Promoting Accountability of Public Resources

AUDITOR GENERAL'S REPORT

On the Financial Statements Audit of Liberia Sustainable Management of Fisheries Project (LSMFP); LSMF: PROJECT: P172012

LOAN No. IDA V3100, IDA D9070 & IDA 69850

For Year Ended December 31, 2025

June 2026

P. Garswa Jackson Sr. FCCA, CFIP, CFE
Auditor General, R. L.

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Republic of Liberia

AUDITOR GENERAL'S REPORT

June 25, 2026

Hon. J. Cyrus Saygbe, Sr.
Director General
National Fisheries & Aquaculture Authority (NaFAA)
Bushrod Island
Montserrado, Liberia

AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS AUDIT OF THE LIBERIA SUSTAINABLE MANAGEMENT OF FISHERIES PROJECT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025.

Opinion

We have audited the accompanying financial statements of the Liberia Sustainable Management of Fisheries Project (LSMF) Project: P172012, LOAN No. IDA V3100, IDA D9070 & IDA 69850 for year ended December 31, 2025 which comprise the Statements of Receipts and payments, Statement of Comparison of Budget and Actual Amounts and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Statement of Receipts and Payments as at December 31, 2025, the Statement of Comparison of Budget and Actual Amounts and a summary of other accounting policies and other explanatory notes for the period then ended in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting.

Basis for opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Liberia Sustainable Management of Fisheries Project (LSMFP) Implementing Unit (PIU) of National Fisheries and Aquaculture Authority (NaFAA) in accordance with the ethical

requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS 2017) Cash Basis of Accounting and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Receipts and Payments. The procedures selected depends on the auditor's judgment, including the assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Statement of Receipts and Payments in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Statement of Receipts and Payments.

P. Garswa Jackson Sr., FCCA, CFIP, CFE
Auditor General, R. L.

Monrovia, Liberia
June 2026

LSMFP FINANCIAL STATEMENTS DECEMBER 31, 2025.

Liberia Sustainable Management of Fisheries Project

Financial Statement of World Bank Funded Project
for the year ended December 31, 2025.
LSMF: Project: P172012
Loan No. IDA V3100, IDA D9070 & IDA 69850

Ministry of Finance & *Dev't* Planning
Project Financial Management Unit (PFMU)

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Statement of Project Management Responsibility

The Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning and the Project Coordinator for Liberia Sustainable Management of Fisheries project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on December 31, 2025.

This responsibility includes (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii)maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii)designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud,(iv) safeguarding the assets of the project, (v)selecting and applying appropriate accounting policies and (v)making accounting estimates that are reasonable in the circumstances.

The PFMU and the Project Coordinator for Liberia Sustainable Management of Fisheries project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The PFMU and the Project Coordinator for Liberia Sustainable Management of Fisheries project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended December 31, 2025, and of the Project's financial position as at that date. The PFMU and the Project Coordinator for Liberia Sustainable Management of Fisheries project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The PFMU and the Project Coordinator for Liberia Sustainable Management of Fisheries project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Project Financial management Unit and the Project Coordinator for Liberia Sustainable Management of Fisheries project on February 24th **2026**

GENERAL INFORMATION

PROJECT MANAGEMENT TEAM

Project Financial Management Unit:	Papin Daniels, CA, CPA, CFE Unit Director Project Financial Management Unit (PFMU) Leroy N. Fendor, CA, CPA Deputy Director Subozu Kollie, CFE, CA, CPA Project Internal Auditor
Registered Office:	Project Financial Management Unit (PFMU) Ministry of Finance Broad and Mechlin Street Monrovia - Liberia
Project Implementation Unit:	Atty. Abraham Dioh Project Coordinator Liberia Sustainable Management of Fisheries Project National Fisheries and Aquaculture Authority Bushrod Island Monrovia - Liberia
Project Location:	National Fisheries and Aquaculture Authority Bushrod Island Monrovia, Liberia
Bankers:	Ecobank Liberia Limited 11th Street, Sinkor Monrovia

STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2025

In United States Dollars	Notes	**December 31. 2025**	December 31. 2024	Cummulative
Receipt				
IDA Grant	4	**5,284,495**	4,543,730	19,420,506
Toptal Receipt		**5,284,495**	4,543,730	19,420,506
Payment				
Component 1	5	**2,955,194**	3,185,827	7,229,238
Component 2	6	**816,544**	180,265	2,309,640
Component 3	7	**1,168,438**	319,440	1,629,335
Project Management	8	**664,546**	745,516	3,424,547
Project Preparation Advance	9	**-**	-	1,542,983
Total Payments		**5,604,722**	4,431,049	16,135,742
Excess of receipts over payments (payments over receipts)		**(320,227)**	112,682	3,284,764
Fund Balance as at beginning		**3,604,991**	3,492,309	-
Cummulative fund balance		**3,284,764**	3,604,991	3,284,764

