



Finance Minister Ngafuan

## **Press Statement**

July 20, 2010

The Ministry of Finance will this week begin the payment of domestic debts to local vendors and the payment of salary arrears to officers and enlisted men of the former Arm Forces of Liberia.

Payment to claimants of valid domestic debt in class 5 will begin on Thursday July 22, 2010. Category five covers domestic debt claimants between 50 and 95 thousand United States Dollars. A statement from the Media Services Unit of the Ministry said the decision to pay domestic debt at this time is in fulfillment of government's promise to settle domestic obligations in a timely manner and in accordance with the "Domestic Debt Resolution Strategy" adopted in 2008.

The Finance Ministry therefore calls on all domestic debt holders that were validated in Class 5 to present valid government issued identification, proof of ownership of claim and power of attorney if applicable. In spite of the continuing fiscal constraints, the Government of Liberia has already settled domestic arrears for people in categories 1 to 4.

In a related development, the Ministry of Finance has also released information about the payment of two months' salary arrears to officers and enlisted men of the former Arm Forces of Liberia across the country, beginning Wednesday July 21, 2010. This will be the final payment to officers of the former AFL while two months of arrears owed the enlisted men will be settled during the budget year.

At the sametime, the Department of Expenditure of the Ministry of Finance will also this Thursday begin the disbursement of regular civil servants salary for the month of July through the various commercial banks. The decision to pay civil servants in the absence of the passage into law of the National Budget is in line with the Public Financial Management Act of 2009.

Section 17 of the PFM Act under the subtitle *Temporary Financing of the Budget and Adoption of the Budget* authorizes the Minister of Finance to carry out such action.

The section states that “In the case where the Legislature is unable to adopt the National Budget before the start of the fiscal year, the Minister (that is the Minister of Finance) is authorized to collect revenues and approve expenditures of, in line with the proposed budget, up to one- twelfth (1/12) of the budget of the previous year”.

The Ministry of Finance assures that it will continue to act in line with the financial laws of the Liberia to meet the needs of the people. The Minister of Finance and the entire staff of the ministry want to wish all Liberians a Happy July 26 Independence Day Celebration.

Issued by:

Media Services and Public Affairs Unit

Ministry of Finance