberian Youth