The notes on pages 6 to 10 are integral part of these project financial reports

STATEMENT OF FUND BALANCEAND CASH STATUS FOR THE PERIOD ENDED DECEMBER 31, 2025

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	In United States Dollars	Notes	**December 31. 2025**	December 31. 2024
A	**Fund Balance**			
	Balance of Project Fund		**3,604,991**	3,492,309
	Add: Total Receipts during the period		**5,284,495**	4,543,730
	Total Fund available for operations		**8,889,486**	8,036,039
	Less: Total Payments during the period		**5,604,722**	4,431,049
	Balance of project fund at the end of the year		**3,284,764**	3,604,991
B	**Cash Status:**			
	EcoBank		**3,284,457**	3,604,371
	Petty Cash		**307**	620
	Total Cash on hand and in bank		**3,284,764**	3,604,991
	Difference between A and B		**-**	-

The notes on pages 6 to 10 are integral part of these project financial reports

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025 4

Uses of Funds By Activity Within Components

Activities Within Components	Project Allocation US$	Annual Budget US$	Year to date Expenditure US$	Variance US$	% of Variance
Component 1	11,110,000	4,144,998.00	2,955,194	1,189,804	**29**
Component 2	21,000,000	4,625,640.00	816,544	3,809,096	**82**
Component 3	2,000,000	2,860,000.00	1,168,438	1,691,562	**59**
Component 4	5,890,000	867,400.00	664,546	202,854	**23**
GRAND TOTAL	**40,000,000**	**12,498,038**	**5,604,722**	**6,893,316**	55

The notes on pages 6 to 10 are integral part of these project financial reports

Variance Explanation

Management wishes to clarify that the principal variances identified during the reporting period arose from the approved restructuring of the Liberia Sustainable Management of Fisheries Project (LSMFP). The rationale for the restructuring, including the corresponding adjustments to project activities, component allocations, and budgetary provisions, was comprehensively documented in the Project Restructuring Paper. This document was formally endorsed and transmitted by the Ministry of Finance and Development Planning and subsequently approved through the applicable World Bank processes.

Accordingly, the basis for the reported variances was disclosed through the restructuring documentation maintained as part of the Project's official records. Notwithstanding the foregoing, Management acknowledges that incorporating specific budget variance notes within the financial statements would enhance transparency, facilitate ease of reference for users of the financial statements, and further strengthen compliance with the disclosure requirements of the Revised Cash Basis IPSAS.

Management therefore accepts the recommendation and commits to ensuring that future financial reports include detailed explanatory notes for all material budget-to-actual variances, with appropriate cross-references to supporting documentation where applicable.

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED DECEMBER 31, 2025

In United States Dollars	**December 31. 2025**	December 31. 2024
Assets		
Cash and cash equivalent	**3,284,764**	3,604,991
Total Assets	**3,284,764**	3,604,991
Fund Balance		
Grants	**3,284,764**	3,604,991
Accumulated Fund Balance	**3,284,764**	3,604,991

29/06/26

Papin Daniels, Jr.
Director, Donor Financed Projects
PFMU, MFDP

29/06/26

Atty. Abraham Dioh
Project Coordinator
LSMFP, NAFAA

The notes on pages 6 to 10 are integral part of these project financial reports

NOTES TO FINANCIAL STATEMENTS 6

1. Background and Information of the Project

With support from the International Development Association; the Liberia Sustainable Management of Fisheries Project is to improve fisheries management and enhance livelihood and income for government and targeted beneficiaries. The project design is based on a holistic and integrated approach focusing on the fisheries sector by (a) improving governance and management reforms, developing human and institutional capacity, and improving policies, strategies, institutional and legal frameworks; (b) supporting activities that aim at increasing the national value addition provided by the fisheries sector, such as the establishment of an industrial and artisanal fish landing sites at the Mesurado Pier, Monrovia, toward improving conditions for industrial fish landing and for export of high-value fish species and fish products; and (c) supporting marine fisheries production. The World Bank approved the Liberia Sustainable Management of Fisheries Project on January 21, 2020 with a grant amount of USD 3,678,895.56.

The Project consists of the following components:

Component 1: Improving management of selected fisheries
Sub-component 1.1. Institutional strengthening and capacity building.
This sub-component will support ongoing reforms of key aspects of the sector's institutional, policy and legislative regimes, and also strengthen and equip national and sub-national fisheries institutions with capacity to sustainably manage the sector and fisheries resources. The component will also support enhancing cooperation and coordination mechanisms and capacity building across the various sector actors.

Sub-component 1.2. Improving management of selected fisheries.
This sub-component will sustain and enhance the national fisheries reform results obtained during the WARF-P project and prepare Liberia for the long-term goal of sustainable fisheries sector growth led by the private sector and embracing stronger and sustained participation by fishing communities.

Component 2: Improving handling of fish and fish products
Sub-component 2.1. Strengthening national post-harvest value systems.
This sub-component will support (i) procurement of fishing equipment and gears, including fiber glass semi-industrial vessels for piloting in 9 counties); (ii) expansion of the NaFAA office to create additional work space for project and NaFAA staff; (iii) construction/expansion of the fishery hub at the Mesurado pier which is under development in Monrovia to provide for a semi industrial and artisanal fish landing site with shore facilities for fish auction, processing and marketing, and provision for private sector investment in ice production and chill storage.

Sub-component 2.2. Support focused on women.
As women are important players in the fisheries sector in Liberia, particularly in the post-harvest sector, the project will have specific activities to support women and women entrepreneurship development, including financial management.

Component 4: Support to Aquaculture Development
This component will support hatchery support and strengthen extension and advisory services, deepening the engagement of private sector in aquaculture and promoting climate smart technology in aquaculture for enhanced productivity.

Component 4: Project management
This component will support the implementation, management, coordination and oversight of the proposed project, including establishing and implementing a simple and smart monitoring and evaluation (M&E) system,

and training of the implementing entities on applying the new World Bank's environmental and social framework (ESF) and standards (ESS). Among others, this component will also finance the establishment and operations of project implementation units/entities (PIUs), including the salaries of staff hired to implement the proposed project. Furthermore, the component will provide funds for new and relevant studies identified and agreed during implementation of the project. Funds from this component can also be used to prepare follow on projects or additional financing.

Project Preparation Advance
The Government will be submitting a request for a project preparatory advance (PPA) to finance a number of preparatory activities, including consultancy services and studies, non-consultancy services, operation and maintenance as well salaries of project staff. The estimate under the PPA amounts to US$3,678,895.56 and will be part of the total project envelope of US$40 million.

2. Use of Grant Proceeds

The table below sets out the activities to be financed out of the grant proceeds, the allocation of the amounts of the grant to each activity is shown below:

Activities	**Amount of grant allocated US$**
Improving management of selected fisheries	11,110,000.00
Improving handling of fish and fish products	21,000,000.00
Support to Aquacultue	2,000,000.00
Project management	3,704,602.78
Project Preparation Advance	2,185,397.22
	40,000,000.00

All categories of expenditure shown in these financial statements are fully financed based on the percentage below:

	% of Expenditure
IDA grant	100
Total	**100**

3. Significant Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with the Cash Basis International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Liberia and in the manner required by the Project Grant Agreement as required by the World Bank's Operating Policies and Procedures and PFMU's Financial Management manual.

Reporting currency

Financial reports have been presented in United States Dollars. Transactions denominated in other currencies are translated into United States Dollars and recorded at the rate of exchange ruling at the date of transactions. Balances denominated in other currencies are translated into United States Dollars at the rate of exchange prevailing on the reporting date.

Loan Receipts

Loan from donors for the LSMF project is recognized and reported in the Statement of Receipt and Payment as income when received and held in a bank account called deferred income account for transitory purposes.
Amounts approved for disbursement are transferred from the deferred account into another bank account called the designated account. All payments for the LSMF project and activities are made from the designated account.

Cash and bank balances

Cash consist of cash in hand and balance at bank.

Recognition of expenditure

All expenditures are expensed whether they are revenue or capital in nature and income is recognized when funds are received from the World Bank.

Tax

The project is 100 percent inclusive of tax.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

In United States Dollars	**December 31. 2025**	December 31. 2024	Cumulative
4 Fund Received in DA			
IDA V3100	**-**	-	3,030,440
IDA D9070	**2,176,264**	4,543,730	13,279,519
IDA 69850	**3,091,246**	-	3,091,246
Other Receipts	**16,986**	-	19,301
Total funds received in DA	**5,284,495**	4,543,730	19,420,506
Third Paty Payments			
IDA V3100	**-**	-	642,415
IDA D9070	**-**	953,818	5,826,554
	-	953,818	6,468,968
5 Improving management and governance of fisheries			
Institutional Strengthening and Capacity Building			
Consultant Services	**224,536**	460,874	685,410
Operating Expenses	**77,630**	42,607	120,236
Works	**100,490**	-	100,490
Training	**16,030**	21,962	37,992
	418,686	525,443	944,129
Improving Management of Selected Fishries			
Consultant Services	**118,633**	137,282	773,909
Operating Expenses	**37,166**	83,503	148,966
Training	**-**	12,100	13,233
Works	**290,390**	127,962	418,352
	446,189	360,847	1,354,461
Support to management of information on fisheries			
Consultant Services	**1,188,545**	749,461	2,063,322
Operating Expenses	**131,858**	72,658	209,361
Training	**12,000**	30,947	65,315
Works	**-**	541,848	890,982
	1,332,403	1,394,914	3,228,981
Support to community-led fisheries management			
Consultant Services	**646,577**	615,682	1,301,388
Operating Expenses	**41,323**	37,677	79,000
Works	**70,015**	251,264	321,280
	757,916	904,624	1,701,668
Subtotal	**2,955,194**	3,185,827	7,229,238

NOTES TO THE FINANCIAL STATEMENTS *(continued)* **10**

In United States Dollars	**December 31. 2025**	December 31. 2024	Cumulative
Support focus on women			
Consultant Services	**-**	14,610	1,327,441
Operating Expenses	**-**	23,090	23,090
Training	**-**	3,340	3,340
	-	41,040	1,353,871
Subtotal	**816,544**	180,265	2,309,640
7 Improving value - addition of fish and fish products			
Hatchery support and strengthening of extension and advisory services			
Consultant Services	**867,341**	86,289	1,034,655
Operating Expenses	**185,488**	2,723	212,644
Training	**42,242**	-	78,242
	1,095,071	89,012	1,325,541
Deepening the engagement of private sector in aquacultue			
Consultant Services	**-**	230,428	230,428
Operating Expenses	**46,375**	-	46,375
Training	**26,992**	-	26,992
	73,367	230,428	303,794
Promoting climate smart technology in aquaculture for enhanced productivity	**-**	-	-
	1,168,438	319,440	1,629,335
8 Project Management			
Consultant Services	**406,576**	414,050	2,078,268
Goods	**-**	19,172	43,261
Operating Expenses	**248,299**	290,230	1,171,288
Training	**9,671**	22,064	131,729
	664,546	745,516	3,424,547
9 Project Preparation Advance			
Consultant Services	**-**	-	1,276,450
Goods	**-**	-	145,388
Operating Expenses	**-**	-	121,145
	-	-	1,542,983

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	In United States Dollars	**December 31. 2025**	December 31. 2024	Cumulative
10	**Contingent Emergency Response Component (CERC)**	**-**	-	-
		664,546	745,516	4,967,529
11	**Cash receipts through the Designated Account**			
	IDA grant	**5,284,495**	4,543,730	19,420,506
12	**Cash paid**			
	Improving management and governance of fisheries	**2,955,194**	3,185,827	7,229,238
	Improving value - addition of fish and fish products	**816,544**	180,265	2,309,640
	Improving value - addition of fish and fish products	**1,168,438**	319,440	1,629,335
	Project Management	**664,546**	745,516	3,424,547
	Project Preparation Advance	**-**	-	1,542,983
	Total Payments	**5,604,722**	4,431,049	16,135,742

PROJECT DESIGNATED ACCOUNT STATEMENT 12

Account Number:	6101700972
Account Type:	Current Account
Depository Bank:	Ecobank (Liberia) Limited
Address:	11th Street, Sinkor Monrovia, Liberia

Currency: United States Dollar

	December 31. 2025	December 31. 2024
Total Funds Received	**5,284,495**	4,543,730
Total funds received in DA	**5,284,495**	4,543,730
Amount spent	**5,604,722**	4,431,049
Balance as at beginning	**3,604,991**	3,492,309
Balance as at December 31, 2025	**3,284,764**	3,604,991
Closing Balance Consist of:		
Petty Cash-LSMFP	**307**	620
Petty Cash-CMA	**-**	-
Eco Bank (6101700972)	**-**	-
Eco Bank (6101852102)	**3,284,457**	3,604,371
	3,284,764	3,604,991